

BYLAWS
of the
PORT ROYAL LANDING OWNERS ASSOCIATION
Port Royal, South Carolina

Approved by the Board of Directors
October 15, 1994
Amended July 24, 1996,
November 1, 2006,
and October 17, 2022

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BYLAWS
PORT ROYAL LANDING OWNERS ASSOCIATION

ARTICLE I
NAME AND LOCATION

The name of the Association is Port Royal Landing Owners Association, Inc., a South Carolina nonprofit Association (“the Association”). The Association is located at The Village at Port Royal Landing, Lady’s Island Drive (US Hwy 21), Port Royal, South Carolina 29935.

ARTICLE II
PURPOSE AND DEFINITIONS

Section 2.1 – Purposes. The Association was formed for the purpose set forth in the declaration of Covenants, Conditions, Restrictions and Easements for Port Royal Landing, dated December 29, 1987, in Book 493 at Page 963 in the RMC Office for Beaufort County, South Carolina, as the same may be amended from time to time (“the Declaration”); and for the purposes set forth in these Bylaws. Specifically, the purposes for which the Association was formed are: (1) to provide for the maintenance, preservation and control of the Common Area that is part of the real property located in Beaufort County, South Carolina (“the Property”) and which has been submitted to the Declaration; (2) to exercise such powers and perform such functions as are delegated to the Association by the Declaration and/or the Articles of Incorporation (“the Articles”); (3) to enforce any and all covenants, restrictions, agreements and/or easements applicable to the Property; and (4) to otherwise promote the health, safety, and welfare of the Owners and users of the Property.

Section 2.2 – Assent. All present and future Owners, their family, present and future tenants, and their guests and invitees, and any other person using the Common Area or facilities contained on the Property are subject to the Declaration, Articles and these Bylaws. The mere acquisition or rental of any Lot within the property, or the mere occupancy of one of the Lots shall constitute ratification and acceptance of these Bylaws.

Section 2.3 – Definitions. The defined terms used in these Bylaws shall have those meanings that the same terms have in the Declaration.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

Section 3.1 – Membership. Every owner of a Lot within the Property shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. No owner, whether one or more persons, shall have more than one membership per Lot owned, but all of the persons owning each Lot shall be entitled to rights of membership and of use and enjoyment appurtenant to such ownership. There shall be two (2) categories of membership, Residential and Commercial, and the category of membership shall be dependent upon the use of the property owned by the Member as determined by the Board of Directors of the Association.

Section 3.2 – Voting Rights. Voting rights shall be allocated as follows: (a) the owner of each lot will have four (4) votes; and (b) the owner of the Marina will have one hundred sixty (160) votes. The ownership interests enumerated in (a) and (b) above are sometimes referred herein to as “Voting Units.”

(a) When more than one person holds an interest in any Voting Unit, all such persons shall be Members and the vote for such Voting Unit shall be exercised as the Owners among themselves determine, and the Secretary of the Association shall be notified of such designation prior to any meeting. In the absence of such notification, the vote allocated to the Voting Unit shall be suspended in the event that more than one person or entity seeks to exercise the right to vote.

(b) Voting Units other than those allocated to the Marina must be voted as a block, i.e. the Voting Units allocated to a Lot may not be divided for or against a particular issue. In the case of the Marina, if a dock condominium or long-term lease program is established, the Marina may allocate its Voting Units to leaseholders or condominium owners at its sole discretion; each condominium unit owner or owner of a leasehold interest in the Marina may vote a portion of the Marina's Voting Units as set forth in the lease establishing the leasehold.

(c) Any Owner of a Lot that is leased may assign his Voting Units to the tenant, provided that a copy of the instrument of assignment is furnished to the secretary of the Association ten days prior to any vote in which the tenant exercises the voting right.

ARTICLE IV ASSOCIATION: MEETINGS, QUORUM, VOTING PROXIES

Section 4.1 – Annual Meetings. Annual Meetings will be held during the third week of November if practical. The date, place and time will be determined and published for the information of all Members by the Board of Directors.

Section 4.2 – Special Meetings. Special meetings of the members may be called at any time by the President, or upon the written request of the Residential Members who are entitled to vote one-tenth (1/10) of all the Voting Units of the Residential Members, or upon the written request of the Marina.

Section 4.3 – Notification. Written notice stating the place, day and hour of a meeting of the Members, or in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered to each Member of record entitled to vote at such meeting by any person calling the meeting not less than ten (10) nor more than fifty (50) days before the date of the meeting. Such written notice must be delivered to the Members either personally or by mail or by email. No such notice shall be required to be given and no meeting shall be deemed to have been improperly held as a result of failure to provide notice where all the Members of the Association sign a waiver of such notice, either before or after such meeting. If mailed, such notice shall be deemed to be delivered five (5) days after deposited in the United States mail addressed to the mailing address as it appears on the records of the Association, with postage prepaid. Attendance at a meeting of the Members by a person entitled to notice of said meeting shall constitute a waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of business on the ground that the meeting was not lawfully called or convened.

Section 4.4 – Closing of Membership Records. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members, or any adjournment thereof, or in order to make a determination of Members for any other proper purpose, the Board of Directors of the Association may provide that the Membership records shall be closed for a stated period not to exceed, in any case, fifty (50) days. If the Membership records shall be closed for the purpose

of determining Members entitled to notice of or to vote at a meeting of Members, the records shall be closed for at least ten (10) days immediately preceding the meeting. In lieu of closing the Membership records, the Board of Directors may fix in advance a date as the record date for any such determination of Members, such date, in any case, to be not more than fifty (50) days and not less than ten (10) days prior to the date on which the particular action requiring this determination of Members is to be taken. If the Membership records are not closed and no record date is fixed for the determination of Members entitled to notice of or vote at a meeting of Members, the date on which notice of the meeting is mailed shall be the record date for the determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this section, the determination shall apply to any adjournment thereof.

Section 4.5 – Voting List. The Secretary of the Association shall make from the Membership records a complete list of the Members entitled to vote at the meeting or any adjournment thereof, arranged in alphabetical order, with the address and number of votes held by each. This list shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member during the whole time of the meeting for the purposes thereof.

Section 4.6 – Quorum for Member Action. A quorum at any meeting of the Members shall consist of the presence in person or by proxy of the holders of two thirds (2/3) of the votes entitled to be cast at the meeting (as established in accordance with Sections 4.4 and 4.5 above). A majority of such quorum shall decide any questions that may come before the meeting.

Section 4.7 – Cumulative Voting for Election of Directors. In all elections of Directors, each Member entitled to vote shall be allowed to cast in person or by proxy as many votes as the number of Voting Units such member owns, multiplied by the number of Directors to be elected, the same to be cast for any one candidate or to be distributed among two or more candidates.

Section 4.8 – Order of Business. The order of business at the annual meeting and, as far as possible, at all other meetings of the Members, shall be:

1. Reading and disposal of unapproved minutes.
2. Reports of officers and committees.
3. Election of Directors.
4. Unfinished Business.
5. New Business.
6. Adjournment.

Section 4.9 -- All Association meetings shall be conducted in accordance with Robert's Rules of Order.

ARTICLE V BOARD OF DIRECTORS

Section 5.1 – Duties of Directors. In addition to those powers and authorities granted by law to directors, the business and affairs of the Association shall be managed by the Board of Directors, and the Board of Directors shall perform such functions and engage in such activities as the Board is permitted or directed to perform under the Declaration. The members of the Board of Directors shall be elected and shall serve as hereinafter provided.

Section 5.2 – Number and Election. At each annual meeting of the Members, or at a special meeting of the Members called for that purpose, the Members of the Association shall elect not less than three (3) persons nor more than seven (7) persons as directors of the Association. The Directors of the Association must also be members of the Association. Within the range specified above, the Board of Directors shall have the power to increase the number of Directors between annual meetings of the Members upon the affirmative vote of two-thirds (2/3) of the existing Directors, and shall elect new Directors to fill said increase as set forth in Section 5.3 of this Article. Additionally, there will be a Marina Representative selected by the Marina Owner(s), elected at the Annual Meeting to be an ex-officio member of the Board. The Marina Representative shall have the same privileges as other Board members to include making motions and voting.

Section 5.3 – Term of Office. The Port Royal Board of Directors will be elected for a term of two (2) years.

Section 5.4 – Director’s Meeting

(a) There shall be an annual meeting of the Board of Directors immediately following the annual meeting of Members or as soon thereafter as may be practicable.

(b) The Board of Directors shall have the power to establish the time and place for holding regular meetings of the Board. The Board of Directors shall have the power in its discretion to change the time and place of such regular meetings or to make them more or less frequent or to eliminate such meetings entirely.

(c) Special meetings of the Board of Directors may be called at any time by the President or, in his absence or refusal to act, by the Vice President or by any two Directors, and may be held at any time and place in Beaufort County, in the state of South Carolina.

(d) When necessary, the Board may conduct its voting by email or text message.

(e) All meetings of the Board of Directors, whether Regular or Special, shall be conducted in accord with Robert’s Rules of Order.

Section 5.5 – Quorum. A quorum at any meeting shall consist of a majority of the entire membership of the Board as then appointed and serving. A majority of such quorum may decide any question that may come before the meeting.

Section 5.6 – Officers.

(a) The officers of the Association shall consist of a President, Vice President, Secretary, and Treasurer.

(b) Election of Officers by Directors. The Officers of the Corporation shall be elected at the organizational meeting of the initial Board of Directors or at the first meeting of the Board held after the election of Directors. Each officer shall be elected to hold office for the longer of one year or until his or her successor shall have been elected and shall have qualified.

(c) Resignation and Removal. 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 in the notice, and unless otherwise specified in the

notice, the acceptance of such resignation shall not be necessary to make it effective. Any Officer may be removed from office for reasonable cause by a majority vote of the Board.

(d) 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 he replaces.

(e) Duties of Officers.

(1) President. The President shall preside at all meetings of the Board of Directors, if present, and shall in general perform all duties then incident to the office of President of the Association and such other duties as may be assigned him by the Board of Directors.

(2) Vice President. The Vice President shall preside at all meetings of the Board of Directors in the absence of the President and perform such other duties as may be assigned him by the Board of Directors.

(3) Secretary. The Secretary shall record minutes of meetings of the Association and its Board of Directors, maintain historical records of the Association, prepare correspondence as necessary, maintain the roster of Members (both resident and non-resident) and maintain administrative supplies for the use of the Board.

(4) Treasurer. The Treasurer shall maintain the financial records of the Association to include preparing annual budgets, maintaining bank accounts as required, collecting assessments and disbursing funds within the framework of the budget and the desires of the Board.

Section 5.7 – Committees.

(a) The Board of Directors may from time to time, by a resolution adopted by a majority vote and/or by consent, designate committees, each consisting of a Chairman and two (2) or more members, and may delegate to such committees all or a portion of the authority of the full Board of Directors to the extent permitted by the corporate laws of the State of South Carolina; PROVIDED, HOWEVER, that the designation of any such committee and the delegation to it of authority and power shall not relieve the Board of Directors or any member thereof of any responsibility imposed by law on Directors. Special meetings of any such committee may be called by its Chairman, or by any member of the Board of Directors.

(b) The Design Review Committee. Established in accordance with the Declaration, this committee shall be responsible for the establishment and administration of the Design Review Guidelines to carry out the purpose and intent of the Declaration. The committee shall be composed of three (3) persons, who need not be members of the Association. All of the members of the committee shall be appointed, removed and replaced by the Board of Directors of the Association. The Design Review Committee shall operate in accordance with such rules, regulations and guidelines as are set forth in the Declaration.

(c) The Nominating Committee. Additionally, the Board may from time to time, by resolution adopted by majority vote and/or by consent, designate from among its members a Nominating Committee. Nominations for election to the Board of Directors shall be made by a Nominating Committee consisting of a Chairman and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the Members. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but

in no event less than the number of vacancies or terms to be filled by vote of the members. Nominations shall be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

(d) The Board will create a permanent Landscape Committee consisting of a chairman and two (2) members at a minimum. The Committee will recruit additional community volunteers as needed. The Committee will have an annual budget to include expense of contractors, as needed, to keep designated common areas in required and proper condition, including but not limited to lawn, trees, shrubs and mulching. The Committee will be governed by the Declaration and shall prepare Guidelines for Required Maintenance of Common Areas to be followed by succeeding Committees.

Section 5.8 – Appeals of the Design Review Committee Decisions. Any applicant who shall submit proposed improvements to the Design Review Committee and who shall be of the opinion that the action taken by such committee is inconsistent with the Declaration, Design Guidelines and rules adopted pursuant to the Declaration, or has in any way resulted in a harsh or unfair result, shall be entitled to appeal such decision to the Board of Directors. Any appeal of the Design Review Committee decision shall be made to the Board of Directors within thirty (30) days after the applicant receives notice of any such action by submitting a notice of appeal to the Secretary of the Association at the Association’s then current address, together with a written explanation of the basis and ground for such appeal. Thereafter the Secretary of the Association shall schedule a meeting of the Board, and shall provide notice to the members of the Board, the Design Review Committee Chairperson and such applicant of such a meeting for the purpose of allowing the applicant to present his proposed plans and specifications to the Board and to further explain the reason the applicant objects to the previous action taken by the Design Review Committee. The Design Review Committee Chairperson shall have an opportunity to explain rationale for disapproval. Within thirty (30) days after such meeting, the Board shall either approve or reject such proposed plans and the Secretary shall communicate such decision to the applicant. The decision of the Board on an appeal from the Design Review Committee shall represent a final decision of the Association on the complaint, plans or specifications submitted by any such applicant.

Section 5.9 – Compensation of Directors. No member of the Board of Directors shall receive compensation for serving in such capacity. However, by resolution of the Board of Directors, the Directors may be reimbursed for the the expenses incurred in the performance of their duties. No such payment shall preclude any Director from serving the Association in any other capacity and receiving compensation therefore.

ARTICLE VI POWERS OF THE BOARD OF DIRECTORS

Section 6.1 – General. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association. The Board of Directors may do all such acts and things as are not by law or by the Articles, these Bylaws, or the Declaration reserved solely to the Members.

Section 6.2 – Specific Powers and Duties. Without limiting the generality of the powers and duties set forth in Section 6.1 above, the Board of Directors shall be empowered and shall have the powers and duties as follows:

- (a) To administer and enforce the covenants, conditions and restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration.
- (b) To establish, make, and enforce compliance with such reasonable Rules and Regulations as may be necessary for the operation, use, and occupancy of the Property, with the right to amend same from time to time. A copy of such Rules and Regulations shall be delivered to or mailed to each Member promptly after adoption.
- (c) To keep in good order, condition and repair all the Common Area. No approval of the Members is required for expenditures for these purposes, except as otherwise required by the Declaration.
- (d) To insure and keep insured all the insurable property contained in the Common Area and to maintain casualty and other insurance, all as may be required by the Declaration.
- (e) To fix, determine, levy and collect the prorated annual Assessments to be paid by each Member toward the gross expenses of the Association, and to adjust, decrease or increase the amount of the Assessments, and to credit any excess Assessments over expenses and cash reserves to the Members against the next succeeding assessment period.
- (f) To the extent permitted under the Declaration, to levy and collect special assessments whenever, in the opinion of the Board, it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies. All special Assessments shall be in statement form and shall set forth in detail the various expenses for which the Assessments are being made.
- (g) To levy and collect default or penalty assessments for violation of the Declaration, the Articles, these Bylaws and or any Rules and Regulations promulgated by the Board (all such documents being hereinafter referenced as "the Governing Documents"), or because the Association has incurred an expense on behalf of a Member under the Governing Documents.
- (h) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages and the late charges from an Owner as provided in the Declaration and these Bylaws; and to exercise other remedies for the delinquent Assessments as set forth in the Declaration.
- (i) To borrow funds in order to pay for the expenditures required pursuant to the authority granted by the provisions of the Declaration and these Bylaws and to authorize the appropriate officers to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary.
- (j) To enter into contracts within the scope of their duties and powers, including contracts for the services of a lawyer, accountant or other professional as the need arises.
- (k) To establish a bank account for the operating account of the Association and for all separate funds that are required or may be deemed advisable by the Board of Directors.
- (l) To cause to be kept and maintained full and accurate books and records showing all of the receipts, expenses or disbursements, and to permit examination thereof by Members or their Mortgagees at convenient weekday business hours. The Treasurer shall not, without consent of the Board of Directors, expend more than \$250 on any unbudgeted expenditures. Such approval and reason for expenditure shall be duly recorded in the meeting minutes.

(m) To cause any and all access roads and driveways in and across the property to be maintained.

(n) To cause the maintenance of lawns, trees, shrubs and other vegetation, and the sprinkler or other irrigation systems located in the Common Area, for the benefit of the Members; to authorize the cleaning of lots which have been neglected by Owners.

(o) In accordance with Section 6.3, to delegate to the manager or any other person or entity such of the Association's duties or responsibilities as may be more conveniently or efficiently performed by another than by the Association, and to agree to assess to the Members a reasonable fee for such service, except that the duties set forth in (e), (f), (g), (i), and (j) shall not be so delegated.

(p) To assist the Design Review Committee and the similarly related bodies in the performance of their functions and to hear appeals from such Committee in accordance with the terms contained in these Bylaws.

(q) To take such action and to do such things as is incidental or otherwise implied by the foregoing.

Section 6.3 – Management Agreement. The Association through its Board of Directors is authorized to enter into such agreements for the maintenance and/or operation of the Common Areas, as it may deem necessary or desirable for the administration and operation of the property. Each Owner by acquiring or holding an interest in any lot thereby agrees to be bound by the terms and conditions of all such agreements entered into by the Board of Directors on behalf of the Association. A copy of all such agreements shall be made available at the office of the Secretary of the Association for review by any Owner.

ARTICLE VII MISCELLANEOUS

Section 7.1 – Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the thirty-first day of December.

Section 7.2 – Conflicts. In the case of any conflicts between the Articles of Incorporation or Charter and these Bylaws, the Articles or Charter shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 7.3 – These Bylaws are intended to implement the provisions in the Declaration, and are not intended to restrict the Marina's commercial enterprise on the property beyond the restrictions provided in the Declaration and reasonable implemented herein.

Section 7.4 – These Bylaws shall be reviewed biannually for applicability and content as appropriate.

ARTICLE VIII AMENDMENTS

Section 8.1 – These Bylaws may be amended, at a regular or special meeting of the Board, by a vote of a majority of a quorum of Directors present, but an amendment of Article V or IX or any

portion of those Articles shall require approval by two-thirds of all Directors, and any amendment that would be inconsistent with the Declaration may not be made without first amending the Declaration. Any proposed amendment must be preceded by a 30-day written notice to all Board Members.

ARTICLE IX SEVERABILITY

Section 9.1 – Severability. Any provision of these Bylaws or any amendment or alteration hereof which has been constructed to be in violation of the South Carolina Business Corporation Act of 1988, as amended, Title 33 of the Code of Laws of South Carolina, any amendment thereto or replacement thereof shall not in any way render the remaining provisions invalid.