



## **Introduction and Caution:**

### **Description:**

The By-Laws for Wexford Plantation Yacht Club (“the Declaration”) were created in August 1985. The original text is not updated, not searchable with a Word Processor and, in many places, hard to read. This complete, indexed version has been created for members to download from the Wexford Website, search on their computer screens, and print if needed.

### **Caution:**

Every care has been taken to create an accurate copy. Nevertheless, if you are making critical decisions, you are advised to look at a copy of the original available from the Yacht Club. This version is based on a scanned version with optical character recognition followed by proof-reading and correction. Some paragraph titles have been added to facilitate indexing – and appear to be permitted under Article 7.10.

### **Errors and Corrections:**

If you find typographical or any other errors, please let me know and I will update this document and upload a fresh version to the Wexford website.

*Tim Johnson*

Tim Johnson, President

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## **By-Laws of Wexford Plantation Yacht Club, Inc.**

### **Article 1 Name, Location, Membership, Applicability**

#### **Section 1.01 Name.**

The name of this Association shall be WEXFORD PLANTATION YACHT CLUB, INC. (hereinafter referred to as the "Yacht Club"), a South Carolina nonprofit corporation.

#### **Section 1.02 Membership.**

The membership of the Yacht Club shall be limited to Owners of Lots and Dwellings in that certain residential development known as "Wexford Plantation" (hereinafter referred to as the "Development"), located on Hilton Head Island, Beaufort County, South Carolina, and shall include Owners of Lots and Dwellings in any additions to or expansions of the Development.

#### **Section 1.03 Registered Office and Agent.**

The Yacht Club shall maintain a registered office and shall have a registered agent whose business office is identical with such registered office. The Yacht Club may have offices at such place or places within reasonable proximity to the Development as the Board of Directors (as hereafter established by Article 4 of these By-Laws) may from time to time designate.

#### **Section 1.04 Applicability .**

These By-Laws are presently applicable to the Property described in Exhibit "A" attached hereto, together with all improvements thereon, and shall be applicable to the Property described in Exhibit "B" attached hereto, together with all Improvements thereon upon submission to the provisions of that certain Declaration of Covenants, Conditions and Restrictions for the Harbor Multi-Family Area of Wexford Plantation originally recorded in the Office of the Clerk of Court for Beaufort County in Deed Book 405 at Page 652 and re-recorded in Deed Book 415 at Page 1782, aforesaid records (here in after referred to as the "Harbor Multi-Family Declaration"). These By-Laws are binding on all present or future Members of the Yacht Club and their family members, guests,, invitees, and such other persons as may be determined by the Board of Directors from time to time. Mere acquisition, rental, use, or other act of occupancy of any Lot or Dwelling or of the Common Areas will signify that these By-Laws are accepted and ratified. These By-Laws are established pursuant to and subject to the provisions of the South Carolina Code of Laws, 1976, as amended, relating to nonprofit corporations, the Harbor Multi-Family Declaration, and the Articles of Incorporation. For purposes of these By-Laws, words such as "Boat Slip", "Common Areas", "Common Expenses", "Declarant", "Dwelling", "Lot", "Mortgage", "Mortgagee", "Members", and "Owner", shall have the same meaning as set forth in the Harbor Multi-Family Declaration, unless the context shall otherwise require or prohibit.

## **Article 2 Membership and Voting Rights**

### **Section 2.01 Membership.**

Every Member shall be subject to the rights and restrictions in Article 2 of the Harbor Multi-Family Declarations. The voting weight appurtenant to each Membership is equal and each Membership shall be entitled to one (1) vote. The rights and privileges of Membership in the Yacht Club, including the right to vote and hold an office in the Yacht Club, may be exercised by a Member or a Member's spouse, but in no event shall more than one vote be cast nor more than one office held for each Membership. Notwithstanding any of the foregoing to the contrary, no Member, whether one or more persons, shall have more than one Membership or vote per Boat Slip. In the event more than one (1) person owns an interest in a Membership, then the vote for such Membership shall be exercised as those owners of such Membership themselves determine and advise the Secretary or an Assistant Secretary of the Yacht Club prior to any meeting. In the absence of such advice, the vote appurtenant to such Membership shall be suspended in the event that more than one (1) person seeks to exercise it. The vote appertaining to any Membership may, and shall in the case of any Member not a natural person or persons, be cast pursuant to a proxy or proxies duly executed by or on behalf of the Member and delivered to the Secretary or an Assistant Secretary of the Yacht Club. In the event that the Board owns or holds any unissued or unsold Memberships which carry as an appurtenance thereto the exclusive use of a designated Boat Slip, then the Board shall be entitled to cast a vote for each unissued or unsold Membership in any matter requiring the vote of the total Membership of the Board in its discretion determines and sees fit.

### **Section 2.02 Voting Rights.**

The Yacht Club shall have one class of voting Membership which shall consist of all Members, including Declarant; provided, however, that in the event that the Harbor Multi-Family Declaration and these By-Laws are amended to provide for auxiliary Members or other classes of Membership that do not carry, as a right of Membership, the exclusive right to use a Boat Slip, such auxiliary or other classes of Memberships shall not be considered as part of the voting Membership. The vote attributable to a Boat Slip shall be exercised as a whole, and when more than one person or a person other than a natural person is assigned the right to exclusive use of any such Boat Slip, the vote therefor shall be exercised in accordance with the provisions of Section 2.01 of these By-Laws.

### **Section 2.03 Suspension of Voting Rights.**

During any period in which a Member shall be in default in the payment of any annual or special assessment or other charge levied by the Wexford Plantation Homeowners Association, Inc. or the Yacht Club, the voting rights of such Member may be suspended by the Board of Directors until such assessment or charge has been paid. Such rights may also be suspended, after notice and a hearing as provided in the Harbor Multi-Family Declaration, for a violation of the Declaration of Covenants, Conditions and Restrictions for Wexford Plantation, as amended, the Harbor Multi-Family Declaration, these By-Laws, or any of the published rules and regulations of the Yacht Club or the Wexford Plantation Homeowners Association, Inc.

## **Article 3 Meetings, Quorum, Voting, Proxies**

### **Section 3.01 Place of Meeting.**

Membership meetings of the Yacht Club shall be held at a suitable place convenient to the Members as may be designated by the Board of Directors.

### **Section 3.02 Annual Meeting.**

The Yacht Club shall meet not less frequently than annually, and the first annual meeting shall be called by the Board of Directors at least thirty (30) days prior to the close of the fiscal year of the Yacht Club as established by Section 6.08 of these By-Laws. After the first annual meeting is called by the Board of Directors, the succeeding annual meetings shall be held on any day as may be set by the Board of Directors which is within two (2) weeks prior to or two (2) weeks following the anniversary date of the first annual meeting. At the annual meetings, comprehensive reports of the affairs, finances, and budget projections of the Yacht Club shall be made to the Members.

### **Section 3.03 Special Meetings.**

The Secretary of the Yacht Club shall be required to call a special meeting of the Members under the following circumstances:

- (a) when directed by the President of the Yacht Club;
- (b) upon the resolution of a majority of the Board of Directors; or
- (c) upon the presentation to the Secretary of the Yacht Club of a petition signed by Members entitled to cast at least one-fourth (1/4) of the votes of the Yacht Club.

The call of a special meeting shall be by notice from the Secretary of the Yacht Club given at least fifteen (15) days and not more than forty-five (45) days in advance of the special meeting, and such notice shall state the date, the time, the place, and the purpose of such special meeting. Unless by consent of at least two-thirds (2/3) of the votes of the Members present in person or by proxy, only the business stated in the notice may be transacted at such special meeting.

### **Section 3.04 Notice of Meetings.**

It shall be the duty of the Secretary of the Yacht Club to mail or deliver a notice of each annual or special meeting to each Member. The notice shall state the date, the time, the place and the purpose of such meeting. The notice shall be delivered personally or sent by United States Mail, postage prepaid, to all Members of record at such address or addresses as any of them may have designated, or if no address has been so designated, at the address of their respective Lots or Dwellings in the Development. Except as may be otherwise required by law or the Harbor Multi-Family Declaration, notice shall be given to each member at least fifteen (15) days and not more than forty-five (45) days in advance of any meeting. The mailing of a notice in the manner provided in this Section 3.04 shall be considered to be the giving of such notice. Any Member may waive the notice of a meeting by doing so in writing before or after such meeting. Attendance at a meeting, either in person or by proxy, shall of itself constitute a waiver of notice and waiver of any and all objections to the place or time of such meeting or the manner in which it has been called or convened, unless a Member or other person entitled to notice attends such meeting solely for the purpose of stating, at the beginning of such meeting, any such objection or objections relating to such meeting. A recitation in the minutes of any meeting that notice of such meeting was properly given shall be prima facie evidence that such notice was so given.

**Section 3.05 Conduct of Meetings.**

The President, or the Vice President in the absence of the President, shall preside over all meetings of the Yacht Club, and the Secretary, or an Assistant Secretary in the absence of the Secretary, shall keep the minutes of all such meetings and shall record in a minute book all resolutions adopted at such meetings, as well as all transactions and proceedings occurring at such meetings.

**Section 3.06 Order of Business.**

The order of business at all annual meetings shall be as follows :

- a. Roll call and certification of proxies.
- b. Proof of notice of meeting or waiver of notice.
- c. Reading of minutes of preceding meeting
- d. Reports of officers, if any.
- e. Reports of committees, if any.
- f. Election or appointment of inspectors of election.
- g. Election of directors.
- h. Unfinished business.
- i. New business.

**Section 3.07 Quorum.**

Except as otherwise provided in the Harbor Multi-Family Declaration or in these By-Laws, the presence in person or by proxy at the beginning of any meeting of the Members entitled to cast over fifty (50%) percent of all votes of the Yacht Club shall constitute a quorum for the meeting of the Yacht Club. If the required quorum is not present, another, meeting may be called subject to the same notice requirement and a required quorum at the subsequent meeting shall be the presence in person or by proxy of Members having one-third (1/3) of the total votes of the Members of the Yacht Club. No such subsequent meeting shall be held more than sixty (60) days following the proceeding meeting. Any provision in the Harbor Multi-Family Declaration concerning quorums is specifically incorporated in these By-Laws.

**Section 3.08 Adjourned Meetings.**

Any meeting of the Yacht Club which cannot be organized because a quorum has not attended may be adjourned by the President or by the vote of a majority of the Members present in person or represented by proxy. When any meeting of the Members, either annual or special, is adjourned, notice of the time, place, and, location of the adjourned, meeting shall be given as in the case of the original meeting,

**Section 3.09 Proxy**

The vote appertaining to any Membership may, and shall in the case of any Member not a natural person or persons, be cast pursuant to a proxy or proxies duly executed by or on behalf of the Member and delivered to the secretary or an Assistant Secretary of the Yacht Club. No such proxy shall be revocable except by written notice delivered to the Secretary or an Assistant Secretary of the Yacht Club by the Member. Any proxy shall be void if it is not dated or if it purports to be revocable without notice, except as provided in the preceding sentence. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. The sale of a Member's Lot or Dwelling in the Development or the transfer of Membership to a qualified successor Member as provided by the Harbor Multi-Family Declaration shall void any outstanding proxy pertaining to the voting rights of the Member before such sale or transfer.

**Section 3.10 Action Taken by Yacht Club.**

Except as otherwise provided by the Harbor Multi-Family Declaration or these By-Laws, any action taken at any meeting of the Members shall be effective and valid if taken or authorized by not less than a majority of all of the votes to which all of the Members present in person or by proxy at a duly constituted meeting shall be entitled. In the event of any tie vote at any regular, special, or adjourned meeting of the Yacht Club, the President, or the Vice President in the absence of the President, shall cast a separate vote to break the tie. For purposes of these By-Laws, "majority" shall mean more than fifty percent (50%); provided, however, the foregoing provisions of these By-Laws to the contrary notwithstanding, any action which, by law or pursuant to the provisions of the Harbor Multi-Family Declaration or these By-Laws, requires the assent of a specified number or percentage of the votes of the Members greater than that herein specified, shall not be considered the act of the Members unless such requisite number or percentage so prescribed by law or the Harbor Multi-Family Declaration or these By-Laws is obtained.

**Section 3.11 Voting.**

Except as otherwise provided in the Harbor Multi-Family Declaration or these By-Laws, voting on all matters shall be by voice vote or by a show of hands unless any Member, prior to the voting on any matter, demands vote by written ballot, in which case each ballot shall state the name of the Member voting, the Lots or Dwellings owned by such Member, the Boat Slip assigned to the exclusive use of such Member, and the number of votes voted by such Member, and if such ballot shall be cast by proxy, it shall also state the name of such proxy.

**Section 3.12 Action by Yacht Club without Meeting.**

Any action which may be taken at a meeting of the Members may be taken without a meeting if a written approval and consent which sets forth the action authorized is signed by each of the Members entitled to vote on the date on which the last such Member signs such approval and consent and upon the filing of such approval and consent with the Secretary of the Yacht Club. Such approval and consent so filed shall have the same effect as the unanimous vote of the Members at a special meeting called for the purpose of considering the action authorized.

## **Article 4 Board of Directors, Number, Powers, Meetings .**

### **Section 4.01 Number.**

So long as Declarant shall have the right to appoint and remove persons serving on the Board of Directors and officers of the Yacht Club as provided by Section 5.2 of the Harbor Multi-Family Declaration, the Board of Directors shall consist of at least three (3) directors and such directors shall be appointed by and shall serve at the pleasure of Declarant. After such right shall have terminated or have been relinquished, the Members shall elect five (5) persons to the Board of Directors at the special meeting of the Yacht Club described in Sections 4.05 and 4.06 of these By-Laws. Except with respect to directors appointed by Declarant and except as provided in Section 4.08 hereof, directors must be Members at all times during their service as directors; provided, however, the term "Member" for purposes of this Section 4.01 and Section 5.01 hereof, shall be deemed to include, without limitation, any shareholder, director, officer, partner in, or trustee of any entity or person which is, either alone or in conjunction with any other person or persons, a Member. Any individual who would not be eligible to serve as a director were he not a shareholder, director, officer, partner in, or trustee of such an entity or person, pursuant to the immediately preceding sentence, shall be deemed to have disqualified himself from continuing as a director if he ceases to have any such affiliation with that entity or person.

### **Section 4.02 Powers and Duties.**

The Board of Directors shall have the powers and duties necessary to administer the affairs of the Yacht Club, including, but not necessarily limited to, those powers and duties specifically assigned to the Board of Directors in the Harbor Multi-Family Declaration, the Articles of Incorporation, and these By-Laws. Consistent therewith, the Board of Directors shall have the power to adopt such rules and regulations which it deems necessary or appropriate for the administration of the affairs of the Yacht Club and to impose sanctions for failure to timely pay any assessment and/or for violations of the Harbor Multi-Family Declaration, these By-Laws, and the published rules and regulations of the Yacht Club, subject to the provisions of the Harbor Multi-Family Declaration.

### **Section 4.03 Other Duties.**

The Board of Directors shall exercise such duties and responsibilities as shall be incumbent upon it by law and the Harbor Multi-Family Declaration, together with such other duties and responsibilities as it may deem necessary or appropriate in the exercise of its powers. In addition to other duties which the Board of Directors may have, it shall be responsible for the following matters:

- a. Maintenance, repair, renovation, restoration, replacement, care, and upkeep of the Harbor Multi-Family Area, the Common Areas, and other portions of the Development which may now or hereafter be maintained by the Yacht Club;
- b. Preparation of a budget, at least thirty (30) days prior to the Yacht Club's annual meeting, covering the Yacht Club's estimated Common Expenses during the coming year and a capital contribution or reserve account, if necessary, for the capital needs of the Yacht Club;
- c. Collection of any and all annual, special and individual assessments levied by the Yacht Club;
- d. Designation and dismissal of the personnel necessary for the maintenance and operation of the Common Areas and other portions of the Harbor Multi-Family Area which are the responsibility of the Yacht Club; and
- e. Subject to the provisions of the Harbor Multi-Family Declaration, the promulgation of rules and regulations governing access to and use and enjoyment of the Boat Slips, the Harbor Multi-Family Area, or the Common Areas.

**Section 4.04 Management.**

Subject to the provisions of Article 5 of the Harbor Multi-Family Declaration, The Hilton Head Company, Inc., its successors, assigns, or an affiliate shall be employed as the Manager of the Yacht Club for such period of time as specified in Sections 5.2 and 5.4 of the Harbor Multi-Family Declaration, subject to The Hilton Head Company, Inc.'s option to renew such employment as Manager in accordance with Section 5.4 of the Harbor Multi-Family Declaration.

**Section 4.05 Initial Election of Directors and Term of Office.**

Pursuant to the Harbor Multi-Family Declaration, Declarant shall, for the period of time specified in Paragraph 5.2 thereof, have the right to appoint and remove, at the pleasure of Declarant, any directors serving on the Board of Directors or any officer of the Yacht Club, until such right shall be relinquished by Declarant or until such right shall otherwise terminate as provided by the Harbor Multi-Family Declaration. Upon the termination or relinquishment of Declarant's right to appoint and remove directors serving on the Board of Directors and officers of the Yacht Club, Declarant shall then give to each Member at least fifteen (15) days' written notice of a special meeting to elect a new Board of Directors, such meeting to be held not more than sixty (60) days after the date of such termination. In the event of the failure of Declarant to call said special meeting within the period provided above, said special meeting may be called in accordance with the provisions of Section 3.03 of these By-Laws. At such special meeting, the Members shall elect two (2) directors for a term of three (3) years each, two (2) directors for a term of two (2) years each, and one (1) director for a term of one (1) year; provided, however, that the directors elected at such meeting shall also serve for that portion of a calendar year between the commencement of their terms and the first annual meeting following such meeting so that their respective terms shall expire at the time of an annual meeting. Except in the case of death, resignation, disqualification, or removal, each director elected by the Members shall serve until the annual meeting at which his term expires and until his successor has been duly chosen and qualified.

The procedure for the election of the Board of Directors at the special meeting shall be as follows: Nominations shall be accepted for not less than five (5) Members to serve on the Board of Directors of the Yacht Club; prior to closing of such nominations, each Member present in person or by proxy shall cast a ballot listing thereon the names of the five (5) different nominees (no more and no less) for whom such Member wishes to vote, together with the residence number of the Lot or Dwelling of such Member; the ballots shall then be collected and tallied, whereupon the two persons receiving the greatest number of votes shall be elected to three (3) year terms, and the two (2) persons receiving the next greatest number of votes shall be elected to two (2) year terms and the person receiving the next greatest number of votes shall be elected to a one (1) year term. In the event that only five (5) persons are nominated to serve on the Board of Directors, the terms of such person shall be determined as follows: a Member entitled to vote shall cast his ballot by writing thereon the name of the person thus elected whom such Member wishes to serve for a term of three (3) years; the ballots shall then be collected and tallied whereupon the two (2) persons receiving the greatest number of votes shall serve three (3) year terms, and the two (2) persons receiving the next greatest number of votes shall serve two (2) year terms and the person receiving the next greatest number of votes shall serve a one (1) year term.

**Section 4.06 Procedure for Subsequent Elections and Terms of Office.**

At the second annual meeting following the special meeting called by Declarant as described in Section 4.05, and at each subsequent annual meeting, the Members shall elect, in accordance with the procedures hereinafter set forth in this Section 4.06, directors to succeed to the office of all directors whose terms have expired at the time of such annual meeting. Such directors so elected shall each serve for a term of three (3) years. Persons may be nominated for election to the Board of Directors by a nominating committee appointed by the incumbent Board of Directors prior to the annual

meeting and by nominations made from the floor at the annual meeting for such election. Election to the Board of Directors shall be by secret written ballot, unless dispensed with by majority consent, and at such election, Members or their proxies may cast, with respect to each vacancy, the votes appurtenant to their Membership as provided in the Harbor Multi-Family Declaration. Cumulative voting shall not apply.

#### **Section 4.07 Removal or Resignation.**

Subsequent to the termination of Declarant's right to appoint and remove directors, pursuant to Section 5.2 of the Harbor Multi-Family Declaration, any one or more of the directors may be removed with or without cause by a majority vote of the total authorized vote of the Members which is taken at any regular or special meeting of the Yacht Club, and a successor shall be elected by the Members at such meeting in order to fill the unexpired portion of such director's term. Any director whose removal has been proposed by a Member or Members shall be given an opportunity to be heard at such meeting. Any director may resign at any time by giving written notice to the Board of Directors. 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. The sale by a director of all of his Lots or Dwellings in the Development or any other termination of his interest in the Boat Slip to which he is assigned, shall automatically terminate his Membership in the Yacht Club and his directorship. Subsequent to the termination of the right of Declarant to appoint and remove directors, vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the Members shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum, and each person so elected shall serve until a successor is elected and qualified at the next annual meeting of the Members, with such successor to serve the remainder of such terminated director's term of office.

#### **Section 4.08 Officers, Agents, or Employees of Declarant.**

With respect to Boat Slips owned by Declarant, Declarant may appoint any of its officers, agents or employees to act for Declarant as a Member, director, or officer of the Yacht Club, and Declarant may, at any time, replace any such director or officer acting for Declarant with any other officer, agent, or employee of Declarant.

#### **Section 4.09 Fees and Compensation**

Except as may be otherwise provided in the Harbor Multi-Family Declaration, no fee or compensation shall be paid by the Yacht Club to directors, for their services as directors unless such fee or compensation is first fixed by a resolution adopted by a majority vote of the Members

#### **Section 4.10 Organizational Meeting**

The first and organizational meeting of each Board of Directors shall be held without notice, other than by this By-Law, immediately after, and at the same place as, the meeting of the Members at which such Board of Directors or certain directors have been elected.

#### **Section 4.11 Regular Meetings.**

The Board of Directors may provide, by resolution, the time and place for the holding of regular meetings, in addition to the organizational meeting, and such regular meetings shall be held without notice other than such resolution.

#### **Section 4.12 Special Meetings.**

Special meetings of the Board of Directors may be called by the President on at least three (3) days' notice to each director, given personally, by mail, or telegraph, which notice shall state the date, time,

place, and purpose of the special meeting. Special meetings of the Board of Directors may also be called by the Secretary of the Yacht Club in like manner and on like notice upon the written request of at least a majority of the directors.

#### **Section 4.13 Waiver of Notice.**

Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be deemed to be a waiver of notice of such meeting and waiver of any and all objections to the date, time, place and purpose of the meeting or the manner in which it has been called or convened except when a director states, at the beginning of the meeting, any such objection or objections

#### **Section 4.14 Entry of Notice.**

Whenever any director has been absent from any special meeting of the Board of Directors, an entry in the minutes to the effect that notice has been duly given shall be prima facie evidence that due notice of such special meeting was given such director, as required by law and/or these By-Laws.

#### **Section 4.15 Board of Directors Quorum.**

At all meetings of the Board of Directors, a majority of the directors then in office shall constitute a quorum for the transaction of business.

#### **Section 4.16 Conduct of Meetings.**

The President, or the Vice President in the absence of the President, shall preside over all meetings of the Board of Directors, and the Secretary, or an Assistant Secretary in the absence of the Secretary, shall keep the minutes of such meetings and shall record in a minute book all resolutions adopted at such meetings, as well as all transactions and proceedings occurring at such meetings.

#### **Section 4.17 Action Taken by Directors.**

Except as otherwise provided in the Harbor Multi-Family Declaration and these By-Laws or by law, every act or decision by a majority of the directors present in person or by proxy at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors. In the event of any tie vote, the President, or the Vice President in the absence of the President, shall cast a separate vote to break the tie.

#### **Section 4.18 Action without Formal Meeting.**

Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee appointed by the Board of Directors may be taken without a meeting if written consent, setting forth the action so taken, shall be signed by all directors or all members of such committee, as the case may be, and such written consent is filed with the minutes of the proceedings of the Board of Directors or of the appointed committee. Such consent shall have the same force and effect as a unanimous vote by the Board of Directors or by such committee, as the case may be.

#### **Section 4.19 Special Committees.**

The Board of Directors shall have the power and authority to create special committees. Any such special committee shall advise the Board of Directors on matters pertaining to the purpose for which any such special committee shall have been created and shall have and exercise such powers as may be provided by resolution of the Board of Directors. Each such special committee shall be comprised of at least two (2) or more directors serving on the Board of Directors and shall act by a majority of such members of the special committee unless otherwise ordered by the Board of Directors. The

members, including the chairman, of any such special committee shall be appointed by and shall serve at the pleasure of the Board of Directors. A majority of the members of any such special committee shall constitute a quorum.

#### **Section 4.20 Executive Committee.**

In furtherance and not in limitation of the powers conferred by law, the Board of Directors may establish an Executive Committee consisting of three (3) directors. The Executive Committee shall be constituted and appointed by the Board of Directors from their number and shall meet as necessary. The Executive Committee shall have authority to exercise all the powers of the Board of Directors at any time and when the Board of Directors is not in session, so long as such powers are lawfully delegated and are not inconsistent with these By-Laws and the Harbor Multi-Family Declaration. The Executive Committee shall elect a chairman and a majority of the members of the Executive Committee shall constitute a quorum. The act of a majority of the members of the Executive Committee present at a meeting at which a quorum is present shall be the act of the Executive Committee, and notice of meetings of the Executive Committee shall be the same as required for a special meeting of the Board of Directors as outlined above in this Article 4. The Board of Directors may designate one or more directors as alternate members of the Executive Committee, and such alternate members may act in the place and stead of any absent member or members at any meeting of the Executive Committee. The designation of an executive Committee shall not operate to relieve the Board of Directors, or any director, of any responsibility imposed by Law.

## **Article 5 Officers**

### **Section 5.01 Enumeration of Officers.**

The officers of the Yacht Club 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. The President, Vice President and Secretary shall also serve on the Board of Directors. Any two or more offices may be held by the same person, excepting the offices of President and Vice President and President and Secretary or Assistant Secretary. Except with respect to officers appointed by Declarant, and except as provided in Section 4.08 hereof, each officer must be a "Member" as defined in Section 4.01 of these By-Laws.

### **Section 5.02 Election**

For the period provided by Section. 5.2 of the Harbor Multi-Family Declaration, the officers of the Yacht Club shall be appointed by and shall serve at the pleasure of Declarant. After the right of Declarant to appoint and remove such officers shall have terminated or shall have been relinquished, the Board of Directors shall elect the officers of the Yacht Club at each organizational meeting thereof. The Board of Directors at any time, and from time to time, may appoint such other officers as it shall deem necessary, including one or more Assistant Secretaries or Assistant Treasurers, who shall hold their offices for such terms as shall be determined by the Board of Directors and shall exercise such powers and perform such Duties as are specified by these By-Laws or as shall be determined, from time to time, by the Board of Directors.

### **Section 5.03 Compensation.**

Except as may be provided in the Harbor Multi-Family Declaration, no fee or compensation shall be paid by the Yacht Club to any officer for his services as an officer unless such fee or compensation is first fixed by a resolution adopted by a majority vote of the total vote of the Members.

### **Section 5.04 Term**

Each officer of the Yacht Club shall be elected at the time of each organizational meeting of the Board of Directors and each shall hold office until the next organizational meeting of the Board, and until his successor is duly elected and qualified, or until his earlier resignation, death, removal, or other disqualification. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Yacht Club will be served thereby, provided however that the Declarant shall have the right to remove any officer or officers pursuant to section 5.2 of the Harbor Multi-Family declaration. The sale by an officer of all of his Lots or Dwellings or the surrender, transfer, or termination of his Membership in the Yacht Club shall automatically terminate his term as an officer.

### **Section 5.05 Vacancies.**

A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by majority vote of the Board of Directors for the unexpired portion of the term.

### **Section 5.06 President.**

The President shall be a director and the chief executive officer of the Yacht Club and, subject to the control of the Board of Directors, shall, in general, manage, supervise, and control all of the business and affairs of the Yacht Club and perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. The President shall, when present, preside at all meetings of the Yacht Club. The President shall sign, with the Secretary or any other proper officer of the Yacht Club authorized by the Board of Directors, any contracts, deeds,

notes, mortgages, bonds, policies of insurance, checks, or other instruments which the Board of Directors has authorized to be executed and which are consented to and approved by Declarant (if Declarant's consent and approval is required by the Harbor Multi-Family Declaration or by these By-Laws), except in cases where signing or execution thereof shall be expressly delegated by the Harbor Multi-Family Declaration or these By-Laws or by the Board of Directors to some other officer or agent of the Yacht Club, or shall be required by law to be otherwise signed or executed.

### **Section 5.07 Vice President.**

In the absence of the President, or in the event of his death or resignation, removal, disqualification, inability or refusal to act, the Vice President (or in the event there is more than one Vice President, the Vice Presidents in the order designated at the time of their election, (or in the absence of any designation, in the order of election) shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all the restrictions upon the President. At least one (1) Vice President shall also simultaneously serve on the Board of Directors during his term as Vice President. Any Vice President may perform such duties as are set forth in these By-Laws or as, from time to time, may be assigned to him by the President or the Board of Directors.

### **Section 5.08 Secretary.**

The Secretary shall:

- a. attend and keep the minutes of meetings of the Yacht Club, of the Board of Directors, and of any committees having any of the authority of the Board of Directors, in one or more minute books provided for that purpose;
- b. see that all notices are duly given in accordance with the Harbor Multi-Family Declaration or the provisions of these By-Laws or as required by law;
- c. be custodian of the Yacht Club records;
- d. simultaneously serve on the Board of Directors during his term as Secretary; and,
- e. in general, perform all duties incident to the office of Secretary and such other duties as, from time to time, may be assigned by the Board of Directors.

### **Section 5.09 Treasurer.**

The Treasurer shall :

- a. have charge and custody of and be responsible for all funds and securities of the Yacht Club, receive and give receipts for monies due and payable to the Yacht Club from any source whatsoever, and deposit all such monies in the name of the Yacht Club in such banks, trust companies, money market funds, or other depositories or accounts as shall be from time to time selected by the Board of Directors;
- b. authorize vouchers and sign checks for monies due and payable by the Yacht Club;
- c. promptly render to the President and to the Board of Directors an account of the financial condition of the Yacht Club whenever requested;
- d. prepare and deliver any certificates required; and
- e. in general, perform all the duties incident to the office of Treasurer and such other duties as, from time to time, may be assigned by the Board of Directors.

### **Section 5.10 Assistant Secretaries and Assistant Treasurers.**

The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties as may be assigned by the Secretary or Treasurer, respectively, or by the Board of Directors.

## **Article 6 Fiscal Matters and Books and Records**

### **Section 6.01 Fidelity Bonds.**

The Board of Directors may require that any contractor or employee of the Yacht Club handling or responsible for Yacht Club funds shall furnish an adequate fidelity bond. The premium for any such bond shall be paid by the Yacht Club as a Common Expense.

### **Section 6.02 Books and Records Kept by Yacht Club.**

The Yacht Club shall keep

- a. detailed, complete, and accurate financial records, including itemized records of all receipts and disbursements;
- b. detailed minutes of the proceedings of all meetings of the Members and of the Board of Directors and committees having any of the authority of the Board of Directors; and
- c. such other books and records as may be necessary or required by law to reflect accurately the affairs and activities of the Yacht Club.

### **Section 6.03 Inspection.**

The books, records, and papers of the Yacht Club shall, at all times during reasonable business hours and upon reasonable notice, be subject to inspection by any Member or Mortgagee or their respective agents or representatives for any proper purpose.

### **Section 6.04 Contracts**

Subject to obtaining the consent and approval of Declarant if such consent and approval is required by the Harbor Multi-Family Declaration or these By-Laws, the Board of Directors may authorize any officer or officers, or agent or agents of the Yacht Club, (including the manager of the Yacht Club), in addition to the officers so authorized by the Harbor Multi-Family Declaration and these By-Laws, to enter into any contract or execute and deliver any instrument in the name of, or on behalf of, the Yacht Club, and such authority may be general or confined to specific instances.

### **Section 6.05 Checks, Drafts, etc.**

All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Yacht Club shall be signed by such officer or officers, or agent or agents, of the Yacht Club and in such manner as, from time to time, may be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer and countersigned by the President or a Vice President of the Yacht Club.

### **Section 6.06 Deposits.**

All funds of the Yacht Club shall be deposited from time to the credit of the Yacht Club in such banks, trust companies, money market funds, or other depositories or accounts as the Board, of Directors may designate.

### **Section 6.07 Gifts.**

The Board of Directors may accept, on behalf of the Yacht Club, any contribution, gift, bequest, or devise for the general purposes, or for any special purpose, of the Yacht Club.

### **Section 6.08 Fiscal Year.**

The fiscal year of the Yacht Club shall be the calendar year.

## Article 7 Miscellaneous

### Section 7.01 Parliamentary Rules.

Unless waived by a majority vote of the Members in attendance in person or by proxy at any duly called meeting of the members or unless waived by a majority of the directors present at any duly called meeting of the Board of Directors, Roberts' Rules of order (latest edition) shall govern the conduct of the proceedings of such meetings when not in conflict with South Carolina law, the Harbor Multi-Family Declaration, or these By-Laws.

### Section 7.02 Conflicts.

If there are conflicts or inconsistencies between the provisions of South Carolina law or the Harbor Multi-Family Declaration and these By-Laws, the provisions of South Carolina law and the Harbor Multi-Family Declaration, in that order, shall prevail.

### Section 7.03 Definitions.

Unless the context shall otherwise require, words or phrases used in these By-Laws which are defined in the Harbor Multi-Family Declaration shall have the same meaning as therein set forth.

### Section 7.04 Amendments.

The Articles of Incorporation of the Yacht Club and these By-Laws may be amended, at a regular or special meeting of the Members duly called and held for such purpose, pursuant to a resolution of the Board of Director's adopting a proposed amendment. Such resolution must be approved by a vote of at least two-thirds (2/3) of the total vote in the Yacht Club; provided, however,

- a. that any amendment which materially and adversely affects the security, title and interest of any Mortgagee must be approved by such Mortgagee, and
- b. during any period in which Declarant has the unexpired option under the Harbor Multi-Family Declaration to add the additional property or any portion thereof to the Harbor Multi-Family Area, or the right to appoint and remove directors serving on the Board of Directors and officers of the Yacht Club pursuant to the Harbor Multi-Family Declaration, such resolution must also be approved by Declarant.

Notwithstanding the foregoing, any amendment to these By-Laws which would alter, modify, or rescind any right or privilege herein expressly granted to any Mortgagee shall require the prior written approval of such Mortgagee.

### Section 7.05 Agreements.

Subject to the provisions of the Harbor Multi-Family Declaration and the obtaining of consent and approval of Declarant, if such consent and approval is required by the Harbor Multi-Family Declaration or these By-Laws, all agreements and determinations lawfully authorized by the Board of Directors of the Yacht Club shall be binding upon all Members, their heirs, legal representatives, successors, assigns, or others having an interest in the Harbor Multi-Family Area, and in performing its responsibilities hereunder, the Yacht Club, through the Board of Directors, shall have the authority to delegate to such persons or entities of its choice such duties of the Yacht Club as may be determined by the Board of Directors.

### Section 7.06 Liability.

The officers and directors of the Yacht Club shall not be liable for any mistake of judgment, whether negligent or otherwise, except for their own individual willful misfeasance or malfeasance, misconduct, or bad faith. The officers and directors of the Yacht Club shall have no personal liability

with respect to any contract or other commitment made by them, in good faith, on behalf of the Yacht Club (except to the extent that such officers or directors may also be Members of the Yacht Club), and the Yacht Club, as a Common Expense, shall indemnify and forever hold each such officer and director free and harmless from and against any and all liability to others on account of any such contract or commitment. In addition, each director and each officer of the Yacht Club shall be indemnified and held harmless by the Yacht Club, as a Common Expense, from any expense, loss, or liability by reason of having served as such director or as such officer and against all expense and liability, including court costs and reasonable attorneys' fees, incurred by or imposed upon such director or officer in connection with any proceeding to which he may be a party or have become involved by reason of being a director or officer, whether or not he is a director or officer at the time such expenses are incurred, except in cases wherein the expenses and liability arise from a proceeding in which such director or such officer is adjudicated guilty of willful misfeasance or malfeasance, misconduct or bad faith in the performance of his duties. In the event of a settlement of any such proceeding, the indemnification provided herein shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interests of the Yacht Club. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any director or officer, or former director or officer, may be entitled. To the extent available, the Yacht Club shall maintain, as a Common Expense, adequate general liability and directors' and officers' liability insurance to fund these obligations.

#### **Section 7.07 Membership Certificates.**

In the event that any certificate evidencing Membership in the Yacht Club is lost, stolen, destroyed, or mutilated, the Board of Directors may authorize the issuance of a new certificate in the same tenor and for the same Boat Slip. In connection with the issuance of such new certificate, the Board of Directors may, in its discretion, require the Membership to whom the assigned Boat Slip is appurtenant, or the legal representative of such Member, to make an affidavit or affirmation setting forth such facts regarding the loss, theft, destruction, or mutilation as the Board of Directors deems necessary, and to give the Yacht Club a bond or other indemnity in such reasonable amount as the Board of Directors directs, in order to indemnify the Yacht Club with respect to the issuance of such new certificate.

#### **Section 7.08 Severability**

Whenever possible, each covenant, condition, restriction, provision, sentence, clause phrase or word of the By-Laws shall be interpreted in such manner as to be effective and valid. Invalidation of any covenant, condition, restriction, provision, sentence, clause, phrase, or word of these By-Laws, or the application thereof in any circumstances, shall not affect the validity of the remaining portions thereof and of the application thereof, and such remaining portions shall remain in full force and effect.

#### **Section 7.09 Gender and Grammar.**

The singular wherever used in these By-Laws shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

#### **Section 7.10 Headings and Captions.**

The Article and Section headings and captions in these By-Laws are for convenience and reference purposes only and shall in no way define or limit the scope and content of these By-Laws or in any way affect the provisions hereof.

**Section 7.11 Notices.**

Any and all Notices required or permitted under these By-Laws shall be in writing and shall be delivered by hand or sent by United States Mail, postage prepaid. All Notices to Members shall be delivered or sent to such addresses as have been designated in writing to the Yacht Club, or if no address has been so designated, at the addresses of such Members' respective Lots or Dwellings. All Notices to the Yacht Club, or the Board of Directors, or the officers of the Yacht Club shall be delivered or sent in care of the Yacht Club to the Yacht Club's Main Office on Hilton Head Island, South Carolina, or to such other address as The Hilton Head Company, Inc., from time to time, may designate and notify the Yacht Club.

The foregoing was adopted as the By-Laws of Wexford Plantation Yacht Club, Inc. by resolution of the Board of Directors, dated

August 21, 1985.

WITNESSES:

Elaine Baldwin

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WEXFORD PLANTATION YACHT CLUB, INC.

By: [Signature]  
Its: PRESIDENT

Attest: [Signature]  
Its: ASSISTANT SECRETARY

