

ARTICLE III
MEMBERSHIP

1. Member: Requirements for membership in the Association are stated in the Master Deed.

2. Voting Rights: Voting rights in the Association are stated in Article VI, Section 2 of the Master Deed.

3. Verification: The Association shall for all purposes be entitled to rely upon the right to membership and voting rights of the person known as Co-Owner of a Condominium in its records until notified of such transfer by delivery of written notice thereof to the Secretary of the Association.

ARTICLE IV
BOARD OF DIRECTORS: GENERAL

1. Board of Directors: The Association shall be managed and governed by a Board of Directors (herein called the Board) consisting of seven (7) members; provided, however, if there be fewer Co-Owners than seven, the number of Directors shall be equal to the number of Co-Owners. All shall serve without compensation.

2. Director Qualification: Each Board Member must be a Co-Owner (or the Voting Member for a corporate Co-Owner) and in good standing, current in payment of all fees, assessments, and common expenses.

3. Election of Directors:

Directors shall be elected for a term of two years, and shall be elected at the regular annual Meeting of the Association. At such regular Annual Meetings, the Voting Members shall vote for the number of Directors necessary to fill the expired terms. Each Voting Member shall vote for as many Board Members as there are vacancies on the Board; provided, however, there shall be no cumulative voting. The candidates receiving the most votes shall be declared elected as members of the Board to fill the Board positions vacant at that time. Board members shall serve until their successors are qualified and elected.

4. Disqualification: Any Director shall automatically cease to be a member of the Board if said Director ceases to be a Co-Owner. A Director may be removed by a majority vote of the Board if said Director:

- a. is delinquent in payment of any common expenses or assessment (as defined in the Master Deed and/or in HPA and/or Non-Profit Corp. Act) for a period in excess of Sixty (60) days from the due date thereof; or
- b. has more than two (2) unexcused absences from meetings of the Board in any Twelve (12) month period.

5. Vacancy: In the event of a vacancy on the Board, the President shall have the power to appoint with the approval of the majority of the Board, a member in good standing to fill the vacancy until the next Annual Meeting, whereupon the Voting Members shall elect a Director to complete any remaining portion of the term or to serve for the next two years if the term in question has expired.

6. Removal: Other than for disqualification pursuant to Subpart 4 above, a Director may be removed by a vote of the Co-Owners at a Special Meeting called for such purpose as set forth in the Non-Profit Corp. Act.

ARTICLE V
BOARD OF DIRECTORS: POWERS AND DUTIES

1. Authority and Responsibility: Consistent with these By-Laws, the Board shall:

- a. Transact all business and prescribe the Rules and Regulations for the use of the Regime and all facilities and property thereof and may appoint such officers, clerks, agents, servants or employees as it may deem necessary in its sole discretion and may fix their duties and compensation;
- b. Fix, impose and establish penalties for violations of the Master Deed, By-Laws or Rules and Regulations of the Association.
- c. Carry out all other duties and obligations imposed and exercise all rights granted by the Master Deed and Exhibits thereto, the HPA and the Non-Profit Corp. Act.

2. Budget Preparation: The Board shall, on or before the November 30th, of each year, prepare a budget for the up-coming calendar year to include such sums as it deems necessary and adequate to provide for the common expenses of the Regime and such other expenses as are deemed necessary or appropriate expenses of the Regime.

3. Annual Assessment: The Board shall, on or before December 1st, deliver the budget for the up-coming year together with statement of the amount(s) due from each Co-Owner for that year and the date or dates upon which payment or payments are due to the Association.

4. Assessment Change: Thereafter, should any increase or decrease be determined appropriate by the Board in assessments to be paid by Co-Owners, the Board shall notify all Co-Owners affected at least thirty (30) days prior to the time such assessment shall be due.

5. Failure to Adopt New Budget/Assessments. Should the Board fail to timely deliver the budget or issue a statement of the amount(s) due as assessments as provided for herein, the previous year's budget and assessment shall remain in effect until a new budget is approved by the Board and provided to the Co-Owners.

ARTICLE VI
BOARD OF DIRECTORS: MEETINGS

1. Meetings: There shall be at least one regular meeting of the Board quarterly at a time designated by the President. The President or any two members of the Board may call Special Meetings of the Board as deemed necessary or desirable and in the best interest of the Association.

2. Meeting Notice: Notice of regular and any Special Meetings of the Board of Directors shall be given at least Two (2) days prior thereto by written notice, delivered personally or sent by mail, to each Director at his

address as shown in the records of the Association. If mailed, such notice shall be deemed delivered Two (2) days after being deposited in the United States mail in a sealed envelope so addressed with postage thereon prepaid. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice for such meeting except for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither business to be transacted nor other purpose of any regular or Special Meeting of the Board need be specified in the notice or waiver of notice of such meeting unless specifically required by law or by these By-laws.

3. Quorum: A simple majority of the members of the entire Board shall constitute a quorum for the purposes of transacting business and the affirmative vote of a simple majority of the entire Board shall be necessary to pass any resolution or authorize any act of the Association unless a different vote is required herein, in the Master Deed, its Exhibits, HPA and/or the Non-Profit Corp. Act. Absentee voting is permitted provided such Director registers his vote in writing with the secretary within twenty-four hours after the termination of the such meeting.

4. Action by Written Consent: Any action required by law to be taken at any meeting of the Directors, or any other action which may be taken in a meeting of the Directors, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Directors and included in the minutes.

5. Notices and Consents: For purposes of this Article VI, notice and written consent may be given via email or other electronic means approved by the Board for such purpose.

ARTICLE VII OFFICERS

1. Officers: There shall be four principal officers, all of whom shall serve without remuneration, a President, Vice-President, Secretary and Treasurer, all of whom shall be elected by and from the Board. The Directors may appoint assistant treasurers and assistant secretaries and such other officers as in their judgment may be necessary. No two offices may be held by the same person.

2. Election of Officers: The officers shall be elected annually by the Board immediately following the annual meeting of the Association and shall serve for twelve (12) consecutive months. New offices may be created and filled at any meeting of the Board. Each officer shall hold office until his successor shall be qualified and duly elected.

3. President: The President will be the principle executive officer and shall preside at all meetings of the Board and all meetings of membership and appointed committees and shall have general charge of and shall control the affairs of the Association according to such rules and restrictions as the Board shall determine.

4. Vice President: The Vice-President shall perform such duties as may be assigned to him by the Board. In case of death, disability or absence of the President, he shall be vested with all the powers and perform all duties of the President.

5. Secretary: The Secretary shall record the minutes of the meetings of the Board and meetings of the Association and who shall perform or have performed the correspondence of the Board and shall have such further duties as may be assigned to the Secretary by the Board.

6. Treasurer: The Treasurer shall keep the funds of the Association and shall disburse them to meet the ordinary and usual expenses of the Association and for other purposes upon order of the Board after such disbursement order has been entered in the minutes of the Board at a duly constituted meeting; maintain adequate reserves as may be necessary, desirable or required; and shall have such other duties as may be assigned. The Treasurer shall render a financial report at each regular meeting of the Board and at the Annual meeting of the Association.

7. Additional Officers: If required by the Board, the assistant treasurer(s), if any, shall also be bonded at the expense of the Association. The assistant treasurer(s) and the assistant secretary, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary, or by the President.

8. Removal: Any officer elected or appointed by the Board may be removed by the Board upon a majority vote whenever, in the Board's judgment, the best interest of the Association will be served thereby.

9. Vacancy: In the event of a vacancy in any one of these offices during the year, because of death, resignation, removal, disqualification or otherwise, the Board shall have the power to elect a member of the Board in good standing to fill the vacancy for the unexpired term.

ARTICLE VIII MEETINGS OF THE ASSOCIATION

1. Annual Meeting: There shall be an Annual Meeting of the Association held during the first quarter of the calendar year and at a time and place designated by the President.

2. Special Meetings: Special Meetings of the Association may be called by the Board. Special Meetings of the Association may be called by the President upon Ten (10) days' notice to all members. Such notice shall state the purpose for which the Special Meeting is called and no other business shall be transacted at said meeting. Also, upon request of Voting Members totaling 50 percent of the total votes in writing made to the Secretary stating the purpose therefore, a Special Meeting shall be called by the Secretary for the Association to be held within forty days (40) thereafter.

3. Notice of Meetings: Written notice of each meeting of the Co-Owners 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, not less than twenty (20) days nor more than thirty (30) days before such meeting to each designated Voting Member, addressed to such 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. The time and place of all meetings of Members shall be determined by the Board of Directors, provided that any such meeting must

take place within South Carolina. The record date for determining the Members entitled to notice of a Members' meeting shall be three (3) business days before the mailing of the Notice ("Record Date"). For purposes of this Section, if such Member has provided an email address to the Secretary, notice of meeting may, at the Secretary's discretion, be delivered via email to such address in lieu of notice via postal service. Regardless of the method of mailing, notices shall be deemed delivered three (3) days after mailing. Any person who becomes a Member after the Record Date shall be deemed to have been given notice if sent to such Member's predecessor in title, regardless of address. If a meeting of the Members is adjourned to a different date, time, or place, notice need not be given of the new date, time, or place, if the new date, time, and place is announced at the meeting before adjournment.

4. Quorum: Voting Members holding Fifty-One (51%) percent of the total votes of the Association must be present personally or by proxy to constitute a quorum at Annual and Special Meetings of the Association. If, however, such quorum shall not be present or represented at any meeting, the meeting shall be adjourned and another meeting shall be scheduled for a date not less than ten (10) days nor more than thirty (30) days subsequent to the initial meeting. The quorum requirement for the adjourned meeting shall be the presence, in person or by proxy, of Members, entitled to cast twenty-five percent (25%) of the total vote of the Association.

5. Proxies: At all meetings of Members, any Member entitled to vote may do so in person or by proxy. All proxies shall be in writing in a form approved by the Board and shall be effective when received by the Secretary, or other officer or agent authorized to tabulate votes, and the appointment of a proxy shall remain in effect until revoked by the person appointing the proxy by attendance at the meeting and voting in person or by signing and delivering to the Secretary, or other officer or agent authorized to tabulate votes either a written revocation or new appointment proxy. Unless the Secretary has notice of (a) a transfer of Membership associated with a sale of the Member; (b) death of a Member; or (c) incapacity of a Member, the Association may accept the proxy's authority.

6. Action by Written Ballot. Any action that may be taken at an Annual, regular, or Special Meeting of Members, may be taken by written ballot in accordance with the Non-Profit Corp. Act.

7. Voting Rights: Voting rights are established as set forth in the Master Deed. When a Condominium is owned by more than one natural person (whether jointly or as tenants in common), or by an entity (e.g. limited liability company, corporation, limited partnership, etc.) the Co-Owners of such Condominium shall designate a single, natural person from among the Co-Owners thereof, or in the case of an entity, an officer, partner, or member thereof, to serve as the designated Voting Member ("Voting Member"), and shall notify the Secretary of the name and address of such designated Voting Member. When a Condominium is owned by a single natural person, that individual is automatically deemed to be the designated Voting Member. Once designated with the Secretary, the designated Voting Member may only be changed not more frequently than once in any given twelve (12) month period other than for death or disability. After the Record Date has been fixed, a complete list of designated Voting Members shall be prepared and shall be maintained in the office of the Association in advance of the meeting for which notice is being given. It shall be up to any Member who is not on the list to provide adequate evidence to the Secretary of the Association that such person is the designated Voting Member entitled to vote. Notwithstanding the foregoing, married couples shall not be required to register a designated Voting Member, provided, however, that they will not

be entitled to more than one vote per Condominium. In any case where more than one vote is cast by the Co-Owners of a Condominium, in person or by proxy, in violation of the Master Deed or these By-laws, and such votes cannot be timely reconciled by the Association at the meeting in which the votes were cast, the Association shall have the right to disregard those votes in calculating its tally. Such votes shall, however, count towards the establishment of a quorum.

ARTICLE IX VOTING

1. Voting Member: The Voting Member shall be as defined in the Master Deed, Article VI, Section 2.

2. Action by Vote of the Membership: The affirmative vote of a simple majority of the Co-Owners present at a meeting in which a quorum is present shall be binding on the Co-Owners of the Association unless a different vote is required herein, in the Master Deed, its Exhibits, HPA and/or the Non-Profit Corp. Act.

3. Proxy Vote: Votes may be cast in person or by proxy. Each proxy shall be in a form as determined by the Board and must be filed with the Secretary prior to the appointed time for a regular meeting and at least one day before the appointed time for a Special Meeting.

4. Membership: Membership in the Association is not transferable or assignable (except as the same may be assigned by way of proper proxy properly executed.) Transfer of a Co-Owner's Condominium or any interest therein in any fashion shall automatically terminate the transferor's membership herein and all voting rights.

ARTICLE X RULES AND REGULATIONS

The Board shall be and is hereby empowered to promulgate and issue such Rules and Regulations from time to time as it may, in its sole discretion, determine necessary and desirable for the continued maintenance and upkeep, use and enjoyment of any Condominiums, common areas or facilities contained within the Regime, subject, however, to such restrictions as contained in the Master Deed, its Exhibits, HPA and/or Non-Profit Corp. Act. Such Rules and Regulations shall be binding upon and enforceable against all Co-Owners, their families, guests, invitees, and/or lessees (and their guests), and all occupants of Condominiums. The Board of Directors may impose a system of monetary fines for violations of the Rules and Regulations but not before notifying the Co-Owners with respect to the amount of and procedure for applying fines.

ARTICLE XI CONTRACTS, CHECKS, DEPOSITS, AGREEMENTS AND FUNDS

1. Board Authority: The Board may authorize any officer(s), or agent(s) of the Association to enter into any contract or execute and deliver any instrument in the name of, and on behalf of, the Association and/or the Co-Owners thereof. Such authority may be general or confined to specific instances and may include the authority to execute loan documents.

2. Signature Authority: All checks, drafts or orders for the payment of notes or other evidence of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association in such manner as shall from time to time be determined by the resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer (or duly authorized assistant treasurer) and by the President (or Vice President).

3. Funds Deposit: All funds of the Association and/or received by it from or on behalf of the Co-Owners shall be deposited from time to time to the credit of the Association at such banks, trust companies or other depository as the Board may select.

4. Gifts: The Board may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes or for any of the special purposes of the Association.

ARTICLE XII MEMBERSHIP SUSPENSION

Any Co-Owner failing to pay assessments within Sixty (60) days of the date on which they become due may have his right to vote his membership interest in the Association suspended by the Board until such time as the Co-Owner's account is brought current or a mutually acceptable payment plan is agreed upon. Any Co-Owner thus suspended shall immediately be notified in writing by the Association or its managing agent.

ARTICLE XIII BOOKS AND RECORDS

The Association shall maintain corporate records in accordance with the Non-Profit Corp. Act. Records required to be made available for inspection and copying by the Members, including a membership list, minutes and financial records, shall be made available at the written request of a Member and by appointment only. The Association may elect to make certain records available electronically and, to the extent it does so, shall not be required to provide printed copies thereof to its Members. The Association may utilize email addresses of its Members for any and all notices required by the Master Deed, these Bylaws and for other communication purposes. It is the policy of the Association that any email list maintained for such purposes shall not be subject to any records request, unless court ordered. Notwithstanding the foregoing, the Association shall not be liable to a Member for any disclosure of same. The Association further reserves the right to withhold certain records, if in the good faith opinion of the Board, such material is privileged, confidential, or prepared in contemplation of litigation. Emailed communications by and among Board members shall not be subject to inspection and copying unless they are evidence of written consent to actions taken in lieu of a meeting as provided for hereinabove. If a Member wishes to challenge the Board's determination, the Member may do so in writing, setting forth the reason for the request and why the material should not be considered protected and the Board shall seek an opinion from counsel regarding same. Counsel's determination shall be deemed dispositive of the issue.

If a Member pursues legal action against the Board for withholding records in accordance with the provisions of this Section and it is later determined that the Board acted in good faith in denying same, or

should the action be dismissed by such Member prior to such determination, said Member shall be responsible for the Association's reasonable attorneys' fees and costs associated with defending same.

ARTICLE XIV
MISCELLANEOUS

1. Directors and Officers Insurance: Each person elected and qualified as Director or Officer shall be indemnified by the Association against expenses actually and necessarily incurred by and in connection with the defense by such person of any action, suit or proceeding in which he is made a party by reason of his being a Director or Officer except as to matters as to which he is adjudged to be liable for gross negligence or willful misconduct. In said latter matters, such Officers or Director will indemnify the Association for any sum(s) paid in settlement of any action, suit or proceeding based upon gross negligence or willful misconduct. The right of indemnification shall inure to each Director or Officer when such matter occurred during the time that such person was a Director or Officer has been succeeded in office by someone else. Such payments by the Association shall be included as a part of the common expenses.

2. Interpretation: Any question as to the interpretation of these By-Laws shall be determined by simple majority of the full Board.

3. Conduct of Meetings: Roberts' Rules of Order shall apply in any meeting of the Board or of the Association unless in conflict with the By-Laws, Master Deed, HPA and/or Non-Profit Corp. Act, in which case these By-Laws, the Master Deed HPA and/or Non-Profit Corp. Act shall control. Notwithstanding the foregoing, a failure to strictly observe said Rules shall not constitute a cause of action as against the Board or the Association.

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

5. No Waiver: The failure of the Association or the Board to enforce any right, provision, covenant or condition which may be granted by the Master Deed, By-laws or any applicable Rules and/or Regulations shall not constitute a waiver of the right of the Association or its Board to enforce such, right, provision, covenant, or condition in the future.

6. Election of Remedies: All rights, remedies and privileges granted to the Association or the Board pursuant to the Master Deed, By-laws or Rules and/or Regulations of the Regime 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.

7. Notice of Suit: Co-Owners shall give notice to the Association of every suit or other proceeding which will or may affect title to a Condominium, such notice to be given within ten (10) days after the Co-Owner receives notice of such suit or proceeding.

8. Conflict: These By-laws are set forth to comply with the requirements of the South Carolina Nonprofit Corporations Act of 1994, as the same may be amended from time to time. In the event of any conflict, ambiguity, or inconsistency 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.

9. 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 herein.

10. 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.

ARTICLE XV
OFFICES

The principal office shall be located in Hilton Head Island, South Carolina. The Association may have other offices within and without the State of South Carolina as the Board of Directors may determine or as the affairs of the Association may require from time to time. The principal office of the Association and the address may be changed from time to time by the Board of Directors.

ARTICLE XVI
PURPOSE

The purpose of this Association shall be to provide a collective government form of administration for the Co-Owners of the Regime and to manage and control the Regime and the activities of the Co-Owners therein and of all persons using or occupying the facilities of the Regime and all things pertinent to and/or related thereto and to carry out all activities, promulgate all Rules and Regulations and to have all responsibilities and purposes that are given to the Regime Association in the Master Deed of Sea Cabin Racquet Club II Horizontal Property Regime (hereinafter call the Master Deed), HPA and/or the Non-Profit Corp. Act and in these By-Laws.

ARTICLE XVII
CONTROLLING AUTHORITIES

These By-Laws are set forth to comply with the requirements of the HPA and the Non-Profit Corp. Act. In case any of these By-Laws conflict with the provisions of said statutory provisions, the provisions of the HPA and Non-Profit Corp. Act shall apply. In the event of any conflict between these By-Laws and the Master Deed, the provisions of the Master Deed shall control. In the event of conflict between the provisions of the Master Deed and the HPA or Non-Profit Corp. Act, the statutes shall control, unless variance is permitted, in which case the Master Deed shall control.

ARTICLE XVIII
AMENDMENTS

These By-Laws may be amended by a vote of two-thirds of the membership interests in the Regime, unless some other or greater vote is required by law.

IN WITNESS WHEREOF, the Association has caused this instrument to be executed by its appropriate officers as of the day and year first above written.

WITNESSES:

[Signature]

SEA CABIN RACQUET CLUB II HORIZONTAL PROPERTY REGIME

By: [Signature]

Its President

[Signature]

I, Stacey Collins do hereby certify that James Ackerman, President of Sea Cabin Racquet Club II Horizontal Property Regime, appeared before me the date below written, and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this 20th day of April, 2020.



[Signature]
Notary Public of South Carolina
My Commission Expires: 6-5-25