

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF BEAUFORT )

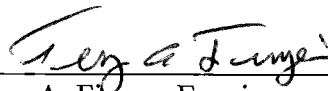
AFFIDAVIT TO RECORD

I, Terry A. Finger, Esquire do hereby state that:


1. I serve as general counsel for Hampton Hall Club, Inc.

2. This Affidavit is made to record the attached Third Amended and Restated By-Laws of Hampton Hall Club, Inc. in order to meet the requirements of South Carolina Code §27-30-110, et seq. known as The South Carolina Homeowners Association Act which amended Title 27 of the 1976 Code of Laws of South Carolina.

FURTHER AFFIANT SAYETH NOT.

  
\_\_\_\_\_  
Terry A. Finger, Esquire

SWORN to before me this  
7<sup>th</sup> day of January, 2019.

  
\_\_\_\_\_  
Notary Public for South Carolina  
My Commission Expires: 4/25/2020

**THIRD AMENDED AND RESTATED  
BY-LAWS  
OF  
HAMPTON HALL CLUB, INC.**

**ARTICLE I  
IDENTITY**

The following By-Laws shall govern the operation of the Hampton Hall Club, Inc.

Section 1.01. Name. The name of the corporation is the Hampton Hall Club, Inc., a mutual benefit, nonprofit corporation (hereinafter referred to as the "Club") organized and existing under the laws of the State of South Carolina.

Section 1.02. Offices of the Club. The offices of the Club shall be at the temporary offices of Hampton Hall, LLC (hereinafter referred to as the "Company"), at 4 Hampton Hall Blvd., Bluffton, SC 29910 but such office shall automatically change to its address on Property when the permanent office of the Club is opened on the Property, or at such other place as may be subsequently designated by the Board of Directors of the Club.

Section 1.03. The seal of the Club shall bear the name of the Club, the words "South Carolina," the words "nonprofit corporation" and the year of incorporation.

**ARTICLE II  
DEFINITIONS**

Section 2.01. General. All terms used herein and not otherwise defined shall have the meaning ascribed to them in that certain DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR HAMPTON HALL CLUB dated March 17, 2003, and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, as amended ("Declaration"), certain provisions of which Declaration may be repeated in full or in part and may be renumbered from as they appear in the Declaration.

**ARTICLE III  
MEMBERSHIP AND VOTING PROVISIONS**

Section 3.01. Membership. The purpose of the Club is to provide the opportunity for persons to obtain a homesite in a private residential community with certain recreational amenities and to provide homeowners at Hampton Hall and certain other persons the opportunity to join a golf club. A person becomes a Member of Hampton Hall Club by either purchasing a lot or home at Hampton Hall Club (such persons referred to as Club Members) and/or by purchasing a property owner Golf Membership or a non-property owner Golf Membership at Hampton Hall Club (such persons referred to as Golf Members). The Company and every Person acquiring a membership in the Hampton Hall Club, Inc., pursuant to that Amended And Restated Plan For The Offering Of Memberships dated March, 2003, as amended December 2005 , shall be a member ("Member") of the Club (the collective body of all Members being referred to as the

"Membership"); provided, however, that any such person or entity holding title or interest in a Homesite merely as a security for performance of an obligation shall not be a Member of the Club. Status as a Member may be transferred only as provided for in the Declaration and/or the Plan For The Offering Of Memberships. In accordance with regulations of the South Carolina Department of Revenue for alcoholic beverage licenses and notwithstanding any other provision of these Bylaws or the Plan For The Offering Of Memberships, a minimum of twenty-four (24) hours must elapse between the time that a person applies for Membership in the Club and the time that a person becomes a Member of the Club.

Section 3.02. Voting Rights. Voting Rights are established as set forth in Article IV of the Declaration. All Class "A" Members, including Golf Members, in good standing may vote on matters relating to Club Facilities. However, only Class "A" Members who are also Golf Members and Class "C" Members may vote on matters relating to the Golf Facilities. While there is a Class "B" Membership, the Class B Member may vote on all matters relating to both Club Facilities and Golf Facilities.

Section 3.03. Quorum Required for Any Action Authorized at Regular or Special Meetings of the Club. The quorum required for any action that is subject to a vote of the Members at any regular or special meeting shall be as follows:

On the original date that a meeting of the Members of the Club is called to vote on a particular action proposed to be taken by the Club, (i) the presence at the meeting of Class A Members and/or proxies entitled to cast forty percent (40%) of the total vote of the Class A Membership shall constitute a quorum with respect to matters relating to Club Members and/or Club Facilities, and (ii) the presence at the meeting of Golf Members and/or proxies entitled to cast forty percent (40%) of the total vote of the Golf Membership (i.e., 40% of the total vote of Class A Members who are Golf Members and the Class C Members) shall constitute a quorum with respect to matters relating to Golf Members and/or Golf Facilities. If the required quorum is not forthcoming at any such meeting, the meeting, or portion thereof relating to Club Facilities or Golf Facilities, as applicable, shall be adjourned and a second meeting shall be called subject to the giving of proper notice under the provisions of Article IV, Section 4.04 hereof, and the required quorum at such meeting shall be the presence of Club Members with respect to matters relating to Club Members and/or Club Facilities and Golf Members with respect to matters relating to Golf Members and/or Golf Facilities or proxies entitled to cast twenty-five percent (25%) of the total vote of the Club Membership or Golf Membership as applicable of the Club. In the event the required quorum is not forthcoming at the second meeting, a third meeting may be called subject to the giving of proper notice and there shall be no quorum requirement for such third meeting. Unless otherwise provided, any reference hereafter to "votes cast at a duly called meeting" shall be construed to be subject to the quorum requirements established by this Section 3.03, and any other requirements for such "duly called meeting".

Section 3.04. Proxies. Votes may be cast in person or by proxy. Except for any category of membership established by the Club which specifically does not include the right to vote, all Members as identified in the Information Profile or Application for Golf Membership Privileges, as applicable, as of the date of any applicable meeting may vote and transact business with respect to matters relating to Club Facilities at such meeting of the Club in person or by proxy meeting the requirements as hereinafter set forth. Only Golf Members may vote on matters relating to the Golf Facilities. Any proxy that fails to meet the requirements hereinafter set forth shall be invalid and automatically void.

Every proxy shall be (i) in writing specifying the Member (and the Homesite if the Member owns a Homesite) for which it is given, (ii) signed by the Member, or such Member's duly authorized attorney-in-fact with adequate proof of such authority attached (iii) dated, and (iv) filed with (and actually received by) the Club's Secretary prior to the meeting for which it is to be effective. A proxy shall cover all votes of the Homesite of the Member. When more than one Person owns a Homesite, only the person designated as the Member on the Information Profile or Application for Golf Membership Privileges, as applicable, shall be entitled to vote. Every proxy shall be revocable and shall automatically cease upon: (i) conveyance of a Homesite for which it was given, or (ii) receipt by the Secretary of the Club prior to the applicable meeting of written revocation of such proxy by the Member who gave the proxy or, in the case of a natural person, the death or judicially declared incompetence prior to the applicable meeting of the Member who gave the proxy, or (iii) the earlier of any date set forth in the proxy concerning its term or six months from the date of the proxy.

Section 3.05. Majority Vote. At a meeting at which a quorum is present, the vote of a majority (i.e., more than 50%) of the Club Members present at the meeting, who are entitled to vote, shall be binding upon all Club Members with respect to matters relating to Club Members and/or the Club Facilities for all purposes except when the Declaration, these By-Laws, or the laws of South Carolina require a higher percentage. At a meeting at which a quorum is present, the vote of a majority (i.e., more than 50%) of the Golf Members present at the meeting, who are entitled to vote, shall be binding upon all Golf Members with respect to matters relating to Golf Members and/or the Golf Facilities for all purposes except when the Declaration, these By-Laws, or the laws of South Carolina require a higher percentage.

#### **ARTICLE IV** **MEETING OF THE MEMBERSHIP**

Section 4.01. Place. All meetings, annual and special, of the Club Membership shall be held at the office of the Club, or at such other place and at such time as shall be designated by the Full Board and stated in the notice of meeting. The portion of the meeting relating to Club Members and/or Club Facilities shall be open to all Members (excluding the Class C Members) and such matters shall be heard first. Upon conclusion of the matters relating to Club Members and/or Club Facilities, all Club Members who are not Golf Members shall be excused, the Class C Members may join the meeting, and Golf Members (both Class A Members who are Golf Members and Class C Members) shall then hear matters relating to Golf Members and/or the Golf Facilities. The portion of the meeting relating to Golf Facilities is only open to Golf Members.

Section 4.02. Record Date. The Board of Directors shall fix a record date for determining Members entitled to notice of each annual or special meeting. Such record date shall be at least ten (10) but not more than sixty (60) days before the meeting. Notwithstanding whether a Person shall have received notice, a Person who is not a Member of the Club as of the date of the applicable meeting shall not be entitled to vote and all Members who can prove Membership in the Club as of the date of the applicable meeting may appear and vote whether or not such Person received notice of the meeting.

Section 4.03. Membership List. After a record date for a notice of a meeting has been fixed by the Board of Directors, a complete list of Members of the Club as of such record date shall be prepared by the Secretary. This Membership list shall list the Members by classification of membership (Club, property owner Golf & Club, non-property owner Golf, etc.) and, for Members who own Homesites, by classification of Homesite (i.e., improved, unimproved, or Builder) and shall include the addresses and number of votes each Member is entitled to vote at the meeting. Such list shall be maintained in the office of the Club beginning the day after notice is given of the meeting for which the list was prepared and continuing through the meeting. It shall be up to any Member who is not on the list to provide adequate evidence to the Secretary of the Club that such Person is a Member as of the date of the meeting and entitled to vote.

Section 4.04. Notices. Except as otherwise provided in the Declaration or these By-Laws, 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, at least ten (10) days (but not more than thirty (30) days) before such meeting to each Member entitled to vote thereat, to the Homesite of the Member (or such other address as designated by the Member and received by the Club as set forth in Section 15.04 hereafter). If a Member does not own a Homesite, then such notice shall be mailed to the address as set forth in the Application for Golf Membership Privileges or such other address as designated by the Member and received by the Club as set forth in Section 15.04 hereafter. If permitted, notice of all meetings shall also be posted in a conspicuous, prominent place within the community. Any person who becomes a Member following the record date shall be deemed to have been given notice if notice was sent to his predecessor-in-title (regardless of the address that may have been designated by such predecessor). 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. No other business may be conducted at a special meeting except as specifically stated in the notice. When mailed, the notice of meeting shall be deemed delivered three (3) days following the date deposited into the mail with postage prepaid. Failure of a Member to actually receive any such notice shall not affect the validity of any action taken at the applicable meeting. Notwithstanding the above, notices of special meetings of Club Members shall be sent to all Class "A" Members whereas special meetings of Golf Members shall only be sent to Class "A" Members who are also Golf Members and to the Class C Members.

Section 4.05. Quorum. The presence at the meeting of Members entitled to cast, or the proxies entitled to cast the number of votes as set forth in Section 3.03 above shall

constitute a quorum for any action except as otherwise provided in the Club's Articles of Incorporation, the Declaration, or these By-Laws.

Section 4.06. Annual Meeting. The annual meeting shall be held on the 1<sup>st</sup> Monday of December of each year at such time as fixed by the Board of Directors or such other day as the Board of Directors may determine for the purpose of electing directors and transacting any other business authorized to be transacted by the Members; provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next business day following such holiday. Subject to the right of the Declarant to appoint all directors as long as there is a Class B Membership, after the Turnover Date, the Class "A" Members at each annual meeting shall elect new directors of the Board of Directors in accordance with Article V of these By-Laws, and shall transact such other business as may properly be brought before the meeting. As long as Declarant is the Class B Member and has the right to appoint all directors of the Board, no notice of annual meeting need be given the Membership if the only order of business is the designation of directors of the Board by Declarant.

Section 4.07. Special Meetings. Special meetings of the Club Members for any purpose or purposes relating to Club Members and/or Club Facilities, unless otherwise prescribed by statute, may be called by the President of the Club and shall be called by the President or Secretary of the Club at the request, in writing, of Club Members holding fifteen percent (15%) or more of the total vote of the Club Membership, which request shall state the purpose or purposes of the proposed meeting. Special meetings of the Golf Members for any purpose or purposes relating to Golf Members and/or Golf Facilities, unless otherwise prescribed by statute, may be called by the President of the Club and shall be called by the President or Secretary of the Club at the request, in writing, of Golf Members holding fifteen percent (15%) or more of the total vote of the Golf Membership, which request shall state the purpose or purposes of the proposed meeting. Business transacted at all special meetings shall be confined to the subjects stated in the notice thereof.

Section 4.08. Waiver of Notice. Waiver of notice of a meeting shall be deemed the equivalent of proper notice. Any Member may waive in writing notice of any meeting of the Members, either before or after such meeting. Attendance at any meeting by a Member shall be deemed a waiver by such Member of notice of the time, date, and place thereof unless such Member specifically objects to lack of proper notice at the time the meeting is called to order and does not thereafter vote for or assent to the objected action.

Section 4.09. Adjourned Meetings. If any meeting of the Members cannot be organized or convened because a quorum does not exist, then the Members entitled to vote thereat or the person initially calling the meeting shall have the power to adjourn the meeting and to call a second meeting subject to the giving of proper notice. The required quorum at such second meeting shall be the presence of Members or proxies entitled to cast votes of the Membership of the Club as set forth in Section 3.03 above. 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.

## **ARTICLE V** **DIRECTORS**

**Section 5.01. Composition of the Board of Directors.** Subject to the provisions of the Articles of Incorporation of the Club, as amended, the Declaration, and the provisions of these By-Laws relating to Golf Members and Golf Facilities, the Club shall be governed by a Board of Directors composed of at least three (3) people but no more than seven (7) people. Each director shall have one vote. Initially, the Board shall consist of three (3) members and shall remain at three (3) people as long as there is a Class B Member. Such three-member Board shall constitute both the Full Board (as hereinafter defined) and the Golf Board (as hereinafter defined) and shall decide all matters relating to the Club Facilities and the Golf Facilities. The Declarant shall be entitled to appoint all three directors as long as there is a Class B Membership. Upon termination of the Class B Membership, the Board of Directors shall automatically increase to seven (7) persons with the number in subsequent years to remain at seven (7) persons. All powers of the Club relating to Golf Members and Golf Facilities are vested in the Golf Board, except for such powers specifically reserved to Golf Members by the Declaration, the By-Laws, or by the South Carolina Nonprofit Corporations Act, as the same may be amended from time to time.

**Section 5.02. Qualifications and Selection of Board Members.** As long as there is a Class B Member as set forth in Article VI of the Declaration, any person (including officers, employees, and agents of Declarant) may be appointed a director by Declarant whether or not such person is Member and/or an Owner of a Homesite. Once there is no longer a Class B Member, the persons elected to the Board of Directors must meet the following:

- (i) all directors must be Class "A" Members of the Club. For purposes of this Section 5.02 only, the officers, directors, partners, or members, as applicable, of a Member that is an entity shall be eligible to serve as a director herein but no more than one of such parties may serve as director at the same time, and
- (ii) at least three directors must be Class "A" Members who are also Golf Members.

**Section 5.03. Term of Office.** The initial members of the Board of Directors shall be appointed by the Declarant and shall hold office for a term lasting until the first annual meeting. As long as there is a Class B Member, all directors appointed at annual meetings shall be appointed by the Class B Member and shall serve for a one-year term. Once the Class B Membership has terminated, the Class "A" Members shall elect two (2) directors for a term of one (1) year, two (2) directors for a term of two (2) years, and three (3) directors for a term of three (3) years; and at each annual meeting thereafter the Class "A" Members shall elect directors to fill the expiring terms for a term of three (3) years; subject to and provided, however, that at least three directors at all times must be Class "A" Members who are also Golf Members. The members of the Board shall hold office until their successors have been elected and hold their first meeting. Any and all of said Board members shall be subject to replacement, in the event of resignation or death, in the manner set forth in Section 5.05 of this Article.

Section 5.04. Removal. Upon termination of the Class B Membership, any Director may be removed from the Board, with or without cause, by affirmative vote of Class "A" Members holding at least 51% of the total votes of the Class "A" Membership at a meeting with proper quorum called for the purpose of removing the Director, provided the notice of the meeting stated that this was the purpose, or one of the purposes, of the meeting. A successor may then and there be elected to fill the vacancy thus created; subject to and provided, however, that at least three directors at all times must be Class "A" Members who are also Golf Members. Should the Club fail to elect a successor, the Board of Directors may fill the vacancy in the manner provided in Section 5.05 below; subject to and provided, however, that at least three directors at all times must be Class "A" Members who are also Golf Members.

Section 5.05. Vacancies on Directorate. If the office of any director or directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a replacement shall be appointed by the Declarant as long as there is a Class B Membership, or if there is no Class B Membership at such time, a majority of the remaining members of the Board of Directors, though less than a quorum, as defined in Section 5.13 below, shall choose a successor or successors, who shall hold office until the next annual meeting of the Class "A" Membership at which time a successor shall be elected for the remaining unexpired term; subject to and provided, however, that at least three directors at all times must be Class "A" Members who are also Golf Members.

Section 5.06. Disqualification and Resignation of Directors. Any Director may resign at any time by sending a written notice of such resignation to the Secretary of the Club. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Secretary. No director shall continue to serve on the Board of Directors should he/she be more than thirty (30) days delinquent in the payment as a Member of any assessment against his/her Homesite; and said delinquency shall automatically constitute a resignation, effective when such resignation is accepted by the Board of Directors.

Section 5.07. Nomination. Appointment of all persons to the Board of Directors, including the initial Board, shall be made by the Declarant as long as Declarant is the Class B Member. Upon termination of the Class B Membership, the nomination of persons to be up for election to the Board of Directors shall be made by a nominating committee. The nominating committee shall be appointed by the Board of Directors at each annual meeting of the Class "A" Members, 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 consist of a chairman, who shall be a member of the Board of Directors, and two (2) or more Class "A" Members of the Club who shall not be members of the Board of Directors. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled; provided, however, in no event shall fewer Class "A" Members who are also Golf Members be nominated than necessary to meet the requirement for minimum number of Class "A" Members who are also Golf Members as directors. Nominations may also be made by a petition of not less than twenty-five (25) Class "A" Members in good standing submitting such nomination in writing to any officer or director at least seventy-two (72) hours prior to the date and time set for the meeting at which the directors will be elected. Such nominations may be



made only from among Class "A" Members and shall be made in such categories of directorship as required by the provisions of Section 5.03 of these By-Laws.

Section 5.08. Election of Directors. Upon expiration of the Class B Membership, election to the Board of Directors shall be by secret written ballot of the Class "A" Membership and the number of directors shall automatically be increased to seven (7) persons. Thereafter, the number of directors shall remain at seven (7) persons. At each election of directors after termination of the Class B Membership, the Class "A" Members (or their proxies) may cast in respect to each vacancy as many votes as they are entitled to exercise under the provisions of the Declaration and these By-Laws. There shall be no cumulative voting. The persons receiving the largest number of votes for each category of directorship shall be elected subject to the requirement that at least three directors at all times must be Class "A" Members who are also Golf Members. To meet the minimum number of directors required to be Class "A" Members who are also Golf Members, such minimum number of Class "A" Members who are also Golf Members with the highest number of votes among the Class "A" Members who are also Golf Members running for director shall automatically be elected directors with the balance of the directors being such Class "A" Members, whether Golf Members or otherwise, receiving the largest number of votes among themselves.

Section 5.09. Regular Meetings. The Board of Directors may establish a schedule of regular meetings of the Full Board (as hereinafter defined) and the Golf Board (as hereinafter defined) to be held at such time and place as the Full Board and the Golf Board may designate. For all meetings of the Board, the Full Board shall meet first. Upon conclusion of the business of the Full Board, members who are not on the Golf Board shall be excused and the meeting of the Golf Board will then take place. Notwithstanding any other provision of these By-Laws, the Full Board and the Golf Board in their discretion may elect to have regular meetings on different days. If permitted, notice of all Board meetings shall also be posted in a conspicuous, prominent place within the community. Notice of such regular meetings shall nevertheless be given to each director personally or by first-class mail, telephone or facsimile at least five (5) days prior to the day named for such meeting. The three-member Board of Directors appointed by the Declarant shall hear, vote on, and resolve all matters relating to the Facilities and the Club, as both the Full Board and the Golf Board as applicable, until termination of the Class B Membership.

The Full Board shall hear, vote on and otherwise resolve matters relating to the Club Facilities. Subject to the period of time that the three-member board appointed by Declarant constitutes both the Full Board and the Golf Board, neither the Full Board nor any Club Members shall in any way have any decision making power concerning matters relating to Golf Members and/or the Golf Facilities. As provided in the Articles of Incorporation of the Club, as amended, and as provided in Article 8, Sub-article A, Section 33-31-801(c) of the South Carolina Nonprofit Corporations Act, the Full Board is relieved from duties and responsibilities with respect to matters relating to Golf Members and Golf Facilities. The three-member board appointed by Declarant shall constitute the Full Board and the Golf Board as long as Declarant is the Class B Member. The members of the Full Board shall elect a member of the Full Board to act as Chairman of the Full Board.

The Golf Board (as hereinafter defined) shall hear, vote on, and resolve all matters relating to Golf Members and the Golf Facilities. Pursuant to the Articles of Incorporation of the Club, as amended, all powers of the Club relating to Golf Members and Golf Facilities have been vested in the Golf Board, except for such powers specifically reserved to Golf Members by the Declaration, the By-Laws, or by the South Carolina Nonprofit Corporations Act, as the same may be amended from time to time. Except for the three-member board appointed by Declarant, the Golf Board shall consist of all directors who are Golf Members as long as such number is an odd number. If such number is an even number, then the Golf Board shall consist of all existing directors who are Golf Members serving terms from previous elections, if any, and the directors who are Golf Members who received the highest number of votes in the current election such that there is an odd number of members of the Golf Board. The director who is a Golf Member who is eliminated from the Golf Board shall still be part of the Full Board but shall not be allowed to hear, vote, or otherwise resolve matters relating to the Golf Facilities; provided, however, as a Golf Member, such director who is eliminated from the Golf Board may attend all meetings of the Golf Board on the same basis as any other Golf Member. The three-member board appointed by Declarant shall constitute the Golf Board and the Full Board as long as Declarant is the Class B Member. When deciding matters relating to Golf Members and/or Golf Facilities, the three-member board appointed by Declarant shall be functioning in its capacity as Golf Board. Notwithstanding any other provision of the Declaration or these By-Laws, only the Golf Board may resolve matters relating to Golf Members and Golf Facilities, except for such powers specifically reserved to Golf Members by the Declaration, the By-Laws, or by the South Carolina Nonprofit Corporations Act, as the same may be amended from time to time. The Golf Board shall have full power and authority of the Club with respect to all matters relating to Golf Members and Golf Facilities and all decisions and actions of the Golf Board shall be carried as fully and completely as any actions of the Full Board. The members of the Golf Board shall elect a member of the Golf Board to act as Chairman of the Golf Board.

Subject to actions that take place pursuant to Section 5.11 below, all meetings of the Full Board for matters relating to Club Facilities matters, including special meetings, shall be open to all Class "A" Members subject to such space as is available at the normal meeting place and provided that no such Class "A" Member shall be entitled to participate in any way except as specifically allowed by the Board in its discretion. Subject to actions that take place pursuant to Section 5.11 below, all meetings of the Golf Board for matters relating to Golf Facilities matters, including special meetings, shall be open to all Golf Members subject to such space as is available at the normal meeting place and provided that no such Golf Member shall be entitled to participate in any way except as specifically allowed by the Golf Board in their discretion.

Section 5.10. Special Meetings. Special meetings of the Full Board may be called by the President, and in his absence, by the Vice President, or by a majority of the members of the Board of Directors, by giving at least five (5) days notice, in writing, to all of the members of the Board of Directors of the time and place of said meeting. All notices of special meetings shall state the purpose of the meeting. Special meetings of the Golf Board may be called by any member of the Golf Board by giving at least five (5) days notice, in writing, to all of the members of the Golf Board of the time and place of said meeting. All notices of special meetings shall state the purpose(s) of the meeting.

Section 5.11. Action Without a Meeting. Action required or permitted by law, the Club's Articles, the Declaration, or these By-Laws, may be taken with respect to Club Members and/or Club Facilities matters without a meeting if the action is taken by all members of the Full Board and evidenced by one or more consents describing the action taken, signed by each director on the Full Board, and included in the minutes filed in the corporate records reflecting the action taken. Action required or permitted by law, the Club's Articles, the Declaration, or these By-Laws, may be taken with respect to Golf Members and/or Golf Facilities matters without a meeting if the action is taken by all members of the Golf Board and evidenced by one or more consents describing the action taken, signed by each director on the Golf Board, and included in the minutes filed in the corporate records reflecting the action taken.

Section 5.12. Directors' Waiver of Notice. Before or at any meeting of the Board of Directors, any director, whether on the Full Board, the Golf Board, or both, may waive notice of such meeting and such waiver shall be deemed equivalent to the giving of notice. The waiver must be in writing, signed by the director entitled to notice, and filed with the minutes or the corporate records. Attendance by a director at any meeting of the Full Board, or as applicable, the Golf Board shall be a waiver of notice by him of the time and place thereof unless the director, upon arriving at the meeting or prior to the vote on a matter not noticed in conformity with these By-Laws, objects to lack of notice and does not thereafter vote for or assent to the objected action. If all the directors are present at any meeting of the Full Board, or as applicable, the Golf Board, no notice shall be required and any business may be transacted at such meeting.

Section 5.13. Quorum. At all meetings of the Board of Directors, (i) a majority of the members of the Full Board shall constitute a quorum for the transaction of business relating to Club Members and/or the Club Facilities and (ii) a majority of the members of the Golf Board shall constitute a quorum for the transaction of business relating to the Golf Members and/or the Golf Facilities. The acts of the majority (i) of the members of the Full Board present at such meetings at which a quorum is present relating to Club Members and/or Club Facilities matters shall be the acts of the Full Board, unless the vote of a greater number of Directors is required by the Articles, these By-Laws, the Declaration, or by law, and (ii) of the members of the Golf Board present at such meetings at which a quorum is present relating to Golf Members and/or Golf Facilities matters shall be the acts of the Golf Board, unless the vote of a greater number of members of the Golf Board is required by the Articles, these By-Laws, the Declaration, or by law. If at any meeting of the Full Board there be less than a quorum present with respect to Club Members and/or Club Facilities matters, those present may adjourn the meeting from time to time. For each such adjourned meeting, any business that may have been transacted at the meeting as originally scheduled may be transacted without further notice when the meeting is reconvened with a quorum present. The joinder of a director in the action of a meeting of the Full Board relating to Club Members and/or Club Facilities matters by the signing and concurring in the minutes thereof shall constitute the presence of such director for the purpose of determining a quorum. If at any meeting of the Golf Board there be less than a quorum of members present with respect to Golf Member and/or Golf Facilities matters, those members present may adjourn the meeting from time to time. For each such adjourned meeting, any business that may have been transacted at the meeting as originally scheduled may be transacted without further notice when the meeting is reconvened with a quorum present. The

joinder of a director on the Golf Board in the action of a meeting relating to Golf Member and/or Golf Facilities matters by the signing and concurring in the minutes thereof shall constitute the presence of such golf member director for the purpose of determining a quorum.

Section 5.14. Attendance by Electronic Means. Directors may participate in any regular or special meeting of the Full Board or the Golf Board by any means of communication by which all directors participating may hear each other simultaneously during the meeting. The director so participating shall be deemed to be present in person at the meeting.

Section 5.15. Compensation. No directors of the Full Board or the Golf Board shall receive compensation for any service he may render to the Club. However, any director may be reimbursed for his actual reasonable expenses incurred in the performance of his/her duties; provided, expenses relating to Club Members and/or Club Facilities may only be reimbursed out of assessments from Club Members and expenses relating to Golf Members and/or Golf Facilities may only be reimbursed out of assessments from Golf Members.

Section 5.16. Powers Of Full Board. The Full Board of the Club shall have all powers necessary for the administration of the affairs of the Club Members and the Club Facilities, for performing the responsibilities of the Club with respect to the Club Members and Club Facilities, and for exercising the rights of the Club with respect to Club Facilities and Members as allowed under law or as set out in the Declaration and/or these By-Laws. The Full Board may do or cause to be done all acts and things with respect to the Club Members and/or the Club Facilities as set forth in the Declaration, the Club's Articles of Incorporation, or these By-Laws or as allowed under South Carolina law, except those acts or things which the Declaration, the Articles, these By-Laws, or South Carolina law require to be done and exercised exclusively by the Club Membership. These powers of the members of the Full Board shall specifically include, but shall not be limited to, the following:

(a) To exercise all powers specifically set forth in the Declaration, in the Club's Articles of Incorporation, in these By-Laws, and all powers incidental thereto relating to the Club Facilities and the Club Membership.

(b) To make assessments, dues, fees, and other charges, collect said assessments, dues, fees, and other charges and use and expend the assessments, dues, fees, and other charges to carry out the purposes and powers of the Club with respect to the Club Members and the Club Facilities.

(c) To employ, dismiss and control the personnel necessary for the maintenance and operation of the Club Facilities, including the right and power to employ attorneys, accountants, contractors and other professionals as the need arises.

(d) To make and amend rules and regulations respecting the operation and use of the Club Facilities.

(e) To contract for the management of the Club Facilities (including property designated by Declarant to become Club Facilities) and to delegate to such contractor all of the powers and duties of the Club with respect to Club Facilities, except those that are required by the Declaration to have approval of the Full Board or the Members.

(f) To make further improvements to the Club Facilities, both real and personal, and the right to purchase realty and items of furniture, furnishings, fixtures and equipment for the foregoing, and the right to acquire and enter into agreements, subject to provisions of the Declaration, this Club's Articles of Incorporation and these By-Laws.

(g) To designate one or more committees which, to the extent provided in the resolution designating said committee, shall have the powers of the Board of Directors in the management and affairs and business of the Club Members and/or Club Facilities. Such committee shall consist of at least two (2) people. The committee or committees shall have such name or names as may be determined from time to time by the Board of Directors, and said committee(s) shall keep regular minutes of their proceedings and report the same to the Board of Directors, as required.

(h) To borrow money to meet the financial needs of the Club Facilities and to mortgage the property of the Club Facilities and to pledge revenues of the Club Facilities as security for such loans made to the Club, the proceeds of which loan shall be used by the Club in performing its authorized functions with respect to the Club Facilities.

(i) The foregoing powers shall be exercised by the Board of Directors or its contractor or employees, subject only to approval by Members when such is specifically required.

Section 5.17. Duties of the Full Board. The duties of the Full Board shall specifically include, but shall not be limited to the duties imposed upon it by law, by the Declaration and the following:

(a) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Class "A" Members at the annual meeting of the Class "A" Members, or at any special meeting when such statement is requested in writing by Class "A" Members holding at least 51% of the total votes of the Class "A" Membership.

(b) To supervise all officers, agents and employees of the Club with respect to the Club Facilities, and to see that their duties are properly performed.

(c) As more fully provided in the Declaration, to:

(i) fix the amount of the annual assessment, dues, fees, and other charges against each Club Member as required in the Declaration by such time as required in the Declaration;

(ii) send written notice of each assessment to every Club Member subject thereto as soon as practicable after the fixing hereof; and

(iii) enforce the lien rights against any property of a Club Member for which assessments, dues, fees, and other charges are not paid within the time periods as set forth in the Declaration, and/or to bring an action at law against the Club Member personally obligated to pay the same.

(d) To issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any Club Member assessment has been paid. A reasonable charge may be made by the Full Board for the issuance of these certificates. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment with respect to any third parties relying thereon but shall not be relevant or binding as to the Club Member who has a personal obligation to pay such assessment.

(e) To procure and maintain adequate liability and hazard insurance on the Club Facilities owned by the Club in the form and amount required by the Declaration or as deemed necessary by the Board.

(f) To cause, in its sole discretion, all officers, employees, agents, or contract entities of the Club having fiscal responsibilities with respect to the Club Facilities to be bonded, with fidelity bonds in the form and amount required by the Club, and to require the Club to pay the premium on such bonds.

(g) To cause the Club Facilities to be adequately maintained.

(h) To prepare, review, and amend, if appropriate, the proposed annual budget for Club Members.

Section 5.18. Powers of the Golf Board. The members of the Golf Board shall have all powers necessary for the administration of the affairs of the Golf Members and the Golf Facilities, for performing the responsibilities of the Club with respect to the Golf Members and the Golf Facilities, and for exercising the rights of the Club with respect to Golf Facilities and Golf Members as allowed under law or as set out in the Declaration and/or these By-Laws. The Golf Board may do or cause to be done all acts and things with respect to Golf Members and/or the Golf Facilities as set forth in the Declaration, the Club's Articles of Incorporation, or these By-Laws or as allowed under South Carolina law, except those acts or things which the Declaration, the Articles, these By-Laws, or South Carolina law require to be done and exercised exclusively by the Golf Membership. These powers of the members of the Golf Board shall specifically include, but shall not be limited to, the following:

(a) To exercise all powers specifically set forth in the Declaration, in the Club's Articles of Incorporation, in these By-Laws, and all powers incidental thereto relating to the Golf Facilities and the Golf Membership.

(b) To make assessments, dues, fees, and other charges, collect said assessments, dues, fees, and other charges, and use and expend the assessments, dues, fees, and other charges to carry out the purposes and powers of the Club with respect to the Golf Members and the Golf Facilities.

(c) To employ, dismiss and control the personnel necessary for the maintenance and operation of the Golf Facilities, including the right and power to employ attorneys, accountants, contractors and other professionals as the need arises.

(d) To make and amend rules and regulations respecting the operation and use of the Golf Facilities.

(e) To contract for the management of the Golf Facilities (including property designated by Declarant to become Golf Facilities) and to delegate to such contractor all of the powers and duties of the Club with respect to Golf Facilities, except those that are required by the Declaration to have approval of the Golf Board or the Golf Members.

(f) To make further improvements to the Golf Facilities, both real and personal, and the right to purchase realty and items of furniture, furnishings, fixtures and equipment for the foregoing, and the right to acquire and enter into agreements, subject to provisions of the Declaration, this Club's Articles of Incorporation and these By-Laws.

(g) To designate one or more committees which, to the extent provided in the resolution designating said committee, shall have the powers of the Golf Board in the management and affairs and business of the Golf Members and/or Golf Facilities. Such committee shall consist of at least two (2) people. The committee or committees shall have such name or names as may be determined from time to time by the Golf Board, and said committee(s) shall keep regular minutes of their proceedings and report the same to the Golf Board, as required.

(h) To borrow money to meet the financial needs of the Golf Facilities and to mortgage the property of the Golf Facilities and to pledge revenues of the Golf Facilities as security for such loans made to the Club with respect to the Golf Facilities, the proceeds of which loan shall be used by the Golf Board in performing its authorized functions with respect to the Golf Facilities.

(i) The foregoing powers shall be exercised by the Golf Board or its contractor or employees, subject only to approval by Golf Members when such is specifically required.

Section 5.19. Duties of the Golf Board. The duties of the Golf Board shall specifically include, but shall not be limited to the duties imposed upon it by law, by the Declaration and the following:

(a) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Golf Members at the annual meeting of the Golf Members, or at any special meeting when such statement is requested in writing by Golf Members holding at least 51% of the total votes of the Golf Membership.

(b) To supervise all officers, agents and employees of the Club with respect to the Golf Facilities, and to see that their duties are properly performed.

(d) As more fully provided in the Declaration, to:

(i) fix the amount of the annual assessment, dues, fees, and other charges against each Golf Member as required in the Declaration by such time as required in the Declaration;

(ii) send written notice of each assessment to every Golf Member subject thereto as soon as practicable after the fixing hereof; and

(iii) enforce the lien rights against any property of a Golf Member for which assessments, dues, fees, and other charges are not paid within the time periods as set forth in the Declaration, and/or to bring an action at law against the Golf Member personally obligated to pay the same.

(d) To issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any Golf Member assessment has been paid. A reasonable charge may be made by the Golf Board for the issuance of these certificates. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment with respect to any third parties relying thereon but shall not be relevant or binding as to the Golf Member who has a personal obligation to pay such assessment.

(e) To procure and maintain adequate liability and hazard insurance on the Golf Facilities owned by the Club in the form and amount required by the Declaration or as deemed necessary by the Golf Board.

(f) To cause, in its sole discretion, all officers, employees, agents, or contract entities of the Club having fiscal responsibilities with respect to the Golf



Facilities to be bonded, with fidelity bonds in the form and amount required by the Golf Board, and to require the Club through assessments collected from Golf Members to pay the premium on such bonds.

(g) To cause the Golf Facilities to be adequately maintained.

(h) To prepare, review, and amend, if appropriate, the proposed annual budget for Golf Members.

Section 5.20. Joint Expenses; Allocation By Full Board and Golf Board. While the Full Board has no voice in matters relating to Golf Facilities matters, the Full Board and the Golf Board may elect to (i) have the Club enter into contracts for services and supplies benefiting both the Club Facilities and the Golf Facilities and (ii) hire employees, contractors, and agents who perform services in connection with both the Club Facilities and the Golf Facilities, with the cost of such services, supplies, and employees, contractors, and agents to be allocated between Club Members and Golf Members as agreed to by the Full Board and the Golf Board. All contracts and agreements shall be made in the name of the Club, whether such contract is for the benefit of the Club Facilities, the Golf Facilities, or both; provided, however, the Club Members shall be responsible for all costs of the Club incurred in connection with Club Members and/or the Club Facilities and the Golf Members shall be responsible for all costs incurred in connection with Golf Members and/or the Golf Facilities.

Section 5.21. Liability of the Board of Directors; Indemnification. Except as required under the laws of the State of South Carolina, the Full Board and the Golf Board shall be indemnified pursuant to Section 33-31-850, et seq. of the South Carolina Nonprofit Corporation Act of 1994, as the same may be amended, if the director conducted himself in good faith and reasonably believed, in the case of conduct in his official capacity with the corporation, that his conduct was in the best interests of the Club. In all other cases, a director will be indemnified if his conduct was at least not opposed to the best interests of the Club. In the case of a criminal proceeding, the director will be indemnified if he had no reasonable cause to believe his conduct was unlawful. Directors shall not be liable to the Members or the Club for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. To the extent permitted under the laws of the State of South Carolina, the Club shall indemnify and hold harmless each of the members of the Full Board and the Golf Board against all contractual liability to others arising out of contracts made on behalf of the Club unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration, of these By-Laws, or of applicable law. It is intended that that members of the Full Board and the Golf Board, and any managing agent or management firm, shall have no personal liability with respect to any contract made by them on behalf of the Club. It is understood and permissible and shall not be deemed to be self-dealing for the Club to contract with corporations owned or controlled, or affiliated with, members of the Full Board and/or the Golf Board. The indemnification of members of the Full Board by the Club shall be limited to assessments and other charges received from the Club Members and the indemnification of members of the Golf Board by the Club shall be limited to assessments and other charges received from the Golf Members.

## **ARTICLE VI**

### **OFFICERS**

**Section 6.01. Elective Officers.** The principal officers of the Club shall be a President, a Vice President, a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create. One person may hold more than one of the aforementioned offices. The President shall be selected from a member of the Full Board. Officers shall not be compensated by the Club except that they shall be reimbursed for all actual reasonable expenses. Officers shall take directions from the Full Board on matters relating to the Club Facilities and shall take directions from the Golf Board on matters relating to the Golf Facilities. To the extent permitted under the laws of the State of South Carolina, the Club shall indemnify and hold harmless each officer against all liability while acting on behalf of the Club unless such acts are made in bad faith or are contrary to law.

**Section 6.02. Election of Officers.** All officers shall be appointed by Declarant as long as there is a Class B Member. After the Turnover Date, the election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Class "A" Members.

**Section 6.03. Appointive Officers.** The Declarant and, once there is no longer a Class B Membership, the Board of Directors, may appoint Assistant Secretaries and Assistant Treasurers and such other officers as the affairs of the Club may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Declarant or Board of Directors may from time-to-time determine.

**Section 6.04. Resignation and Removal.** Any officer may be removed from office with or without cause by the Declarant as long as there is a Class B Membership, and thereafter by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, 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 and/or acknowledgement of acceptance of such resignation shall not be necessary to make it effective.

**Section 6.05. Vacancies.** A vacancy in any office shall be filled by appointment by the Declarant as long as there is a Class B Membership and thereafter by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

**Section 6.06. The President.** The President shall be the chief executive officer of the Club and shall preside at all meetings of the Club Members and of the Full Board. The President shall attend the meetings of the Golf Board if he is a member of the Golf Board or otherwise invited by the Golf Board to attend meetings. The President shall have executive powers and general supervision over the affairs of the Club and other officers and shall see that orders and resolutions of the Full Board and the Golf Board are carried out. Except as otherwise established by Declarant, the Full Board, and/or the Golf Board as applicable, the President shall sign all leases, mortgages, deeds and other written contracts and instruments involving a dollar

amount in excess of Two Thousand Five Hundred and 00/100's Dollars (\$2500.00). The President shall enforce these By-Laws and perform all duties incident to his office, which may be delegated to him from time to time by the Full Board or the Golf Board.

Section 6.07. The Vice President. The Vice President shall take the place of and perform all of the duties of the President in his absence or when the President is unable to act. He shall have such other duties as may be required of him from time to time by the Board of Directors of the Club.

Section 6.08. The Secretary. The Secretary, except and to the extent that the Board contracts out such services to a management group, shall issue notices of all Board of Directors meetings and all meetings of the Members. The Secretary shall have charge of all of the Club's books, records and papers except those kept by the Treasurer and/or an outside management group(s) and shall authenticate the records of the Club when necessary. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.

Section 6.09. The Treasurer. The Treasurer, or the Assistant Treasurer in the Treasurer's absence, shall:

(a) have custody of the Club's funds and securities, except the funds payable to any management firm, which funds shall be segregated between Club Members and Golf Members, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Club, and shall deposit all monies and other valuable effects in the name of and to the credit of the Club, in such depositories as may be designated from time to time by the Board of Directors;

(b) disburse the funds of the Club (i) with respect to Club Facilities as may be ordered by the Full Board in accordance with these By-Laws and (ii) with respect to Golf Facilities as may be ordered by the Golf Board in accordance with these By-Laws, making proper vouchers for such disbursements, and render to the President and the Full Board and the Golf Board as applicable at the regular meetings of the Full Board and the Golf Board as applicable, or whenever they may require it, an account of all of his/her transactions as the Treasurer and of the financial condition of the Club, with a separate accounting being given for the Club Members/Club Facilities and the Golf Members/Golf Facilities;

(c) collect the assessments, dues, fees, other charges, and maintenance fees and promptly report the status of collections and of all delinquencies to the Full Board and the Golf Board;

(d) give status reports to potential transferees on which reports the transferees may rely;

(e) in conjunction with the Club's accountant and such other persons as the Full Board and the Golf Board as applicable may designate, (i) shall prepare the annual budget for Club Members for consideration, modification, if

appropriate, and ultimate approval by the Full Board, and (ii) shall prepare the annual budget for Golf Members for consideration, modification, if appropriate, and ultimate approval by the Golf Board.

The duties of the Treasurer may be fulfilled by a management firm or professional employed by the Club, in which event such management firm shall have custody of the books of the Club as it determines is necessary for the performance of such treasurer duties and the foregoing may include any books required to be kept by the Secretary of the Club.

## **ARTICLE VII**

### **MAINTENANCE AND ASSESSMENTS**

Section 7.01. Dues; Payment of Dues. The yearly dues (referred to as "Club Member Assessments in the Declaration") for calendar year 2005 for Club Members are Two Thousand Two Hundred Eighty Dollars (\$2,280.00) and the yearly dues (referred to as "Golf Member Assessments" in the Declaration) for calendar year 2005 are Three Thousand One Hundred Dollars (\$3,100.00). All yearly dues (Club Member Assessments and Golf Member Assessments) will be pro-rated as of the day of closing. As more fully set forth in the Declaration, the yearly dues of Club Members ("Club Member Assessments") will be determined each year based on the Club Budget and the yearly dues of Golf Members ("Golf Member Assessments") will be determined each year based on the Golf Budget. As also more fully provided in the Declaration, each Club Member is obligated to pay to the Club all Assessments applicable to a Club Member (which Assessments will include all dues, fees and other charges) and each Golf Member is obligated to pay to the Club all Assessments applicable to a Golf Member (which Assessments will include all dues, fees, and other charges). All such Assessments, if a member owns a Homesite, are secured by a continuing lien upon the Member's Homesite. Any Assessments which are not paid on the date when due shall be subject, as set forth in the Declaration, to late fees and to interest of eighteen percent (18%) per year (unless some other interest rate is established from time to time by the Full Board with respect to Club Members and/or by the Golf Board with respect to Golf Members) (or the maximum interest rate allowable by law) on the delinquent amount until the Assessment and any accrued late charges and collection charges are paid in full. The Club may bring an action at law against the Member personally obligated to pay the same or foreclose the lien against the applicable Homesite, and interests, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Member, whether a Club Member, a Golf Member, or other category of Membership issued by the Club, may waive or otherwise escape liability for the Assessments provided by the Declaration or herein by nonuse of the Club Facilities (if a Club Member) or by nonuse of the Golf Facilities (if a Golf Member) or by abandonment of a Member's Homesite.

Section 7.02. Depositories. The funds collected as Assessments shall be deposited in such banks and depositories as may be determined, by the Full Board with respect to Assessments from Club Members and the Golf Board with respect to Assessments from Golf Members, from time to time upon resolutions approved by the Full Board and the Golf Board as applicable. Such funds shall be withdrawn only upon checks and demands for money signed by such officer or officers of the Club as may be designated. Checks and other obligations of the

Club shall be signed by at least two officers of the Club as may be designated by the Full Board and the Golf Board as applicable; provided, however, that the provisions of any agreement between the Club and any management firm or professional relative to the subject matter in this Section shall supersede the provisions hereof. Notwithstanding any other provision of these By-Laws, funds belonging to Club Members shall only be used in connection with the Club Members/Club Facilities and funds belonging to the Golf Members shall only be used in connection with the Golf Members/Golf Facilities.

Section 7.03. Fidelity Bonds. At the option of the Board of Directors, the Treasurer and all officers who are authorized to sign checks and all officers and employees of the Club and any contractor handling or responsible for Club funds, including any management firm, may be bonded in such amount as may be determined by the Board of Directors. The premiums on such Bonds shall be paid by the Club and shall be allocated between the Club Members and the Golf Members as agreed to by the Full Board and the Golf Board. Such bonds, if acquired, shall be in an amount sufficient to equal the monies an individual handles or has control of via a signatory or a bank account or other depository account. Notwithstanding the foregoing, however, the management firm or professional, as to funds in its possession and/or control, shall determine, in its sole discretion, the amount of and who is to be bonded, if any, among its employees, except to the extent the Club contractually requires the management firm to so bond its employees.

Section 7.04. Fiscal Year. The fiscal year for the Club shall begin on the 1<sup>st</sup> day of January of each year; provided, however, that the Board of Directors is expressly authorized to change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed by the Internal Revenue Code of the United States of America, at such time as the Board of Directors deems it advisable.

Section 7.05. Application of Payments and Commingling of Funds. Except as otherwise required in the Declaration, all sums collected by the Club from assessments (which shall include all dues, fees and other charges) from Club Members (including Club Member Assessments, Special Assessments, and Specific Assessments) and the Access Fee from the Class C Members shall be separately accounted for and divided into more than one fund, as determined by the Full Board, but in no event shall such funds be commingled with assessments from Golf Members. Except as otherwise required in the Declaration, all sums collected by the Club from assessments (which shall include all dues, fees, and other charges) from Golf Members (including Golf Member Assessments, Golf Member Specific Assessments, and Golf Special Assessments) shall be separately accounted for and divided into more than one fund, as determined by the Golf Board of the Club, but in no event shall such funds be commingled with assessments or charges collected from Club Members. All Assessment and other charges from a Club Member shall be applied as set forth in the Declaration or, to the extent not covered by the Declaration, as determined by the Full Board and all Assessment and other charges from a Golf Member shall be applied as set forth in the Declaration or, to the extent not covered by the Declaration, as determined by the Golf Board.

Section 7.06. Acceleration of Assessment Installments Upon Default. If a Member, whether a Club Member, a Golf Member, or both, shall be in default in the payment of an installment upon any Assessment, the Full Board with respect to a Club Member and the Golf

Board with respect to a Golf Member, may, as permitted in the Declaration, accelerate the remaining monthly or quarterly installments for the fiscal year upon notice thereof to the Member; and, thereupon, the unpaid balance of the Assessments shall become due upon the date stated in the notice.

Section 7.07. Audits. An audit of the accounts of the Club belonging to Club Members will be made upon the written request of Class "A" Members holding at least fifty-one (51%) percent of the total votes of the Class "A" Membership or at such times as the Full Board deems necessary in its sole discretion, the cost of any such audit being an expense of the Club Members. An audit of the accounts of the Club belonging to Golf Members will be made upon the written request of Golf Members holding at least fifty-one (51%) percent of the total votes of the Golf Membership or at such times as the Golf Board deems necessary in its sole discretion, the cost of any such audit being an expense of the Golf Members.

Section 7.08. Application of Surplus; Deficits. Any payments or receipts to the Club from Club Members paid during the fiscal year in excess of the expenses of the Club Facilities shall be kept by the Club and applied against the expenses of the Club Facilities for the following year except as otherwise required by the Declaration. Any payments or receipts to the Club from Golf Members paid during the fiscal year in excess of the expenses of the Golf Facilities shall be kept by the Club and applied against the expenses of the Golf Facilities for the following year except as otherwise required by the Declaration. Any deficits with respect to either the Club Facilities or the Golf Facilities shall be handled as set forth in the Declaration or as otherwise set forth in these By-Laws.

Section 7.09. Transfer of Ownership. The transfer of ownership of a Homesite shall automatically transfer and carry with the Homesite the proportionate claim, if any, of the conveying Member in any escrow account the Club set aside to provide a contingency fund for the maintenance and repair of the Club Facilities or other common expenses.

## **ARTICLE VIII** **COMPLIANCE AND DEFAULT**

Section 8.01. Violations. In the event of a violation (other than the non-payment of Assessment) by a Member of any of the provisions of the Declaration or these By-Laws, the Club, by direction of the Full Board with respect to a Club Member and by direction of the Golf Board with respect to a Golf Member, may notify the Member by written notice of said breach, transmitted by certified mail, and if such violation shall continue for a period of thirty (30) days from date of mailing of such notice, the Club, through the Full Board or the Golf Board as applicable, shall have the right to treat such violation as an intentional, inexcusable and material breach of the Declaration and these By-Laws, and the Club may then, at its option, have the following elections:

- (a) An action at law to recover for its damage, on behalf of the Club or on behalf of the other applicable Members.

(b) An action in equity to enforce performance on the part of the Member; or

(c) An action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief.

Any violations which are deemed by the Full Board with respect to Club Members and the Golf Board with respect to Golf Members to be an imminent hazard to health, safety and welfare of the Membership may be corrected immediately as an emergency matter by the Club, and the cost thereof shall be charged to the Member as a Specific Assessment or Specific Golf Member Assessment as applicable, which shall be a lien against the said Member's Homesite and/or Membership with the same force and effect as if the charge were a part of the applicable Assessments.

The Club, to the extent permitted by law, shall have the right to post speed limits on the roads of the Club as it deems appropriate and may enforce the posted speed limits.

Upon failure of any Member to pay Assessments (including all dues, fees, and other charges) when due, the Club may take all action as allowed under the Declaration and/or the Membership Plan.

Section 8.02. Costs and Attorneys' Fees. In any proceeding arising because of an alleged default by a Member, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be determined by the court.

Section 8.03. No Waiver of Rights. The failure of the Club or the Full Board or the Golf Board or a Member to enforce any right, provision, covenant or condition which may be granted by the Declaration, Articles of Incorporation or these By-Laws shall not constitute a waiver of the right of the Club or the Full Board or the Golf Board or a Member to enforce such right, provision, covenant or condition in the future.

Section 8.04. Election of Remedies. All rights, remedies and privileges granted to the Club and the Full Board, the Golf Board or any Member, pursuant to any terms, provisions, covenants or conditions of the Declaration, Articles of Incorporation or these By-Laws shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be granted to such other party by the Declaration, Articles of Incorporation or these By-Laws or at law or in equity.

Section 8.05. Statement of Charges. The Full Board with respect to Club Members and the Golf Board with respect to Golf Members shall, for a reasonable fee, promptly provide any purchaser of any property or institutional lender (or any Member) so requesting the same in writing, with a written statement of all unpaid charges due from such Member and any bona fide third party purchaser's liability therefore with respect to a continuing lien on the Homesite shall be limited to the amount as set forth in the statement. The personal obligation of such Member shall in no way be affected by the amount stated in any written statement to such third party purchaser or institutional lender.

Section 8.06. Transfer of Property. All Members shall notify the Club of any transfer, by sale or otherwise, of a Homesite within ten (10) days of the date of transfer. Said notice shall include such information and be in the form that the Club shall prescribe from time to time. The Club may send all necessary notices to the person shown as the Member in its records, and said notice shall be binding as to any other Member where the Club has not been notified as provided herein.

## **ARTICLE IX FUNCTIONS OF CLUB**

Section 9.01. Ownership and Maintenance of Common Property. The Club shall be authorized to own and maintain Common Property and improvements as allowed in the Declaration.

Section 9.02. Authorized Services. The Club shall be authorized but not required to provide the following services (services with respect to Club Facilities shall be charged to the Club Members and services with respect to the Golf Facilities shall be charged to the Golf Members):

(a) clean-up and maintenance of all roads, parkways, lagoons, lakes, and other Common Property within the Property, and also all public properties which are located in a reasonable proximity to the Property such that their deterioration would affect appearance of the Property as a whole;

(b) landscaping of roads and parkways and other Common Property;

(c) lighting of the Common Property;

(d) security functions, including but not limited to the employment of security guards, maintenance of electronic and other security devices and control centers for the protection of persons and property within the Property, and assistance in the apprehension and prosecution of persons who violate the laws of South Carolina within the Property;

(e) fire protection and prevention;

(f) garbage and trash collection and disposal;

(g) insect and pest control to the extent that it is necessary or desirable in the judgment of the Full Board with respect to Club Facilities and the Golf Board with respect to Golf Facilities to supplement the service provided by the State and local governments;

(h) the services necessary or desirable in the judgment of the Full Board and/or the Golf Board as applicable to carry out the Club's obligations and business under the terms of the Declaration.



(i) the stocking of ponds, lakes and lagoons located within the Property;

(j) to take any and all actions necessary to enforce all covenants and restrictions affecting the Property and the Common Property and to perform any of the functions or services delegated to the Club in any covenants or restrictions applicable to the Property;

(k) to assist the ARB as such ARB is provided for in the Declaration;

(l) to provide administrative services including, but not limited to legal, accounting, financial, and communication services;

(m) to provide liability and hazard insurance covering any improvements on the Common Property;

(n) to enforce posted speed limits to the extent permitted by law.

Section 9.05. Obligation of the Club. The Club shall not be obligated to carry out or offer any of the functions and services specified or implied in the Declaration except to the extent funds are available to defray the cost thereof. Except as herein expressly mandated, the functions and services to be carried out or offered by the Club with respect to the Club Facilities at any particular time shall be determined by the Full Board taking into consideration the funds available to the Club and the needs of the Club Members. Except as herein expressly mandated, the functions and services to be carried out or offered by the Club with respect to the Golf Facilities at any particular time shall be determined by the Golf Board taking into consideration the funds available to the Club and the needs of the Golf Members.

Section 9.06. Mortgage and Pledge. The Full Board shall have the power and authority to borrow money for use by the Club for the benefit of Club Members, to mortgage the property of the Club Facilities and to pledge the revenues of the Club Facilities as security for such loans made to the Club provided that such loans shall be used by the Club only in performing its authorized functions with respect to the Club Facilities. The Golf Board of the Club shall have the power and authority to borrow money for use by the Club for the benefit of Golf Members, to mortgage the property of the Golf Facilities and to pledge the revenues of the Golf Facilities as security for such loans made to the Club provided that such loans shall be used by the Club only in performing its authorized functions with respect to the Golf Facilities.

## **ARTICLE X**

### **AMENDMENTS TO THE BY-LAWS**

The By-Laws may be altered, amended or added to at any duly called meeting of the Members, provided:

- (1) Notice of the meeting shall state that the purpose, or one of the purposes, of the meeting is to consider the adoption, amendment or repeal of By-laws and shall contain a statement of the proposed Amendment or a copy or summary of the proposal.
- (2) If an amendment relating to the Club Facilities and/or Club Members has received the approval of the majority of the Full Board, then it shall be approved upon the affirmative vote of the majority of Class "A" Members attending the meeting with a proper quorum. Notwithstanding whether such an amendment has been approved by the Full Board, such amendment is valid if approved at a duly called meeting by a affirmative vote of Class "A" Members holding at least 51% of the total votes of the Class "A" Membership. If an amendment relating to the Golf Facilities and/or Golf Members has received the approval of the majority of the Golf Board, then it shall be approved upon the affirmative vote of the majority of Golf Members attending a meeting with a proper quorum of Golf Members. Notwithstanding whether such an amendment has been approved by the Golf Board, such an amendment is valid if approved at a duly called meeting of Golf Members by affirmative vote of Golf Members holding at least 51% of the total votes of the Golf Membership.
- (3) Notwithstanding the foregoing, these By-Laws may only be amended with the written approval of the Declarant as long as Declarant is a Class B Member.
- (4) Notwithstanding the foregoing, these By-Laws may only be amended with respect to the rights of Class "A" who are also Golf Members (i) to have a minimum of three Class "A" Members who are also Golf Members on the Full Board, and (ii) to have any and all matters relating to the Golf Facilities and/or the Golf Membership be decided solely by the Golf Board or the Golf Members as required under the Declaration, only if such amendment is approved at a duly called meeting by a affirmative vote of Golf Members who are Class A Members holding at least 67% of the total votes of the Golf Membership who are Class A Members.
- (5) Notwithstanding the above, the Full Board may not be expanded beyond seven (7) members without the affirmative vote of at least 67% of the total votes of the Class "A" Members who are also Golf Members.

Notwithstanding the above, the Declarant as long as there is a Class B Membership, may unilaterally amend these By-Laws at any time provided such amendment does not have a material adverse effect upon any right granted to any Member of the Club as determined in the sole discretion of the Declarant.

**ARTICLE XI**  
**LIABILITY SURVIVES TERMINATION OF MEMBERSHIP**

The termination of membership in the Club shall not relieve or release any such former Member from any liability or obligation incurred under or in any way connected with the Club during the period of such membership. Further, termination of any Member's membership shall not impair any rights or remedies which the Club may have against such former Member arising out of or in any way connected with ownership of a Homesite or Homesites or membership in the Club and the covenants and obligations incident thereto.

**ARTICLE XII**  
**PARLIAMENTARY RULES**

Roberts Rules of Order (latest edition) shall govern the conduct of the Club's meetings when not in conflict with the Declaration or these By-Laws.

**ARTICLE XIII**  
**LIENS**

Section 13.01. Protection of Property. All liens against the Common Property or any portion thereof, other than for mortgages, taxes or special assessments shall be satisfied or otherwise removed within thirty (30) days of the date the lien attached. All taxes and special assessments upon the Common Property shall be paid before becoming delinquent.

Section 13.02. Notice of Lien. A Member shall give notice to the Club of every lien upon such Member's Homesite, other than for mortgages, taxes and special assessments, within ten (10) days after the attaching of the lien.

Section 13.03. Notice of Suit. Members shall give notice to the Club of every suit or other proceeding which will or may affect title to a Member's Homesite, such notice to be given with ten (10) days after the Member receives notice of such suit or proceeding.

Section 13.04. Failure to Cooperate. Failure to comply with this Article concerning liens will not affect the validity of any judicial sale.

**ARTICLE XIV**  
**RULES AND REGULATIONS**

Section 14.01. Establishment of Rules and Regulations. Subject to the provisions hereof and the provisions of the Declaration, the Club may establish reasonable rules and regulations concerning the use of each Homesite, easement areas, and the Common Property and facilities located thereon. The Full Board shall issue all rules and regulations relating to Club Members and the Club Facilities and the Golf Board shall issue all rules and regulations relating to Golf Members and the Golf Facilities. The Club shall furnish copies of such rules and regulations and amendments thereto to all existing Members prior to the effective date of such rules and regulations and amendments thereto. Such rules and regulations shall be binding upon

all existing and future Members, their families, tenants, guests, invitees, servants and agents, until and unless (i) any such rules or regulations with respect to the Club Facilities are specifically overruled, cancelled or modified by the Full Board or in a regular or special meeting of the Club by the vote of the Class "A" Members, in person or by proxy, holding at least 51% of the total votes of the Class "A" Membership or (ii) any such rules or regulations with respect to the Golf Facilities are specifically overruled, cancelled or modified by the Golf Board of the Club or in a regular or special meeting of the Club by the vote of the Golf Members, in person or by proxy, holding at least 51% of the total votes of the Golf Membership. Notwithstanding any provision to the contrary, rules and/or regulations once established for Club Facilities and Golf Facilities may only be changed with the written approval of the Declarant as long as Declarant is a Class B Member.

Each Member acknowledges and agrees that guests are limited to those persons who accompany a Member on the premises and to those persons for whom the Member has made prior arrangements in accordance with rules and regulations of the Club.

Section 14.02. Authority and Enforcement. Subject to the provisions of the Declaration, upon the violation of the Declaration, the By-Laws, or any rules and regulations duly adopted hereunder, including, without limitation, the failure to timely pay any Assessments, including but not limited to all dues, fees, and other charges, the Full Board with respect to Club Members and the Golf Board with respect to Golf Members shall have the power to:

- (a) impose reasonable monetary fines on the Member guilty of such violation which shall also constitute an equitable charge and a continuing lien upon the Homesite of such Member;
- (b) suspend a Member's right to vote in the Club; and
- (c) suspend a Member's right (i) to use the Club Facilities, if a Club Member (although such Member shall still be allowed access of ingress and egress to such Member's Homesite), and (ii) to use the Golf Facilities if a Golf Member.

The Full Board and the Golf Board as applicable shall have the power to impose all or any combination of the foregoing sanctions.

Section 14.03. Procedure. Except with respect to the failure to pay Assessments, including but not limited to all dues, fees, and other charges, and subject to such other procedures adopted by Declarant, or as applicable, the ARB, for violation of the Declaration and/or the Design Guidelines concerning improvements to Homesites, the Full Board with respect to Club Members and the Golf Board with respect to Golf Members shall not impose a fine, suspend voting rights, or infringe upon or suspend any other rights of a Member for violations of the Declaration, the By-Laws, or any rules and regulations of the Club, unless and until the following procedure is followed:

- (a) Written demand to cease and desist from an alleged violation shall be served upon the person responsible for such violation specifying:

- (i) the alleged violation;
  - (ii) the action required to abate the violation; and
  - (iii) a reasonable time period determined by the Full Board or Golf Board as applicable during which the violation may be abated without further sanction, and if such violation is a continuing one, a statement that any further violation of the same provision of this Declaration, the By-Laws, or of the rules and regulations of the Club may result in the imposition of sanctions after notice and hearing.
- (b) If the violation continues past the period allowed in the demand for a batement without penalty, or if the same violation subsequently occurs within twelve (12) months of such demand, the Full Board and the Golf Board as applicable may serve such person with written notice of a hearing to be held by the Full Board or the Golf Board as applicable in executive session. The notice shall contain:
- (i) the nature of the alleged violation;
  - (ii) the time and place of the hearing, which time shall be not less than ten (10) days from the giving of the notice;
  - (iii) an invitation to attend the hearing and produce any statement, evidence and witnesses on his behalf; and
  - (iv) the proposed sanction to be imposed.
- (c) The hearing shall be held in executive session of the Full Board or the Golf Board as applicable pursuant to the notice and shall afford the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if the officer, director or other individual who delivers such notice enters a copy of the notice together with a statement of the date and manner of delivery. The notice requirement shall be deemed satisfied if an alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction imposed, if any. Notwithstanding anything above to the contrary, violations relating to Club Members and/or the Club Facilities shall be heard by the Full Board and violations relating to Golf Members and/or the Golf Facilities shall be heard only by members of the Golf Board.

**ARTICLE XV**  
**MISCELLANEOUS MATTERS**

Section 15.01. Gender; Number. The use of the masculine gender in these By-Laws includes the feminine gender, and when the context requires the use of a singular, includes the plural.

Section 15.02. Definitions. The words used in these By-Laws shall be given their normal, commonly understood definitions. All capitalized terms not specifically defined in these By-Laws shall be defined as set forth in the Declaration.

Section 15.03. Execution of Documents. Once the Class B Membership has terminated, the President or Vice President and Secretary or Assistant Secretary will be responsible for preparing, executing, filing and recording amendments to the Declaration and By-Laws as directed by the Full Board or the Golf Board as applicable and shall be authorized to execute any other document which the Club from time to time may be required to execute.

Section 15.04. Notices. Except as otherwise provided in these By-Laws or the Declaration, any notice required by these By-Laws shall be sent by U.S. mail, postage prepaid and shall be deemed delivered three (3) days following the date deposited into the mail. Notwithstanding the foregoing, all notices of violations of the Declaration, these By-Laws, or any rules and regulations of the Club shall be sent by certified mail, return receipt requested, postage prepaid and shall be deemed given on the date deposited in the mail. Any notice that is sent to the Club shall be sent to its principal office and addressed to the attention of the President. Any notice to Members shall be sent to the address of the Member's Homesite (unless the Club has received notice in writing from such Member designating a different address for notice purposes), or, if the Member does not own a Homesite, to such address as appears in the member's application for membership (unless the Club has received notice in writing from such Member designating a different address for notice purposes). Notwithstanding anything above, notice of a change of address by a Member shall be deemed given only when actually received by the Club pursuant to a writing signed by the Member.

Section 15.05. Captions. The captions contained in these By-Laws are inserted as a matter of convenience and for reference and in no way define, limit or describe the scope of these By-Laws or the intent of any provisions of the By-Laws.

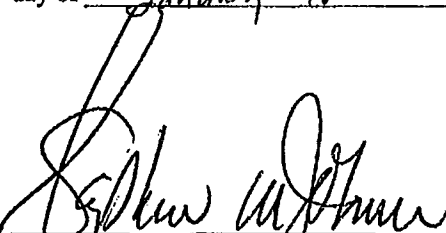
Section 15.06. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect, in any manner, the validity and enforceability or effect of the balance of these By-Laws.

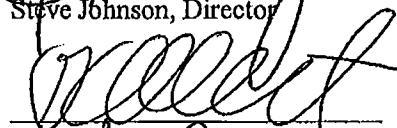
Section 15.07. Conflict. These By-Laws are set forth to comply with the requirements of the South Carolina Nonprofit Corporation Act of 1994, as the same may be amended from time to time. In the event of any conflict or ambiguity between these By-Laws and the provisions of such statute or the Declaration, the provisions of such statute or the Declaration, as the case may be, shall control.

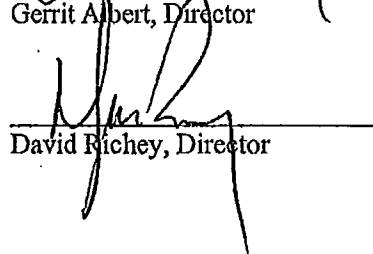
Section 15.08. Waiver. No restriction, condition, obligation or covenant contained in these By-Laws shall be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the violation or breaches thereof which may occur.

Section 15.09. Dissolution. Upon dissolution of the Club, the assets of the Club will be distributed as provided in the Articles of Incorporation of the Club; provided, however, as long as the Club maintains a valid South Carolina beer, wine, or liquor license from the South Carolina Department of Revenue, the Club may not be dissolved unless the residual assets of the Club are distributed to another nonprofit organization validly formed for the mutual benefit of the Members.

The undersigned being all the directors of the Board of Directors of the Hampton Hall Club, Inc. ("Club") hereby approve this Third Amended And Restated Bylaws of the Hampton Hall Club, Inc. as of the \_\_\_\_\_ day of January 18<sup>th</sup>, 2005. 2006

  
\_\_\_\_\_  
Steve Johnson, Director

  
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Gerrit Albert, Director

  
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David Richey, Director