

STATE OF SOUTH CAROLINA        )    **AMENDED AND RESTATED BYLAWS OF**  
   )    **BLOODY POINT PROPERTY OWNER’S**  
   )    **ASSOCIATION, INC.**  
 COUNTY OF BEAUFORT                )

THESE AMENDED AND RESTATED BYLAWS OF BLOODY POINT PROPERTY OWNERS’ ASSOCIATION, INC. (the “Amended and Restated Bylaws”), are made and adopted this \_\_\_\_\_ day of November, 2020, by BLOODY POINT PROPERTY OWNERS’ ASSOCIATION, INC. f/k/a THE DAUFUSKIE ISLAND CLUB PROPERTY OWNERS, INC. (the “Association”).

W I T N E S S E T H:

**WHEREAS**, the initial Bylaws of the Association were adopted on October 3, 1989 and amended by that certain First Amendment to the Bylaws of Bloody Point Property Owners’ Association, Inc. dated June 4, 2005 (the “Bylaws”);

**WHEREAS**, Section 16.1 of the Bylaws provides that all proposed amendments to the Bylaws shall be submitted to a vote of the Owners at a duly called meeting of the Association for which notice of the proposed amendment was given in the official notice of the meeting, at which meeting the quorum requirements of the Bylaws are satisfied;

**WHEREAS**, pursuant to the unanimous written resolution made by the Board of Directors of the Association (the “Board”) on \_\_\_\_\_, 2020, the Board unanimously resolved to submit these Amended and Restated Bylaws to the Members of the Association for a vote;

**WHEREAS**, pursuant to the Notice of Meeting provisions of Sections 5.4 of the Bylaws, respectively, on \_\_\_\_\_, 2020, notice was mailed to the Owners noticing such Owners of the proposed Amended and Restated Bylaws, a copy of which was attached and included in the notice to the Owners; and

**WHEREAS**, at the Annual Meeting of the Association, held on November 7, 2020, these Amended and Restated Bylaws were approved by a vote of \_\_\_\_\_ in favor, \_\_\_\_\_ opposed, and \_\_\_\_\_ abstaining out of a-total of eligible votes of \_\_\_\_\_ in satisfaction of the approval requirements of the Bylaws.

**NOW THEREFORE**, the Association, by and through which the undersigned officers do hereby declare that, effective as of the date hereof, the Bylaws are amended and restated as hereinafter provided:

AMENDED AND RESTATED BY-LAWS  
OF  
PROPERTY OWNERS ASSOCIATION, INC.

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ARTICLE I  
NAME AND LOCATION

Section 1.1. The name of the corporation is BLOODY POINT PROPERTY OWNERS' ASSOCIATION, INC. (hereinafter referred to as the "Association"). The office of the Association shall be located at the address of its management agent, GW Services, Inc. 19 Shelter Cove Ln #306, Hilton Head Island, SC 29928, or such other address as the Board may designate and publish to the Members, from time to time, within Beaufort County, South Carolina, but meetings of Members and Directors may be held at such places and by such means, as may be designated by the Board of Directors.

ARTICLE II  
DEFINITIONS

Section 2.1. Definitions. All capitalized terms used herein shall have the meaning ascribed to them in the Amended and Restated Covenants unless otherwise specified herein.

Section 2.2. "Member" shall mean and refer to all those Owners who are members of the Association as provided in Article IV of the Amended and Restated Covenants.

Section 2.3. "Non-Profit Corporation Act" shall mean the South Carolina Non-Profit Corporations Act of 1994, as amended.

ARTICLE III  
PURPOSE

Section 3.1. The basic purpose of the Association shall be to promote the common good and general welfare of Owners in Bloody Point, a residential subdivision on Daufuskie Island, South Carolina and to represent the said Owners in all matters in pursuit of these objectives. In the accomplishment of this purpose, the Association will:

- (a) Provide a forum for discussion of issues of mutual interest to Owners and thus encourage the formulation and advancement of ideas and projects which will inure to the general benefit of such Owners;
- (b) Provide a channel of communication between the Owners, the Declarant and Bloody Point Club;
- (c) Provide a vehicle for expressing opinions and objectives to the Beaufort County Council and other public authorities;

- (d) Cooperate with other property owners and civic associations in common goals; and
- (e) Do all things necessary and proper for the management of the Property and the maintenance, repair, and improvement of the Common Areas.

ARTICLE IV  
MEMBERSHIP

Section 4.1 Eligibility of Membership. Membership in the Association shall be as provided for in Article IV of the Amended and Restated Covenants.

ARTICLE V  
MEETING OF MEMBERS

Section 5.1. Annual Meetings. An Annual Meeting of the membership shall be held on a date selected by the Board of Directors, but in no event more than thirteen (13) or less than eleven (11) months from the date of the prior year's Annual Meeting in the absence of an emergency. At these meetings the approval of the minutes of the prior year's Annual Meeting shall be voted upon, along with the election of Directors. There shall also be conducted such other business as may be appropriate, i.e., financial reports, committee reports, etc. Notice of the Annual Meeting shall be sent to all Members at least fifteen (15) days prior to the meeting in accordance with Section 5.4, hereinbelow.

Section 5.2. Special Meetings. Special Meetings of the membership may be called by the Board of Directors or, by the Secretary on the petition of fifty (50) Members of the Association stating the items of business which such Members desire to submit for the consideration of the membership.

Section 5.3. Action without a Meeting. Any action that may be taken at any Annual or Special meeting of the Members, save a vote of the Members to remove a Director, may be taken without a meeting as provided for in the South Carolina Non-Profit Corporation Act, §33-31-708.

Section 5.4. Notice of Annual Meeting. At least fifteen (15) days before the date set for the Annual Meeting of the membership, the President of the Association shall send to each Member:

- (a) A preliminary agenda for the Annual Meeting;
- (b) A balance sheet and an income and expense statement for the Association for the preceding year;
- (c) Where appropriate, a proposed budget for the Association setting forth projected income and expenses for the upcoming year;
- (d) Notice with respect to the Annual Meeting of the membership;
- (e) Such further notices as may then be appropriate; and

(f) A proxy for such actions to be taken at the meeting.

Section 5.5. Notice of Special Meeting. The Secretary shall send notice to the membership of a Special Meeting at least fifteen (15) days in advance of such meeting and the Board shall not defer the holding of a special meeting petitioned by the membership for more than forty-five (45) days after the petition is received by the Secretary. Notice of a meeting shall contain the time and place of the meeting and an agenda of the business to be submitted to the membership, and proxies and ballots as may be required.

Section 5.6. Manner of Notice. Any notice required by these Bylaws to be sent to the Owner(s) shall be given in accordance with the Amended and Restated Covenants, Article XII, Section 12.12.

Section 5.7. Record Date. 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"). 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, no additional notice shall be required if the new date, time, and place is announced at the meeting prior to adjournment.

Section 5.8. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one third (1/3<sup>rd</sup>) of the total vote of the membership shall constitute a quorum for any action. In the event the required quorum is not forthcoming, the meeting may, at the discretion of the Board of Directors, be adjourned and rescheduled for a later date and time but in no event later than thirty (30) days from the initial meeting. At the second meeting, the presence at the meeting of Members entitled to cast, or of proxies entitled to cast, twenty percent (20%) of the total vote of the membership shall constitute a quorum for any action. In the event the required quorum is still not forthcoming, the meeting may, at the discretion of the Board of Directors, be adjourned and rescheduled for a later date and time but in no event later than five (5) days from the second meeting and there shall be no quorum requirement for such third meeting. Every act or decision done or made by a majority of the Members entitled to cast a vote at a duly held meeting at which a quorum is present shall be regarded as an act of the membership.

Section 5.9. Proxy. At all meetings of Members, each Member of the Association may vote and transact business of the Association by proxy authorized in writing. Any proxy so executed shall not be valid for a term greater than eleven (11) months from its date of execution. To be effective, proxy authorizations must be timely delivered to the Association in such manner as the Board of Directors may designate in the notice of the meeting for which they are issued.

Section 5.10. Membership Voting. Each qualified Member present in person or by written proxy at the time of the particular vote at the meeting shall be entitled to cast one vote on any submittal to the membership.

In the event of a tie vote material to the election for any directorship, election shall be decided by the Directors whose terms have not expired plus those elected in the current balloting.

ARTICLE VI  
BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 6.1. Number. The affairs of this Association shall be governed by a Board of Directors, who must be Members of the Association.

Section 6.2. Term of Office. The Board of Directors of the Association shall consist of seven (7) members elected by the Members for staggered three (3) year terms. At the meeting in which these Amended and Restated Bylaws were adopted, the following members of the Board of Directors, and their respective terms, were as follows:

- (a) Rich Silver – Term ending December 2020
- (b) Tony Simonelli – Term ending December 2020
- (c) Mike Egan – Term ending December 2021
- (d) Mike Loftus – Term ending December 2021
- (e) Bob Webb – Term ending December 2021
- (f) Joe Moravy – Term ending December 2022
- (g) Tony Rivellino – Term ending December 2022

Unless earlier terminated in accordance with these Bylaws, the foregoing Directors' terms will expire as indicated and a newly elected Member shall take office at the first meeting following their election.

Section 6.3. Vacancy. In filling any vacancy, which shall occur at any time, the Board of Directors by a majority vote shall elect a new Member who shall serve for the remaining portion of the term of the vacating Member. Nothing herein shall require the Board to fill any vacancy or renew any appointment.

Section 6.4. Removal by the Board. Unless there are extenuating circumstances that are excused by the Board, the occurrence of any of the following shall automatically terminate a Director's term:

- (a) The absence of a Board Member from three (3) successive regularly scheduled Board meetings; or
- (b) Failure to timely pay Assessments as and when due.

Section 6.5. Resignation. Any Director may resign at any time by giving written notice to the President or to the Secretary of the Association. Such resignation, which may or may not be made contingent on formal acceptance, shall take effect on the date of receipt or at any later time specified in it. Verbal resignation shall not be deemed effective unless followed up with a written

notice within forty-eight (48) hours. If no written notice is provided within such time frame, the Director shall be deemed to have rescinded such verbal resignation.

Section 6.6. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a Director, that person's successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of that person's predecessor.

Section 6.7. Compensation. No Director shall receive compensation for any services rendered to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of the Director's duties. Amounts in excess of Two Hundred Fifty and No/100 Dollars (\$250.00) must have prior approval of the President, or in the case of expenditures by the President, by approval of the Vice President.

## ARTICLE VII NOMINATION AND ELECTION OF DIRECTORS

### Section 7.1. Nomination.

(a) The Board of Directors shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made only from among Members, in good standing, or their spouses.

(b) An Owner may submit the name of a candidate to the Board by submitting the name of the candidate in writing to the President, provided that: (i) the name is supported by a petition bearing the names of at least fifty (50) Owners, (ii) petitioner establishes that the named candidate is ready, willing and able to serve, and (iii) the proposed name reaches the President in time to be included in the Notice of Meeting.

Section 7.2. Election. Election to the Board of Directors shall be by vote at the Annual Meeting. The persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

## ARTICLE VIII MEETINGS OF DIRECTORS

Section 8.1. Regular and Special Meetings. If the date, time and place of a Directors meeting is fixed in accordance with a regular schedule adopted by the Board, the meeting shall be deemed a regular meeting for which no further notice shall be required. All other meetings of the Board shall be deemed special meetings for which notice must be preceded by at least one (1) day's notice to each Director of the date, time and place and purpose of the meeting. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors.

Section 8.2. The Board may conduct a meeting through the use of any means of communication by which all Directors may hear and be heard by all participants simultaneously

during the meeting. A Director participating in a meeting by such means is deemed to be present in person at the meeting.

Section 8.3. 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. For purposes of this Section, emailed approval shall suffice. Any action so approved shall have the same effect as though taken at a meeting of the Directors, provided that the vote is recorded in the minutes of the next Board meeting.

Section 8.4. Giving Notice. Any meeting notices required by statute or by these Bylaws to be given to the Directors, or to any officer of the Association, shall be deemed to be sufficient to be given electronically by email or text to such email address or telephone number as the Director shall designate for such purpose. Such notice shall be deemed to have been given as of the time it is sent.

Section 8.5. 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.

Section 8.6. Place of Meetings. Meetings of the Board of Directors shall be held on Daufuskie Island, South Carolina, whenever practical. However, this provision is in no way intended to invalidate in any way whatsoever meetings held at another location or via other means, so long as such meetings are proper in all other respects.

## ARTICLE IX POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 9.1. Powers. The Board of Directors shall have the power to:

- (a) Adopt and publish Rules and Regulations governing the use of the Property;
- (b) Exercise for the Association all powers, duties and authority vested in or delegated to the Association pursuant to the Non-Profit Corporation Act and not otherwise expressly reserved to the membership by provisions of these Bylaws, the Articles of Incorporation, or the Amended and Restated Covenants;
- (c) Employ a management agent, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties; and
- (d) Secure Officers and Directors Liability Insurance covering the Officers, Directors, all persons serving on committees of the Association, and Association representatives appointed to Architectural Review Board at the expense of the Association.

Section 9.2. 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;

- (b) Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;
- (c) Procure and maintain adequate liability and hazard insurance on property owned by the Association whenever practical to do so;
- (d) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (e) Enforce the Amended and Restated Covenants, these Bylaws, and any Rules and Regulations and/or Design Guidelines adopted in accordance therewith;
- (f) Cause any Properties owned by the Association to be maintained; and
- (g) Review and amend, if appropriate, and adopt the proposed annual budget as prepared by the Treasurer.

## ARTICLE X OFFICERS AND THEIR DUTIES

Section 10.1. Enumeration of Officers. The officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create, all of whom shall be Members of the Board of Directors.

Section 10.2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following the election of the new Directors.

Section 10.3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless such officer shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 10.4. 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 10.5. Resignation and Removal. Any officer may be removed from office, with or without cause, by the Board. Any officer may resign at any time by 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 10.6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer being replaced.

Section 10.7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 10.4 hereof.

Section 10.8. Duties. The duties of the officers are as set forth in Article XI hereof.

ARTICLE XI  
DUTIES OF OFFICERS

Section 11.1. President. The President shall be the chief executive officer of the Association, and in the recess of the Board of Directors shall have the general executive control and management of its business and affairs, subject, however, to the right of the Board of Directors to delegate any specific power except such as may be by statute exclusively conferred upon the President, to any other officer or officers of the Association. The President shall preside at all meetings of the Board of Directors. The President shall recommend to the Board of Directors the individuals for appointment to all committees, temporary or permanent. The President shall see that all books, reports and certificates as required by law are properly kept and filed. The President shall act as the duly authorized representative of the Board of Directors in all matters in which the Board has not formally designated some other person for that specific purpose.

The President shall:

- (a) Be responsible for the implementation of all policies established by the Board of Directors or by the membership of the Association;
- (b) Be responsible, except as otherwise provided by the Board or in these Bylaws, for selecting, employing, controlling, and discharging employees, and for developing and maintaining personnel policies and practices for the Association;
- (c) Assist the Treasurer in annually reviewing and updating a capital budget and preparing an annual operating budget showing the expected receipts and expenditures of the Association, and supervise the business affairs of the Association to assure that funds are expended to the best possible advantage;
- (d) Be responsible for the maintenance of all the physical properties of the Association, if any, for the purpose of insuring that they are kept in good repair and in good operating condition;
- (e) Submit regular reports to the Board of Directors and its authorized committees on the overall activities of the Association, as well as on appropriate federal, state and local developments that affect the operation of the Association;
- (f) Organize the administrative functions of the Association, delegate duties, and establish formal means of accountability on the part of subordinates;
- (g) Establish such Association administrative departments as are necessary, provide for departmental and interdepartmental meetings, and attend or be represented at such meetings;
- (h) Perform any other duty within the express or implicit terms of the duties hereunder that may be necessary for the best interest of the Association;

(i) Designate, in writing, other individuals by name or position who are, in order of succession, authorized to act for the President during any period of absence from the Association;

(j) Attend in person or by designee all meetings of the Board, Board and management committees, and standing and ad hoc committees of the Association; and

(k) Perform such other duties as may be required by any contract or as the Board of Directors shall from time to time direct.

Section 11.2. Vice-President. The Vice-President shall preside at meetings of the Board of Directors of the Association in the absence of the President. In case the office of the President shall become vacant by death, resignation, or otherwise, or in the case of the absence of the President, or the President's inability to discharge the duties of the office, such duties shall, for the time being, devolve upon the Vice-President. The Vice-President shall perform such other duties as from time to time may be assigned by the President or by the Board of Directors and shall have the authority to bind the Association in the same manner as the President. In the event of a dispute between the President and the Vice-President, the matter in dispute shall be submitted to the Board of Directors for resolution.

Section 11.3. Treasurer. The Treasurer shall have custody and keep account of all money, funds and property of the Association unless otherwise determined by the Board of Directors, and shall render such accounts and present such statements to the Directors and the President as may be required. The Treasurer shall cause to be deposited all funds of the Association which may come into said officer's hands in such bank or banks as the Board of Directors may designate. The Treasurer shall keep bank accounts in the name of the Association and shall exhibit the books and accounts of the Association at all reasonable times to any Director of the Association upon application at the office of the Association during business hours. The Treasurer shall pay out money as the Association may require upon the order of the properly constituted officer or officers of the Association taking proper vouchers therefore; provided, however, that the Board of Directors shall have the power by resolution to delegate any of the duties of the Treasurer to other officers, and to provide by what officers, if any, all bills, notes, checks, vouchers, order or other instruments, shall be countersigned. The Treasurer shall perform, in addition to other duties, any duties which may be delegated to the Treasurer by the Board of Directors.

Section 11.4. Secretary. The Secretary of the Association, or an appointed designee, shall keep the minutes of all the meetings of the Board of Directors, all of which, shall at all reasonable times, be open to the examination of any Director upon application at the office of the Secretary, and shall perform such other duties as may be delegated to said individual by the Board of Directors.

## ARTICLE XII COMMITTEES

Section 12.1. Committees. The Board may provide for such standing and ad hoc committees as it may deem to be necessary from time to time to carry out the activities of the Association.

Section 12.2. Operation of Committees.

(a) All Members of the various committees shall serve for a term not to exceed one (1) year and may be re-elected for such additional successive terms at the pleasure of the Board of Directors. Elections may be made at any regular or special meeting. The Board of Directors may appoint Members of each committee who are not Members of the Board of Directors of the Association.

(b) The Board of Directors may fill any vacancy in the various committees arising from death, resignation, or otherwise. Any person so appointed shall hold office for the unexpired term of the Member being replaced.

(c) Meetings of the various committees shall be held when needed. Meetings of the committees may be held upon three (3) days' notice given either by telephone or mail at the call of the Chairman of the Committee, the President of the Board, or at the insistence of two (2) Members of the committee.

(d) Each committee shall have its own chairman, who shall be appointed by the Board of Directors.

Section 12.3. Other Committees. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XIII  
BOOKS AND RECORDS

Section 13.1. Documents. The Association shall maintain corporate records in accordance with the Non-profit Corporation Act. Records required to be made available for inspection and copying by the Members pursuant to said Act 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 notice, as provided in 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.

Section 13.2. Bank Accounts. Funds of the Association shall be deposited in such incorporated bank or banks as the Board of Directors may direct and withdrawals of such funds shall require the signature of the Treasurer, or, in the Treasurer's absence, that of any other officer of the Association designated by the Board of Directors.

Section 13.3. Borrowed Funds. The Board shall have the power to borrow money and encumber the assets of the Association as collateral in relation thereto. Any and all notes, bonds or mortgages shall be executed on behalf of the Association by the President and the Treasurer, then only upon the appropriate resolution of the Board of Directors.

Section 13.4. Expenditures. All non-budgeted expenditures above One Thousand Five Hundred and No/100 Dollars (\$1,500.00), for the regular on-going programs or expenditures of the Association, shall be made by the Treasurer upon the receipt of a proper voucher, bearing the approval of the President or Vice-President. All extraordinary expenditures shall be made only upon the specific authorization and vote of the Directors.

Section 13.5. Reports. The Treasurer shall render an account to the Directors showing income, expenditures and balances at such times as the President or Vice-President shall request and an annual report to the Members.

Section 13.6. Audit. The Treasurer shall arrange for an audit of the Association's books and records as deemed necessary by the Directors, but, in any event, no less than every two years.

#### ARTICLE XIV GENERAL LIABILITY, INDEMNIFICATION AND INSURANCE

Section 14.1. General Liability. No officer, committee member, or employee of the Association shall contract or incur any debts on behalf of the Association other than in the regular course of employment, or in any other way render the Association liable unless authorized by the Board of Directors. No officer, committee member, or employee of the Association is authorized to promise moral or financial support on behalf of the Association of any charitable or other objective without the approval of the Board of Directors.

Section 14.2. Indemnification. The Association does hereby indemnify any and all of its Board Members, officers, employees, attorneys and agents, where any such person was or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such indemnified person is or was a Board Member, officer, employee, attorney or agent of the Association, or is or was serving at the request of the Association, in accordance with and to the fullest extent now or hereafter permitted by the laws of the State of South Carolina. The foregoing right of indemnification shall be in addition to, and not exclusive of, any other rights to which those seeking indemnification otherwise may be entitled. The Association may purchase and maintain insurance on behalf of any such person or persons whether or not the Association would have the power to indemnify such person against liability under the provisions of these Bylaws. Such indemnification

shall include all costs of defense, including attorney's fees actually and reasonably incurred by such person in connection with such action, suit or proceeding if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interest of the Association, including amounts paid or incurred in connection with reasonable settlements made with a view of curtailment of costs of litigation and with the approval of a majority of the Members of the Board of Directors.

Section 14.3. Insurance. The Association may purchase and maintain insurance on behalf of any person who is or was a representative or agent of the Association, or is or was serving at the request of the Association as a representative of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by them in any such capacity, or arising out of their status as such, whether or not the Association has the power to indemnify them against such liability under the laws of this or any other state.

#### ARTICLE XV CORPORATE SEAL

The Association may, at the Board's sole discretion, have a seal in circular form having within its circumference the words: BLOODY POINT PROPERTY OWNERS' ASSOCIATION, INC., or an appropriate abbreviation thereof.

#### ARTICLE XVI AMENDMENTS

Section 16.1. Amendments. The Bylaws may be amended in accordance with the following procedures:

(a) The Board of Directors shall, upon determining that an amendment is necessary or advisable, adopt a resolution setting forth:

(i) the substance of the proposed amendment;

(ii) that the proposed amendment has been reviewed and approved by counsel for the Association; and

(iii) directing that the proposed amendment be put to a vote of the Members at a meeting called for such purpose.

(b) Notice of the language of the proposed amendment shall be included in the notice of the meeting of the Association at which such proposed amendment is to be considered, or if a vote is being held by written ballot in the form thereof, and shall be delivered to each Member of the Association.

(c) Such proposed amendment will become effective upon recordation in the Office of the Register of Deeds for Beaufort County, following approval by a majority vote of the Members present in person or by written proxy and voting at the meeting duly called

for such purpose at which there is a quorum present or, in the case of an action by written ballot, approved in accordance with the South Carolina Nonprofit Corporation Act.

ARTICLE XVII  
FISCAL YEAR

Section 17.1. The fiscal year of the Association shall end on the last day of the month of December.

ARTICLE XVIII  
LIMITATIONS AND RESTRICTIONS

Section 18.1. It is the intention of the Board of Directors that all funds of the Association shall be used in accordance with the Amended and Restated Covenants, and these Amended and Restated Bylaws, all as may be further amended from time to time. . The following limitations, restrictions, directives are imposed:

- (a) No loan by the Association shall be made to any incorporator, trustee, officer, employee, large contributor, or individual, and there shall be made no loan to or investment in any corporation or partnership in which such persons are interested.
- (b) No purchase or sale of property other than such as may be of readily, provable fair market value, shall be consummated with any entity, except on the basis of an independent appraisal. Notwithstanding the foregoing, the Association shall not be required to obtain an independent appraisal prior to exercising any right of first refusal it may have under the Amended and Restated Covenants.
- (c) No part of the activities of the Association shall be used for carrying on of propaganda, nor shall be used to participate in any political campaigns on behalf of any candidate for public office.
- (d) If dissolution should occur at any future date, all the assets of the Association shall be distributed to, and only to, a non-profit association of a similar nature, which shall benefit the Owners. However, no part of the net earnings of the Association shall inure to the benefit of any private individual, but shall always be devoted solely to such stated non-profit purposes

[SIGNATURE PAGE FOLLOWS]

