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**REVISED BYLAWS OF
HILTON HEAD ISLAND MOTORCOACH RESORT OWNERS' ASSOCIATION, INC.
Effective: 12/31/2023**

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**REVISED BYLAWS OF
HILTON HEAD ISLAND MOTORCOACH RESORT OWNERS' ASSOCIATION, INC.
Effective: December 31, 2023**

The following Bylaws shall govern the operation of the **HILTON HEAD ISLAND MOTORCOACH RESORT OWNERS' ASSOCIATION, INC.** (hereinafter called "the Association") described and named in the Declaration of Covenants and Restrictions for Outdoor Resorts at Hilton Head Island, South Carolina and Provisions for the Outdoor Resorts at Hilton Head Island Owners' Association, Inc. dated March 23, 1979 (hereinafter called "the Declaration").

ARTICLE I. MEANING OF WORDS, ASSOCIATION OFFICE, AND ASSOCIATION SEAL

Section 1. Words used herein shall have the same meaning as is attributed to them in the Declaration.

Section 2. The office of the Association shall be at the motorcoach resort known as Hilton Head Island Motorcoach Resort, Hilton Head Island, South Carolina, or at such other place as may be subsequently designated by the Board of Directors of the Association.

Section 3. The Seal of the Association shall bear the name of the Association and the year of its incorporation.

ARTICLE II. MEMBERSHIP AND VOTING RESTRICTIONS

Section 1 Stock/Certificates. The Association shall not issue stock or certificates.

Section 2 Membership. Membership in the Association shall be limited to owners of units of record, as identified in the preceding Declaration of Covenants and Restrictions. Transfer of unit ownership, either voluntary or by operation of law, shall terminate membership in the Association, and such membership shall thereby become vested in the transferee.

Section 3 Voting Rights.

- a) When any real property entitling any owner to membership in the Association is owned by a single natural born individual, that person shall be the member of the Association representing said unit, with the right to possession of said unit, to access the common properties, to attend meetings of the members, to hold office in the Association, and to cast the vote of said unit. If said owner is deceased his executor(s) or administrator (s) shall be entitled to all the rights of said member except the right to hold office.
- b) When a unit is owned by two or more individuals, either jointly or as tenants in common, all such owners shall collectively constitute the member representing said unit, with the aforesaid rights, and the following three provisions are applicable thereto:
 - i. They may, but shall not be required to, designate a Voting Member as hereinafter provided;
 - ii. If they do not designate a Voting Member, and if more than one of them is present at a meeting, and those present are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting; and
 - iii. If they do not designate a Voting Member, and only one of them is present at a meeting, the person present may cast the unit vote just as though he or she owned the unit individually, without obtaining the concurrence of the absent person or persons.
- c) In order to prevent an undesirable fractionalization of membership, in all other cases of multiple ownership of a unit, including, without limitation, by a trust, a corporation, a limited liability company or a partnership, the persons or entity shall designate one or two "Designated Member(s)", who must be natural persons over the age of eighteen (18) years and related by blood or marriage, and one of whom shall be the "Voting Member".

The Designated Member(s) shall be collectively the member of the Association representing said unit, with all of the rights of an individual member as set forth above. Any other person or persons interested in such entity shall only be entitled to possession of said unit, and to access to the common properties, as

a guest or guests of the Designated Member(s), subject to the rules and regulations of the Association concerning guests, and shall have no right to attend meetings of the members, to vote, or to hold office in the Association.

When required or permissively appointed, the Voting Member shall be the only person entitled to vote on behalf of said unit.

When required or permissively appointed, Designated Member(s) and the Voting Member of each unit must be designated on an annual basis. The annual written designation of the Designated Member(s) and the Voting Member shall be provided to the Association on or before January 1 and shall be executed by the Designated Member(s), the Voting Member and the ownership entity, by its appropriate representative, e.g. the trustee(s) of a trust, the President of a corporation or limited liability company, the general partner(s) of a partnership, or the chief executive officer of any other entity. If no new annual designation is provided to the Association on or before January 1 the prior year's designation shall remain in effect. If no annual designation is so provided, no one representing said entity shall be entitled to access to said unit, to the common properties on behalf of said unit, to attend meetings of the members, to vote on behalf of said unit, or to hold office in the Association. If a Voting Member dies or becomes incapable of acting during the year the unit in question shall designate another Voting Member within sixty (60) days thereof or the foregoing consequences shall ensue, unless a Designated Member survives, in which event the surviving Designated Member shall become the Voting Member for such unit. No Designated Member or Voting Member shall resign during his or her term as such.

- d) Owners whose POA fees are in arrears by 60 days or more shall be restricted from being allowed to vote. In addition, if the owner is in the rental pool, the rental income will be retained by the resort to offset the past due POA fees. (Approved 8.20.2022)

Section 4. Quorum.

At a meeting of members the presence in person or by proxy of members representing a majority (201) of the units in said resort shall constitute a quorum for the purpose of electing directors, and for the approval of substantial additions or alterations to the common properties. For all other purposes a quorum shall consist of members representing one-third (134) of said units, present in person or by proxy.

Section 5. Voting.

- a) At a meeting of the membership a majority of the members present and voting, in person or by proxy, but not less than the members representing 103 units, shall decide any question unless these Bylaws or the Declaration requires a greater number, in which event the voting requirement specified in the Bylaws or Declaration shall control.
- b) The member or members representing each unit shall be entitled to one vote for each unit owned. If a member owns more than one unit he shall be entitled to one vote for each unit owned. The vote of a unit shall not be divided. Members on the date of a meeting shall be entitled to vote at such meeting.

Section 6. Proxies.

Votes may be cast in person, by mail or electronically, or by proxy. All proxies shall either be in writing and signed by the person entitled to vote (as set forth above), or shall be filed electronically by such person, and in either case shall be filed with the Secretary of the Association prior to the meeting in which they are to be used. A proxy shall be valid only for the particular meeting designated therein. When a unit is owned jointly or as tenants in common, and they have not designated one of them as a Voting Member, a proxy must be signed by all such persons if it designates a third person. A proxy may be revoked by written notice to the Association of such revocation, by a subsequent proxy, or by the member's voting in person at the meeting. A proxy is not revoked by the death or incapacity of the member unless, before the proxy is voted, notice of such death or incapacity is received by the Association.

ARTICLE III. MEETINGS OF THE MEMBERSHIP

Section 1. Place.

All meetings of the Association membership shall be held at Hilton Head Island Motorcoach Resort, or, if that is not practicable, at such other place and time as shall be designated by the Board of Directors of the Association and stated in the Notice of Meeting.

Section 2. Notices.

It shall be the duty of the Secretary to mail, or send electronically, a notice of each annual or special meeting, stating the time and place thereof, to each member of record, at least fifteen (15) days, but not more than forty (40) days, prior to such meeting. Notice of such meeting shall state the purpose thereof.

All notices either shall be picked up at the Association office, or shall be mailed or sent electronically to the address of the member as it appears on the books of the Association or is provided to the Association by such member for the purpose of giving such notice.

Section 3. Order of Business

The President shall preside at each meeting of the members, and the Secretary shall act as Secretary of the meeting. The order of business at annual members' meetings, and, as far as practical, at all other members' meetings, shall be:

- (a) Calling of the roll and certification of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading and disposal of any unapproved minutes.
- (d) Reports of the President and Treasurer.
- (e) Reports of committees.
- (f) Report of Election Committee.
- (g) Election of Directors.
- (h) Unfinished business.
- (i) New business.
- (j) Adjournment.

Section 4. Date for Annual Meeting

The first order of business of the Board, after its election, shall be to select a spring date in the following year, focusing on the three (3) Saturdays surrounding Easter, for the Annual Meeting of the members, for the election of directors and the transaction of 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 secular day following. At the annual meeting the members shall elect by a plurality vote (cumulative voting prohibited) a Board of Directors and transact such other business as may properly be brought before the meeting.

Section 5. Action of Annual Meeting

Except as otherwise provided by statute or by these Bylaws, any proper matter may be presented at an annual meeting for action by the members.

Section 6. Special Meeting

Special meetings of the members for any purpose or purposes, may be called by the President, and shall be called by the President or Secretary at the request, in writing, of a majority of the Board of Directors, or at the request, in writing, of the number of members required to constitute a quorum at such meeting. Any such request shall state the purpose or purposes of the proposed meeting. Business transacted at all special meetings shall be confined to subjects stated in the notice thereof.

Section 7. Action by Written or Electronic Ballot.

Any action that may be taken at any annual or special meeting of the members may be taken without a meeting if the Association delivers a written or electronic ballot to every member entitled to vote on the matter.

- a) A written or electronic ballot shall set forth each proposed action, and provide an opportunity to vote for or against each proposed action.
- b) Approval by written or electronic ballot is valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.
- c) All solicitations for votes by written or electronic ballot shall indicate the number of responses needed to meet the quorum requirements, state the number of approvals necessary to approve each matter other than election of directors, and specify the time by which a ballot must be received by the Association in order to be counted. A written or electronic ballot may not be revoked.

Section 8. Parliamentary Rules.

Robert's Rules of Order shall govern the conduct of Association meetings when not in conflict with the Declaration or these Bylaws.

ARTICLE IV. DIRECTORS

The Board of Directors shall consist of seven members. At each annual meeting directors shall be elected from the members for a term of three years. Three directors shall be elected at one annual meeting, and two directors at each of the following two annual meetings, so that the directors shall serve staggered terms. In order to be eligible to serve as a director a person shall be either an individual owning at least a fifty percent (50) interest in a unit or the Designated Member or Voting Member designated by a trust, a partnership, a corporation, a limited liability company or other entity which owns a unit. If a unit has more than one individual owner (other than a jointly held unit), and the deed thereto does not state the percentage of ownership of each owner, the owners shall file with the Secretary of the Association a certificate setting forth such percentages, or else no owner of such unit shall be eligible to serve as a director.

Section 1. First Meeting of a Board of Directors.

The first meeting of a newly elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the first meeting shall be necessary, provided a quorum shall be present.

Section 2. Removal of Directors.

At any duly convened regular or special meeting of the members any one or more of the directors may be removed with or without cause by the affirmative vote of the members casting not less than 103 of the votes present at said meeting, and a successor may then and there be elected to fill the vacancy thus created; provided, however, that the notice of said meeting shall state that the purpose, or one of the purposes, of said meeting shall be the removal of said director or directors. Should the membership fail to elect a successor, the Board of Directors may fill the vacancy in the manner prescribed in Section 3 below.

Section 3. Vacancies on Directorate.

If the office of any director or directors shall become vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, at any regular or special meeting of the Board of Directors a majority of the remaining directors, though less than a quorum, shall choose a successor or successors, who shall hold office for the balance of the unexpired term in respect to which such vacancy or vacancies occurred; provided, however, that if the balance of such unexpired term shall exceed one year, the person so appointed shall serve until the next annual meeting, when a director shall be elected to serve the remaining balance of such unexpired term.

Section 4. Disqualification and Resignation of Directors.

Any director may resign at any time by sending a written notice of such resignation to the office of the Association for delivery to the Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Secretary. More than three (3) consecutive absences from regular meetings of the

Board of Directors, unless excused by resolution of the Board of Directors, shall automatically constitute a resignation effective when such resignation is accepted by the Board of Directors. In the event a director ceases to be an owner of a unit or to have an interest therein, or in the event that a Designated Member or Voting Member ceases to be such, the directorship shall immediately and automatically terminate. No member shall continue to serve on the Board should he or she be more than thirty (30) days delinquent in the payment of an assessment, and said delinquency shall automatically constitute a resignation effective when such resignation is accepted by the Board of Directors.

Section 5. Regular Meetings.

The Board of Directors may establish a schedule of regular meetings, to be held at such time as the Board of Directors may designate. Notice of such regular meetings shall nevertheless be given to each director personally, or by mail, telephone, telegraph, or electronic means, and shall be publicly posted within the resort, at least five (5) days prior to the day named for such meeting. Such notice shall include the agenda for said meeting.

Section 6. Special Meetings.

Special meetings of the Directors may be called by the President, and must be called by the Secretary at the written request of two members of the Board. Notice of special meetings shall be given in the same manner as notice of regular meetings.

Section 7. Place.

All meetings of the Board of Directors shall be held at Hilton Head Island Motorcoach Resort unless the same shall not be practicable, in which event such meetings may be held at such place as the Board of Directors may designate.

Section 8. Directors' Waiver of Notice.

Before or at any meeting of the Board of Directors, any director may waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him or her of the time and place thereof. If all the directors are present at any meeting of the Board no notice shall be required, and any business may be transacted at such meeting.

Section 9. Quorum.

At all meetings of the Board of Directors a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of directors present at such meetings shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At each such adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such director for the purpose of determining a quorum. Directors may vote, or give proxies to other directors, by electronic means.

Section 10. Sunshine Provisions.

- a) Meetings of the Board of Directors shall be open to the members.
- b) The Board of Directors may conduct closed executive sessions to discuss and vote upon employment, compensation, disciplinary matters, litigation, and matters involving contracts. Any other matter may be discussed in executive session, but no action may be taken thereon except in public session.
- c) This section does not prohibit the removal of any person who willfully disrupts a meeting to the extent that orderly conduct of the meeting is seriously compromised.
- d) The Board of Directors shall keep written minutes of its public meetings, which shall be made available to the owners within forty-five (45) days after such meeting.

Section 11. Compensation.

Directors shall not receive any compensation for their services as directors.

Section 12. Powers and Duties.

The Board of Directors shall have the powers and duties necessary for the administration of such things as are not by law or by the Declaration or by these Bylaws directed to be exercised and done by the members. These powers shall specifically include, but shall not be limited to, the following:

- a) To exercise all powers specifically set forth in the Declaration or these Bylaws, and all powers incidental thereto.
- b) To make assessments, collect said assessments, and use and expend the assessments to carry out the purposes and powers of the Association.
- c) To employ, dismiss and control the personnel necessary for the maintenance and operation of Hilton Head Island Motorcoach Resort and of the common areas and facilities, including the right and power to employ attorneys, accountants, contractors and other professionals as the need arises.
- d) To make and amend regulations respecting the operation and use of the common property and the use and maintenance of the units therein, and to require basic maintenance of all units to assure the aesthetics of the Resort.
- e) To contract for the management of Hilton Head Island Motor-coach Resort, and to delegate to such contractor all of the powers and duties of the Association, except those which may be required by the Declaration to have the approval of the Board of Directors or membership of the Association.
- f) To designate one or more committees, which, to the extent provided in the resolution designating such committee, shall have the powers of the Board of Directors in the management of the business and affairs of the Association. Such committee shall consist of at least three members of the Association, one of whom shall be a Director. 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 committees shall keep regular minutes of their proceedings and report the same to the Board of Directors as required. A committee shall have no independent power to consummate a policy or suggestion, unless given such authority. A committee shall not expire by reason of the election of new Directors. The President shall be an ex officio member of every committee.
- g) To maintain, repair, replace and operate the common properties of Hilton Head Island Motorcoach Resort.
- h) To reconstruct improvements after casualty, and to further improve the common properties of Hilton Head Island Motorcoach Resort.
- i) To enforce by legal means the provisions of the Declaration, the Bylaws of the Association, and the rules and regulations for the use of the common property and the units in Hilton Head Island Motorcoach Resort. This may include, inter alia, the institution or defense of litigation, and the imposition and enforcement of a system of fines for the purpose.
- j) To pay taxes and assessments which are liens against any part of the common properties.
- k) To pay the costs of all power, water, sewer and other utility services rendered to Hilton Head Island Motorcoach Resort and not billed to owners of individual units.
- l) To borrow money, issue notes, bonds and other obligations, and secure any of its obligations by mortgage or pledge of any of its property or income.

The foregoing powers shall be exercised by the Board of Directors or its contractors or employees, subject only to approval by the members when such is specifically required.

Section 13. Conflict of Interest.

A conflict of interest exists when a director has a direct or indirect financial interest in a transaction with the Association. A transaction in which a conflict of interest exists is not voidable, or the basis for imposing liability on a director, if the transaction was fair to the Association at the time that it was entered into. For purposes of this section a director has an indirect interest in a transaction if an entity in which the director has a material interest, or of which he is a director, officer, trustee or other fiduciary, or an employee, is a party to the transaction.

Section 14. Tenure.

No member of the Board of Directors who shall have served more than one year may be nominated for reelection at the completion, or resignation, of his or her term, for at least one year without the approval of five members of the Board of Directors.

ARTICLE V. OFFICERS

Section 1. Elective Officers.

The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. One person may not hold more than one of the aforesaid offices, except that one person may be both Secretary and Treasurer. The President and Vice President shall be members of the Board of Directors.

Section 2. Election.

The officers of the Association designated in Section 1 above shall be elected annually by the Board of Directors at the organizational meeting of each new Board following the annual meeting of the members.

Section 3. Appointive Officers.

The Board may appoint an Assistant Secretary and an Assistant Treasurer and such other officers as the Board may deem necessary.

Section 4. Term.

The officers of the Association shall hold office until their successors are chosen and qualify in their stead. Any officer elected by the Board of Directors may be removed at any time, with or without cause, by the Board of Directors; provided, however, that no officer shall be removed except by the affirmative vote of a majority of the whole Board of Directors (e.g., if the Board of Directors is composed of seven persons, then four of said Directors must vote for removal). If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

Section 5. The President.

He or she shall be the chief executive officer of the Association. He or she shall preside at all meetings of the unit owners and of the Board of Directors. He or she shall have executive powers and general supervision over the affairs of the Association and other officers, shall sign all written contracts, shall perform all of the duties incident to the office, and shall perform all duties which may be delegated to him or her from time to time by the Board of Directors.

Section 6. The Vice President.

He or she shall perform all of the duties of the President in his or her absence or disability, and such duties as may be required of him or her from time to time by the Board of Directors or President.

Section 7. The Secretary.

He or she shall issue notices of all Board of Directors meetings and all meetings of the members. He or she shall attend and keep the minutes of the same which shall be available at the office within 45 days. He or she shall have charge of all of the Association's books, records and papers except those kept by the Treasurer. He or she shall have custody of the seal of the corporation. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent or incapacitated.

Section 8. The Treasurer.

- a) He or she shall have custody of the Association's funds and securities, shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name of and to the credit of the Association in such depositories as may be designated from time to time by the Board of Directors.

- b) He or she shall disburse the funds of the Association as may be ordered by the Board in accordance with these Bylaws, making proper vouchers for such disbursements, and shall render to the President and Board of Directors at the regular meetings of the Board of Directors, or whenever they may require it, and to the members at their annual meeting, an account of all of his or her transactions as Treasurer and of the financial condition of the Association.
- c) He or she shall collect the assessments, and shall promptly report the status of collection and of all delinquencies to the Board of Directors.
- d) He or she shall give status reports to potential transferees, on which reports the transferees may rely.

ARTICLE VI. FISCAL MANAGEMENT

Section 1. Depositories.

The funds of the Association shall be deposited in such banks and depositories as may be determined by the Board of Directors from time to time, upon resolutions approved by the Board of Directors, and shall be withdrawn only upon checks and demands for money signed by such officer or officers of the Association, or the Manager and Assistant Manager, as may be designated by the Board of Directors. Obligations of the Association, as defined in Article IV, Section 12, Subsection (1), shall be signed by at least two officers of the Association.

Section 2. Fiscal Year.

The fiscal year of the Association shall begin on the first 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 3. Fidelity Bond.

All officers and employees of the Association authorized to sign checks or handle association funds shall be bonded in such amounts as may be determined by the Board of Directors.

Section 4. Determination of Assessments and/or Maintenance Fees.

- a) The Board of Directors of the Association shall fix and determine from time to time the sum or sums necessary and adequate for the common expenses of Hilton Head Island Motorcoach Resort. Common expenses shall include expenses for the operation, maintenance, repair or replacement of the common elements, costs of carrying out the powers and duties of the Association, all insurance premiums and expenses relating thereto, including fire insurance and extended coverage, and any other expenses designated as common expenses from time to time by the Board of Directors of the Association. The Board of Directors is specifically empowered, on behalf of the Association, to make and collect assessments, and to maintain, repair and replace the common elements of Hilton Head Island Motorcoach Resort Funds for the payment of common expenses shall be assessed against the members in the proportions or percentages of sharing common expenses as provided in the Declaration. Said assessments shall be payable as ordered by the Board of Directors. Special assessments, should such be required, shall be levied only for the purposes provided in the Declaration but otherwise in the same manner as hereinbefore provided for regular assessments, and shall be payable in the manner determined by the Board of Directors.
- b) When the Board of Directors has determined the amount of any assessment, the Treasurer of the Association shall mail or send electronically to each member a statement of said member's assessment. All assessments shall be payable to the Association, and, upon request the Treasurer shall give a receipt for each payment so made.

Section 5. Application of Payments and Comingling of Funds.

All sums collected by the Association from assessments may be comingled in a single fund or divided into more than one fund, as may be determined by the Board of Directors. All assessment payments by a member shall be applied to interest, delinquencies, costs and attorneys' fees, other charges, expenses or advances, as provided

herein and in the Declaration, and general assessments in such manner as the Board of Directors determines in its sole discretion.

Section 6. Annual Audit.

An audit of accounts of the Association shall be made annually by a Certified Public Accountant, and a copy of the report shall be available for inspection or copying by the members at the office of the Association not later than three months after the end of the year for which the report is made.

Section 7. Acceleration of Assessment Installments Upon Default.

If a member shall be in default in the payment of an installment upon any assessment, the Board of Directors may accelerate the remaining installments upon notice thereof to the member, and thereupon the unpaid balance of the assessment shall become due upon the date stated in the notice, but not less than fifteen (15) days after the delivery of or mailing of said notice thereof to the member.

ARTICLE VII. SUBSTANTIAL ADDITIONS OR ALTERATIONS

There shall be no substantial additions or alterations to the common properties unless the same are authorized by the Board of Directors and ratified by the affirmative vote of the members casting not less than 75% of the total votes of the members present, in person or by proxy, at any regular or special meeting of the members called for that purpose.

ARTICLE VIII. COMPLIANCE AND DEFAULT

Section 1. Violations.

In the event of a violation (other than the non-payment of an assessment) by a member of any of the provisions of the Declaration or of these Bylaws, the Association, by direction of its Board of Directors, may notify the member by written notice of said breach, transmitted by mail or electronically, and, if such violation shall continue for a period of thirty (30) days from the date of the notice, the Association, through its Board of Directors, shall have the right to treat such violation as an intentional and inexcusable and material breach of the Declaration or of the Bylaws, and the Association may then, at its option, have the following options:

- (1) an action at law to recover for its damage on behalf of the Association or on behalf of the other members;
- (2) an action in equity to enforce performance on the part of the member; and
- (3) an action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief.

Upon a finding by the court that the violation complained of is willful and deliberate, the member so violating shall reimburse the Association for reasonable attorneys' fees incurred by it in bringing such action. Failure on the part of the Association to maintain such an action at law or in equity within thirty (30) days from the date of a written request, signed by a member, sent to the Board of Directors, shall authorize any member to bring an action in equity or suit at law on account of the violation. Any violations which are deemed by the Board of Directors to be a hazard to public health may be corrected immediately as an emergency matter by the Association, and the cost thereof shall be charged to the member as a specific item, which shall be a lien against said unit with the same force and effect as if the charge were a part of the common expense.

Section 2. Negligence or Carelessness of Unit Owner, etc.

All members shall be liable for the expense of any maintenance, repair or replacement rendered necessary by such member's act, neglect or carelessness, or by that of any member of his or her family, or his, her or their guests, employees or agents, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association, if any. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of any unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation. The expense of any maintenance, repair or replacement required as provided in this section shall be charged to said member as a specific item, which shall be a lien against said unit with the same force and effect as if the charge were a part

of the common expense. Said lien shall be subordinate to the lien of any institutional first mortgage on a given unit.

Section 3. 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 4. No Waiver of Rights.

The failure of the Association or of a member to enforce any right, provision, covenant or condition which may be granted by the unit documents shall not constitute a waiver of the right of the Association or member to enforce such right, provision, covenant or condition in the future.

Section 5. No Election of Remedies.

All rights, remedies and privileges granted to the Association or member pursuant to any terms, provisions, covenants or conditions of the unit documents 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 exercising the same from exercising such other and additional rights, remedies or privileges as may be granted to such other party by the unit documents, or "at law, or in equity".

ARTICLE IX. ACQUISITION OF UNITS

Acquisition or Foreclosure. At any foreclosure sale of a unit the Board of Directors may, with the approval of at least three-fourths of the members of the Board present and voting, acquire in the name of the Association or its designee the unit being foreclosed. The term "foreclosure" as used in this section shall include a foreclosure of any kind, including a lien for assessments and a tax sale. In like manner the Association may acquire a unit by deed in lieu of foreclosure. The power of the Association to acquire a unit as aforesaid shall not be interpreted as a requirement, the provisions hereof being permissive in nature.

ARTICLE X. AMENDMENT OF THE BYLAWS

These Bylaws may be altered, amended or added to at any duly called meeting of the members, provided:

- (1) Notice of the meeting shall contain a statement of the proposed amendment.
- (2) If the amendment has received the unanimous approval of the Board of Directors, then it shall be approved upon the affirmative vote of the members representing at least 205 units.
- (3) If the amendment has not been approved by the unanimous vote of the Board of Directors, then the amendment shall be approved by the affirmative vote of the members representing at least 301 units.
- (4) Notwithstanding anything above, the Bylaws may not be amended so as to cause the Bylaws to be in conflict with the Declaration.

ARTICLE XI. NOTICES

Whatever notices are required to be sent hereunder shall be delivered or sent in accordance with the applicable provisions for notices, as set forth in the Declaration.

ARTICLE XII. INDEMNIFICATION

The Association shall indemnify every director and every officer, his or her heirs, executors and administrators, against all loss, cost and expenses reasonably incurred by him or her in connection with any action, suit or proceeding to which he or she may be made a party, by reason of his or her being or having been a director or officer of the Association, including reasonable counsel fees to be approved by the Association, except as to matters wherein he or she shall be finally adjudged in such action, suit or proceeding to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE XIII. LIABILITY SURVIVES TERMINATION OF MEMBERSHIP

The termination of membership in the Association shall not relieve or release any former member from any liability or obligation incurred under or in any way connected with the Association during the period of such membership, or impair any rights or remedies which the Association may have against such former member arising out of or in any way connected with such membership, and the covenants and obligations incident thereto.

ARTICLE XIV. LIENS

Section 1. Protection of Property.

All liens against a unit, other than for permitted mortgages, taxes, or special assessments, or as provided in Article VIII, Section 2 hereof, shall be satisfied or otherwise removed within 30 days of the date the lien attaches. All taxes and special assessments upon a unit shall be paid before becoming delinquent, as provided in the Declaration or these Bylaws.

Section 2. Legal Expenses

All legal expenses involving lien processing shall be borne by the member in violation. An interest rate of 8% will be charged on all delinquent payments, beginning thirty (30) days after the due date.

ARTICLE XV. RULES AND REGULATIONS

Section 1. As to Common Properties.

The Board of Directors may from time to time adopt or amend previously adopted administrative rules and regulations governing the operation, use, maintenance, management and control of the common properties, and any facilities or services made available to the members. The Board of Directors shall from time to time post in a conspicuous place at Hilton Head Island Motorcoach Resort a copy of the rules and regulations adopted from time to time by the Board of Directors.

Section 2. As to Units.

The Board of Directors may from time to time adopt or amend previously adopted rules and regulations governing and restricting the use and maintenance of the unit(s), provided, however, that copies of such rules and regulations are furnished to each unit owner where desirable. Copies thereof shall be posted in a conspicuous place at Hilton Head Island Motorcoach Resort.

ARTICLE XVI. CONFLICT

If any conflict shall arise between these Bylaws and the Declaration, the provisions of the Declaration shall prevail.

Approved and Declared as the Revised Bylaws of Hilton Head Island Motorcoach Resort Owners' Association, Inc. f/k/a Outdoor Resorts at Hilton Head Island Owners' Association, Inc.

HILTON HEAD ISLAND MOTORCOACH RESORT OWNERS' ASSOCIATION, INC.

Dated: 11-21-2023 By: Marylis Wozniacki
Marylis Wozniacki, President

Attest: Blaine D. Sunde
Name, Secretary