

BY-LAWS OF:

THE SEA PINES, DEER ISLAND OWNERS' ASSOCIATION, INC.

ARTICLE I

Definitions.

Section 1. Declaration of Covenants and Restrictions.
In the course of these By-Laws, reference is made to the Declaration of Covenants and Restrictions recorded by the Company in the Office of the Clerk of Court of Beaufort County, South Carolina, in Book _____ at Page _____. A copy of these covenants is attached to these By-Laws and is incorporated herein by reference each and every time said covenants are referred to by these By-Laws. Said Declaration of Covenants and Restrictions are sometimes referred to herein as "Covenants" or "the Covenants."

Section 2. Association. "Association" shall mean and refer to the SEA PINES, DEER ISLAND OWNERS' ASSOCIATION, INC., a non-profit corporation organized and existing under the laws of the State of South Carolina.

Section 3. The Properties. "The Properties" shall mean and refer to property described in Exhibit A to the Covenants and such additions thereto as may hereafter be brought within the jurisdiction of the Association by annexation as provided in Article VI, Section 2, herein.

Section 4. Common Properties. "Common Properties" shall mean and refer to those areas of land with any improvements thereon which are deeded to the Association and designated in said deed as "Common Properties." The term "Common Properties: shall include any personal property acquired by the Association if said property is designated as "Common Property." All Common Properties are to be devoted to and intended for the common use and enjoyment of the owners of the Properties.

ARTICLE II

Location.

Section 1. The principal office of the Association shall be located at Hilton Head Island, Beaufort County, South Carolina.

ARTICLE III

Membership.

Section 1. Membership in the Association shall be as set forth in Article III, Section 1, of the Covenants.

Section 2. The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each owner of and becomes a lien upon the property against which such assessments are made as provided by Article V of the Covenants.

Section 3. The membership rights of any person whose interest in The Properties is subject to assessments under Article III, Section 2, hereinabove, whether or not he be personally obligated to pay such assessment, may be suspended by action of the Directors during the period when the assessments remain unpaid; but, upon payment of such assessments, his rights and privileges shall be automatically restored. If the Directors have adopted and published rules and regulations governing the use of the common properties and facilities, and the personal conduct of any person thereon, as provided in Article IX, Section 1, they may, in their discretion suspend the rights of any such person for violation of such rules and regulations for a period not to exceed thirty (30) days.

ARTICLE IV

Voting Rights.

Section 1. Voting rights in the Association shall be as set forth in Article 3, Section 2 of the Covenants.

ARTICLE V

Property Rights and Rights of Enjoyment of Common Property.

Section 1. Each member shall be entitled to the use and enjoyment of the Common Properties as provided by Article IV of the Covenants applicable to The Properties.

Section 2. Any member may delegate his rights of enjoyment in the Common Properties and Facilities to the members of his family who reside upon The Properties or to any of his tenants or renters who lease or rent a Dwelling Unit within the properties from him. Such member shall notify the Secretary in writing of the name of any such person or persons and of the relationship of the member to such person or persons. The rights and privileges of such person or persons are subject to suspension under Article III, to the same extent as those of the member.

ARTICLE VI

Association Purposes and Powers.

Section 1. The Association has been organized for the following purposes:

(a) to own, acquire, build, operate, and maintain permanent wildlife parks, playgrounds, open spaces, bike trails, including buildings, structures, and personal properties incident thereto, hereinafter referred to as Common Properties;

(b) fix assessments (or charges) to be levied against the property in the subdivision;

(c) enforce any and all covenants, restrictions and agreements applicable to the Properties;

(d) pay taxes, if any, on the Common Properties and facilities;

Section 2. Additions to Properties and Membership. Additions to The Properties described in Exhibit A attached to the Covenants, may be made as provided in the Covenants and three-fourths (3/4) of the total vote of a quorum must approve the addition. Such additions, when properly made under the applicable covenants, shall extend the jurisdiction, functions, duties, and membership of this corporation to such properties.

Section 3. Mergers and Consolidations. Subject to the provisions of the recorded covenants and restrictions applicable to The Properties, and to the extent permitted by law, the corporation may participate in mergers and consolidations with either non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of three-fourths (3/4) of the vote at a duly called meeting of the Association, written notice of which shall be mailed to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 4. Mortgages, Other Indebtedness: The Corporation shall have the power to mortgage its properties upon the approval of three-fourths (3/4) of the vote at a meeting duly called for this purpose, written notice of which shall be mailed to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 5. Quorum for any Action Governed by Sections 3 and 4 of this Article. The Quorum required for any action governed by these By-Laws shall be as follows, unless otherwise provided: At the first meeting duly called as provided therein, the presence of members, or of proxies, entitled to cast sixty (60) percent of the total vote of the Association shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirements set forth hereinabove.

Section 6. Dedication of Properties or Transfer of Function to Public Agency or Utility. The corporation shall have the power to dispose of its real properties only as authorized under the covenants.

ARTICLE VII

Board of Directors.

Section 1. Board of Directors: Selection: Terms of Office. The affairs of the corporation shall be managed by a Board of Directors. The Initial Board of Directors shall consist of five (5) directors who shall hold office until the election of their successors for the terms stated in this section. Beginning with the first annual meeting to be held the _____ Saturday in _____, the members, at each annual meeting shall elect five (5) directors each for a term of one (1) year.

Section 2. Vacancies in the Board of Directors.
Vacancies in the Board of Directors shall be filled by the majority of the remaining directors and any such appointed directors to hold office until his successor is elected by the Members, who may make such election at the next annual meeting of the Members or at any special meeting duly called for that purpose.

ARTICLE VIII

Election of Directors.

Section 1. Election to the Board of Directors shall be by written ballot as hereinafter provided. 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 recorded covenants applicable to The Properties. The names receiving the largest number of votes shall be elected.

ARTICLE IX

Powers and Duties of the Board of Directors.

Section 1. The Board of Directors shall have power:

(a) to call special meetings of the members whenever it deems necessary, and it shall call a meeting at any time upon request as provided in Article XII, Section 2:

(b) to appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any Member, Officer, or Director of the Association in any capacity whatsoever;

(c) to establish, levy and assess, and collect the assessments or charges referred to in Article III, Section 2;

(d) to adopt and publish rules and regulations governing the use of the common properties and facilities and the personal conduct of the members and their guests thereon;

(e) to exercise for the Association all powers, duties and authority vested in or delegated to this Association, except those, reserved to the members in the Charter of the Corporation, these By-Laws, or the Covenants;

(f) in the event that any member of the Board of Directors of this Association shall be absent from three (3) consecutive regular meetings of the Board of Directors without excuse, the Board may, by action taken at the meeting during which said third absence occurs, declare the office of said absent Director to be vacant.

(g) to appoint an executive committee of three (3) Directors and delegate all or any portion of the powers of the Board of Directors to this executive committee.

Section 2. It shall be the duty of the Board of Directors:

(a) to cause to be kept a complete record of all its acts and corporate affairs;

(b) to supervise all officers, agents and employees of this association, and to see that their duties are properly performed;

(c) as more fully provided in Article V of the Covenants applicable to the Properties:

1. to fix the amount of the assessment against each Lot or Dwelling Unit for each assessment period at least thirty (30) days in advance of such date or period and, at the same time;
2. to prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any member;
3. to send written notice of each assessment to every owner subject thereto;

(d) to issue upon demand by any person a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

ARTICLE X

Director's Meetings:

Section 1. The annual meeting of the Board of Directors shall be held on the _____ Saturday in _____ in each year, provided that the Board of Directors may, by resolution, change the day of holding such regular meeting.

Section 2. Ten (10) days written notice of such annual meeting shall be given each Director.

Section 3. Special meetings of the Board of Directors shall be held when called by any officer of the Association or by any two (2) Directors after not less than three (3) days notice to each Director.

Section 4. The transaction of any business at any meeting of the Board of Directors, however called and noticed, or whenever held, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum is present, and if either before or after the meeting each of the Directors not present signs a written waiver of notice, or a consent to the holding of such a meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made part of the minutes of the meeting.

Section 5. The majority of the Board of Directors shall constitute a quorum thereof.

ARTICLE XI

Officers.

Section 1. The officers shall be president, a vice-president, a secretary, and a treasurer. Any or all officers may be but shall not be required to be members of the Board of Directors.

Section 2. The officers shall be chosen by a majority of the Directors.

Section 3. All officers shall hold office during the pleasure of the Board of Directors.

Section 4. The president shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out and sign all notes, checks, leases, mortgages, deeds and all other written instruments.

Section 5. The vice-president shall perform all the duties in the absence of the President.

Section 6. The secretary shall be ex officio the secretary of the Board of Directors, shall record the votes and keep the minutes of all proceedings in a book to be kept for this purpose. He shall sign all certificates of membership. He shall keep the record of the Association. He shall record in a book kept for the purpose the names of all members of the Association together with their addresses as registered by such members.

Section 7. 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, provided however; that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business. The treasurer shall sign all checks and notes of the Association, provided that such checks and notes shall also be signed by the President or vice-president.

Section 8. The treasurer shall keep proper books of account and cause an annual audit of the Association books to be made at the completion of each fiscal year.

ARTICLE XII

Meetings of Members.

Section 1. The regular annual meeting of the members shall be held on the _____ Saturday in _____ in each year. If the day for the annual meeting of the members shall fall upon a holiday, the meeting will be held on the first day following which is not a holiday.

Section 2. Special meetings of the members for any purpose may be called at any time by the President, the Vice President, the Secretary or Treasurer or by any two (2) or more members of the Board of Directors, or upon written request of one-fourth ($\frac{1}{4}$) of the total of the Association vote.

Section 3. Notice of any meetings shall be given to the members by the Secretary. Notice may be given to the member either personally or by sending a copy of the notice through the mail, postage thereon fully prepaid to his address appearing on the books of the Association. Each member shall register his address with the Secretary and notices of meetings shall be mailed to his such address. Notice of any meeting, regular or special, shall be mailed at least six (6) days in advance of the meeting and shall set forth in general the nature of the business to be transacted, provided however, that if the business of any meeting shall involve and be governed by the Articles of Incorporation or by the Covenants applicable to the Properties, or any action for which other provision is made in these by-laws, notice of such meeting shall be given or sent as therein or herein provided.

Section 4. The presence at the meeting of the members entitled to cast, or of proxies entitled to cast sixty (60) percent of the total votes of the Association shall constitute a quorum for any action governed by these By-Laws. Any action governed by the Articles of Incorporation or by the Covenants applicable to the Properties shall require a quorum as therein provided.

ARTICLE XIII

Proxies.

Section 1. At all corporate meetings of members, each member may vote in person or by proxy.

Section 2. All proxies shall be in writing and filed with the Secretary. No proxy shall extend beyond a period of eleven (11) months, and every proxy shall automatically cease upon sale by the member of his interest in The Properties.

ARTICLE XIV

Corporate Seal.

Section 1. The Association shall have a seal in circular form having within its circumference the words: SEA PINES, DEER ISLAND OWNERS' ASSOCIATION, INC.

ARTICLE XV

Amendments.

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by three-fourths (3/4) of the vote at a duly called meeting and provided that any matter stated herein to be or which is in fact governed by the Covenants may not be amended except as provided in the Covenants.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Covenants applicable to The Properties referred to in Section 1, and these By-Laws, the Covenants shall control.

IN WITNESS WHEREOF, we being all of the Directors of DEER ISLAND
OWNERS' ASSOCIATION, INC. have hereunto set our hands and seals this

_____ day of _____, 19____.

Harold S. Depken
Bill M. Pridgeon

Joan A. Hamlin
Vice

Patsy A. Hancock

she

Joan A. Hamlin

7th December

Patsy A. Hancock

My Commission Expires
September 2, 1981

RECEIVED

PROCESSED

COMMUNICATIONS SECTION

Joan A. Hamlin

Harold S. Depken
D. L. McCary

Patsy A. Hancock

Joan A. Hamlin

7th December

Patsy A. Hancock

My Commission Expires
September 2, 1981