

EXHIBIT C

BYLAWS
OF

THE SUNSET PLACE PROPERTY OWNERS' ASSOCIATION, INC.

I.

NAME AND LOCATION

The name of the Association is THE SUNSET PLACE PROPERTY OWNERS' ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the Association shall be located at Hilton Head Island, Beaufort County, South Carolina, but meetings of Members and Directors may be held at such place within the State of South Carolina, as may be designated by the Board of Directors.

II.

DEFINITIONS

Section 2.1 "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

Section 2.2 All capitalized terms herein shall have the same meaning as in the Declaration of Covenants, Conditions and Restrictions Applicable to the Sunset Place Subdivision, The Villages of Skull Creek, Garden Homes and The Sunset Place Property Owners' Association, Inc. made by the owners of The Sunset Place Subdivision The Villages of Skull Creek Property Owners' Association, as amended from time to time (the "Declaration").

III.

MEETING OF MEMBERS

Section 3.1 Annual Meetings. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month each year thereafter, unless otherwise established by the Board of Directors. If the day of the annual meeting of the Members is a legal holiday, the meeting will be held the same hour on the first day following which is not a legal holiday.

Section 3.2 Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote twenty-five (25%) percent of all of the votes of the membership.

Section 3.3 Notice of Meeting. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 3.4 Quorum. The presence at the meeting of the Members entitled to cast, or of proxies entitled to cast fifty-one (51%) percent of the votes, of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration of these Bylaws. If, however, such quorum shall not be present and represented at any meeting, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty days following the preceding meeting.

Section 3.5 Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

IV.

BOARD OF DIRECTORS: SELECTION, TERM OF OFFICE

Section 4.1 Number. The affairs of the Association shall be managed by a Board of Directors, who need not be Owners. The Board shall consist of two (2) Directors until the first election and three (3) Directors thereafter.

Section 4.2 Term of office. At the first annual meeting the Members shall elect one Director for a term of one (1) year, one (1) Director for a term of two (2) years and one (1) Director for a term of three (3) years; and at each annual meeting thereafter the Members shall elect one Director for a term of three (3) years.

Section 4.3 Removal. Any Director may be removed from the Board, with or without cause, at a Regular or Special Meeting of the Members by a vote of a majority of a quorum of members present or by proxy. In the event of death, resignation of, removal of a Director, his successor shall be elected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4.4 Compensation. No Director shall receive compensation for any service he may render to the Association. any Director may be reimbursed for his actual expense incurred in the performance of his duties. Section 4.5 Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

V.

NOMINATION AND ELECTION OF DIRECTORS

Section 5.1 Nomination. Nomination for the election to the Board of Directors shall be made by written petition signed by the Owner(s) of at least two (2) Lots within the subdivision, such petition to be filed with the secretary prior to any meeting called for the purpose of electing Directors.

Section 5.2 Election. Election to the Board of Directors shall be by secret ballot. At such election, the 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. The persons receiving the largest number of votes shall be elected. cumulative voting is not permitted.

VI.

MEETING OF DIRECTORS

Section 6.1 Regular Meetings. Regular meetings of the Board of Directors shall be held at least annually, without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 6.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by Director, after not less than three (3) days notice of each Director.

Section 6.3 Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

VII.

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.1 Powers. The Board of Directors shall have the power to:

(a) Adopt and publish rules and regulations governing the use of the Common Property and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;

(d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive, regular meetings of the Board of Directors; and

(e) Employ a manager, an independent contractor, or such other employees or agents as they deem necessary or appropriate for the exercise of their duties.

Section 7.2 Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by Members entitled to cast one-fourth of the vote at such meeting;

(b) Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

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

(I) Fix the amount of annual assessments against each Lot;

(II) Send written notice of each assessment to every Owner subject thereto;

(III) Foreclosure the lien against any Lot or Dwelling Unit for which assessments are not paid and/or to bring an action at law against the Owner personally obligated to pay the same;

(IV) Issues, or to cause an appropriate officer to issue, upon demand of any person, a certificate setting forth whether or not an Assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment to any person except a person liable for the payment;

(V) Procure and maintain adequate liability and hazard insurance on the property owned by the Association; (VI) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(VII) Cause the Common Property to be maintained.

VIII.

OFFICERS AND THEIR DUTIES

Section 8.1 Enumeration of Offices. The election of this Association shall be a President and a Secretary who shall at all times be members of the Board of Directors, a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 8.2 Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 8.3 Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed or otherwise disqualified to serve. ^{-not BOD}

Section 8.4 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 8.5 Resignation and Removal. Any officer may be removed from office with or without cause by the Board or by a vote of a majority of a quorum of members present in person or by proxy. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 8.6 Multiple Offices. More than one office may be held by the same person, except no person shall simultaneously hold the offices of President and Secretary.

Section 8.7 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall service for the unexpired term of his predecessor.

Section 8.8 Duties. The duties of the officers are as follows:

(a) President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co sign all checks and promissory notes.

(b) Vice President. The Vice President, if any shall act in the place and stead of the President and in the event of his absence, inability or refusal to act, and shall exercise and discharge such duties as may be required of him by the Board.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year if required by the Board of Directors or the Members; and shall prepare an annual budget and statement of income and expenditures to be presented to the membership at its regular meeting, and deliver a copy of each to the Members.

IX. COMMITTEES

The Board of Directors may appoint committees as deemed appropriate in carrying out its purposes.

X.
BOOKS AND RECORDS

The books, records and papers of the Association shall, during reasonable business hours and upon reasonable notice, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association.

XI.
ASSESSMENTS

As more fully provided in the Declaration, each Member may be obligated from time to time to pay to the Association Regular and Special Assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall incur late charges from the date of delinquency at the rate of one and one-half (1.5%) percent per month and in no event less than Twenty (\$20.00) Dollars, and the Association may bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against the property, and late charges, costs, and reasonable attorneys' fees of any such action shall be added to the amount of such assessment and be secured and collected in the same manner. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Property or abandonment of his Lot.

XII.
CORPORATE SEAL

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

XIII.
MERGER WITH ANOTHER PROPERTY OWNERS' ASSOCIATION

The Board of Directors of the Association may, by resolution adopted by a two-thirds (2/3) favorable vote of the Board, initiate a Mail Referendum in which Members of the Association shall collectively have the power to approve or reject any merger of the Association with another property owners' association serving an adjoining or nearby tract. Any Mail Referendum mailing shall include a statement prepared by the Directors of the Association stating the reasons that two-thirds (2/3) of the Directors are for passage of the Referendum, together with a statement prepared by the Directors dissenting from such proposed action; provided, however, that neither of such statements may exceed a maximum length of five (5) pages on each proposed action.

Such Mail Referendum shall be deemed to be "Approved" and shall be deemed to be authorized by the Members in the event that fifty-one (51%) percent or more of the votes actually returned to the Association within the specified time shall be in favor of such action.

In order to be counted, any Mail Referendum ballots must be returned to the Association within thirty (30) days of the date the ballot was post marked as mailed by the Association.

No Mail Referendum shall be effective unless a statement of the results thereof is signed by the President and Secretary of the Association in their respective capacities, the statement is mailed to the Property Owners, and said statement is recorded in the real property records of Beaufort County, South Carolina, in the name of the association as the grantor. Said statement shall include the effective date of the merger, the date at which a mailing of the Mail Referendum was made, the total number of votes needed to adopt the merger and the total votes cast for and against the merger.

XIV.
AMENDMENTS

Section 14.1 These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy.

Section 14.2 In case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control. Nothing herein shall be deemed to limit the rights of the Association under the Declaration.

XV.
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

XVI.
ADOPTION

The foregoing Bylaws were adopted at a meeting of the Members of the Association on _____.

Secretary