

STATE OF SOUTH CAROLINA)
)
)
COUNTY OF BEAUFORT) FIRST AMENDMENT TO THE BYLAWS
) OF THE VILLAGES AT PALMETTO POINTE
) HOMEOWNERS ASSOCIATION, INC.

THIS FIRST AMENDMENT TO THE BYLAWS OF THE VILLAGES AT PALMETTO POINTE HOMEOWNERS ASSOCIATION, INC. is made and entered into this 23 day of October 2018 by Palmetto Point Property Owners' Association, Inc. A South Carolina non-profit corporation.

WITNESSETH

WHEREAS, on or about October 27, 2006, Palmetto Pointe Developers, LLC made its Master Declaration of Covenants, Conditions and Restrictions for Villages at Palmetto Pointe ("Covenants"); and

WHEREAS, the Covenants are recorded in the Office of Deeds for Beaufort County, South Carolina in Deed Book 2471 at Page 2539; and

WHEREAS, the Supplemental Declaration of Covenants and Restrictions for Palmetto Pointe, Phase 2 are recorded in the Office of Deeds for Beaufort County, South Carolina in Deed Book 2668 at Page 466; and

WHEREAS, the Supplemental Declaration of Covenants and Restrictions for Palmetto Pointe, Phase 3 are recorded in the Office of Deeds for Beaufort County, South Carolina in Deed Book 3471 at Page 2828; and

WHEREAS, The Bylaws of The Villages at Palmetto Pointe Homeowners Association, Inc. ("Bylaws") were created contemporaneously on or about October 27, 2006; and

WHEREAS, the Bylaws provide that the terms thereof may be amended by a two-thirds (2/3) vote of the Board of Directors by written consent and included in the records of the Association.

WHEREAS, pursuant to a vote of more than two-thirds of the Board of Directors, the vote being 5 in favor of first amendment and 0 against, the Board of Directors approved, ratified and made the first amendment to the Bylaws set forth below; and

NOW, THEREFORE, the Association declares that the Bylaws are amended as hereinafter set forth.

These By-Laws are the By-Laws of the Association, which is the nonprofit corporation created by Articles of Incorporation filed with the Secretary of State of South Carolina on June 19, 2006 (the "Articles of Incorporation"). All references herein to the "Declaration" shall refer to that certain recorded instrument known as "Master Declaration of Covenants, Conditions and Restrictions for The Villages at Palmetto Pointe", dated October 27, 2006 and recorded in Deed Book 2471, Page 2539, with the Beaufort County Register of Deeds in Beaufort County, South Carolina, as the same has been amended and supplemented from time to time. All capitalized or underlined terms used herein shall have the meanings assigned thereby by the Declaration unless the context clearly otherwise requires.

ARTICLE I

Definitions

Section 1. "Association" shall mean and refer to THE VILLAGES AT PALMETTO POINTE HOMEOWNERS ASSOCIATION, INC., a South Carolina non-profit corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property, including contract sellers and owners of an equity of redemption, but excluding those having such interest in a lot solely as security for the performance of an obligation.

Section 3. "Property" shall mean and refer to the "Property" described and defined in the Declaration and any additions thereto, as are or shall become subject to the Declaration and any Supplementary Declaration later filed.

Section 4. "Member" shall mean and refer to every person or entity who holds Membership in the Association. Membership of the Association shall be limited to Owners of Lots or Dwellings located within the development of The Villages at Palmetto Pointe ("Development"). An Owner shall automatically become a Member of the Association upon taking title to his property and shall remain a Member for the entire period of ownership. Membership shall be appurtenant to the property and shall be transferred automatically by conveyance of that property and may be transferred only in connection with the transfer of title.

Section 5. "Eligible" shall mean a Member in good standing who is not in default of any annual dues, special assessment or any other charge levied by the association.

Section 6. "Majority Vote" shall mean thirty percent (30%) or more of the total number eligible voting Members voting in person or by proxy

Section 7. "Quorum" Except as otherwise provided in these Bylaws the presence in person or by proxy of a Majority Vote as defined in Section 6 of Article V shall constitute a quorum.

Section 8. "Proxy" shall mean the authority to cast a vote on behalf of another eligible Member of the Association. Member votes may be cast in person or proxy.

ARTICLE II

Offices

Section 1. Registered Office. The registered office of the Association shall be located at Mutterer Law Firm, LLC, 21 Promenade Street, Suite 205 (physical), P.O. Box 29 (mailing). Bluffton, South Carolina 29910 or such other offices as the Board of Directors shall select.

ARTICLE III

Meetings of Members

Section 1. Location of Meetings. All meetings of Members shall be held at such place within Beaufort County in the State of South Carolina as may be from time to time fixed by the Board of Directors or as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Annual Meetings. Annual meetings of Members shall be held in the month of November or as otherwise scheduled by the Board of Directors of the Association. At each such meeting, the Members shall, by a majority vote, elect a Board of Directors, and, by majority vote, transact such other business as may be properly brought before the meeting.

Section 3. Special Meetings. Unless otherwise prescribed by law, by the Declaration, or by the Articles of Incorporation, special meetings of Members may be called for any purpose or purposes by the president, the Board of Directors, the holders of fifty-one (51%) percent of the outstanding voting interest in the Association, or such other officers or persons as may at the time be provided in the Articles of Incorporation, or in the event there are no officers or Directors, then by any Member.

Section 4. Notice of Meetings. Written notice of a meeting stating the place, day and hour of meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, and a proxy form shall be delivered not less than fourteen (14) days in advance of an annual or regularly scheduled meeting and at least ten (10) days in advance of any other meeting and shall state the time, place and purpose of such meeting.

Section 5. Business of Meetings. At an annual meeting of Members, any matter relating to the affairs of the Association, whether or not stated in the notice of meeting, may be brought up for action, subject to the President's right to preside over and control the agenda of the meeting (unless otherwise

provided by law). Unless a majority of the Members of this Association entitled to vote are present and specifically agree thereto in writing, no matter that was not stated in the notice of a special meeting of Members shall be brought up for action at such a special meeting.

Section 6. Quorum. The holders of more than thirty (30%) percent of the interests entitled to vote, present in person or by proxy, shall constitute a quorum at all meetings of Members for the transaction of business except as otherwise provided by law. If a quorum shall not be present, a new meeting shall be called within sixty (60) days of the date of the meeting, without notice other than announcement at the meeting, and at such reconvened meeting, fifteen (15%) percent of the interest entitled to vote shall constitute a quorum. The Members present in person or by proxy shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At such reconvened meeting, any business may be transacted which might have been transacted at the adjourned meeting.

Section 7. Majority. If a quorum is present, the affirmative vote of a majority of the Members entitled to vote and represented at the meeting shall be the act of the Members, except as otherwise agreed by the Association, which shall be controlling, and further except that the unanimous vote of all Members entitled to vote and represented at the meeting shall be required to approve matters at a special meeting of Members with respect to matters about which no notice had been given in the notice of such special meeting.

Section 8. Voting.

(a) Anything herein to the contrary notwithstanding, all voting contemplated by these By-Laws shall be governed by the Declaration and any reference herein to the voting rights of any Member shall be governed by the relevant provisions of the Declaration.

(b) Unless otherwise provided in the Declaration, Members shall be entitled to one vote for each Lot on each matter submitted to a vote at a meeting of Members with each vote as set out in Article Four of the Declaration. A Member may vote either in person or by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. Any proxy must be in writing, signed by the Member (or owners as provided below) and submitted to the President prior to the meeting. If any Lot is owned by a corporation, partnership, trustee or other entity or by a group of owners in any form of joint tenancy, the vote allocated to such Lot shall be exercisable by such owner or owners only as provided by the Declaration as amended from time to time. Unless the holder of a valid proxy, a mere lessee of any owner or Member shall have no right to vote and shall in no respect be deemed a Member of the

Association.

(c) During any period in which the owner of a lot shall be in default in the payment of any annual dues, special assessment or other charge levied by the Association the voting rights of such lot is suspended until such dues, assessment and/or charges have been paid.

(d) Delinquent annual dues, special assessment, or other charges must be brought current on or before the first (1st) day of the month in which the annual meeting is held to be eligible to vote at the annual meeting.

Section 9. Action by Consent. Any action required or permitted to be taken at a meeting of Members may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by the holders of all interests entitled to vote with respect to the subject matter thereof.

ARTICLE IV

DIRECTORS

Section 1. Number. Following the first annual meeting of Members, the number of Directors shall be five (5) or such other number, but not less than three (3) nor more than seven (7) as may be elected by the vote of a majority of the Members at the annual meeting. Directors must be over age eighteen, own a lot(s) in The Villages at Palmetto Pointe, but need not be residents of the State of South Carolina.

Section 2. Term. The initial term of office for two (2) Directors of the Board shall be fixed at three (3) years. The term of office of two (2) Directors of the Board shall be fixed at two (2) years and the term of office of one (1) Director of the Board shall be fixed at one (1) year. At the expiration of the initial term of office of each Director of the Board, a successor shall be elected to serve a term of three (3) years. The Directors of the Board shall hold office until their successors have been elected and hold their first meeting. All Directors shall be subject to replacement in the event of resignation or death.

Section 3. Powers. The business and affairs of the Association shall be managed by its Board of Directors which may exercise all such powers of the Association and do all such lawful acts and things as are not by law, the Declaration, the Articles of Incorporation or these By-Laws directed or required to be exercised or done by the Members.

Section 4. Compensation of Directors. The Board of Directors shall receive no compensation. However, the Board of Directors may receive appropriate reimbursement for approved expenses advanced in furtherance of the Association's business.

Section 5. Code of Ethics. Members of the Board of Directors of the Association shall be committed to promoting the highest standard of ethical conduct in the performance of their responsibilities

on the Board. Each Board member as a condition of accepting a Board position agrees to execute and abide by the Code of Ethics attached herein as Exhibit A.

Section 6. Indemnification. As an inducement to the officers and Directors of the Association to act on the Association's behalf, the Association shall, out of its general funds or by special assessment, indemnify and hold harmless, each officer or Director acting in accordance with these By-Laws and the Declaration, including without limitation all actions taken in connection with the levying, collection and enforcement of assessments. All such indemnification shall be paid upon written request of the officer or Director setting forth in reasonable detail the reason for such indemnification, which request shall be given to each of the officers of the Association and approved by the Board for payment. The Board shall indemnify an individual made party to a proceeding because the individual is or was a Director or Officer against liability incurred in the proceeding if the individual:

- (1) Conducted him/herself in good faith; and
- (2) Reasonably believed;
 - A. In the case of conduct in his/her official capacity with the Association, that his conduct was in its best interests, and
 - B. In all other cases, that his conduct was at least not opposed to its best interest and
 - C. In the case of a criminal proceeding, had no reasonable cause to believe his/her conduct was unlawful.
- (3) The Association may *not* indemnify a Director or Officer under this section:
 - A. In connection with a proceeding by or in the right of the Association in which the Director was adjudged liable to the Association; or
 - B. In connection with any other proceeding charging improper personal benefit to the Director, whether or not involving action in his/her official capacity, in which the Director was adjudged liable on the basis that personal benefit was improperly received by the Director.

Section 6. Resignation and Disqualification of Directors. Any Director may resign at any time by sending written notice of such resignation to the office of the Association, delivered to the Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Secretary. The Board may then appoint a new Director to complete the resigning Director's unexpired term. If a Director is no longer an Owner, the transfer of title of his/her property shall automatically constitute a resignation.

Section 7. Director Conflict of Interest. No Director shall enter into a contract or be compensated for services or supplies furnished to the Association in a capacity other than as Director, nor shall any Director be involved in any transaction that may pose either a direct or indirect conflict of interest with the Association. All potential conflicts of interest shall be disclosed to the Board by the Director involved, and the Board shall then address the issue of conflict of interest in accordance with the procedures set forth herein.

ARTICLE V

Meetings of the Board of Directors

Section 1. Location of Meetings. Meetings of the Board of Directors, regular or special, shall be held within Beaufort County in the State of South Carolina, or such other place as the Board of Directors may determine.

Section 2. First Meeting of New Board. The first meeting of each newly elected Board of Directors shall be held within two weeks of the annual meeting of Members at the place where such annual meeting is held. Such meeting shall be designated as the annual meeting of the Board of Directors, and no notice of such meeting shall be necessary to the newly elected Directors in order legally to constitute the meeting, provided a quorum shall be present. Alternatively, the new Board of Directors may convene at such alternate place and time as shall be consented to by all its Board of Directors.

Section 3. Regular Meetings. Regular meetings of the Board of Directors may be held with such frequency and at such time and at such place as shall from time to time be determined by the Board. If the Board has so fixed the frequency, time and place of regular meetings, no notice thereof shall be necessary.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by the chairman of the Board, by the president, or by any two Directors on three days' notice to each Director in accordance with Article VI below.

Section 5. Notice of Meetings. Notice of a meeting need not be given to any Director who signs a waiver of notice either before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice thereof. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 6. Quorum. A majority of the Directors shall constitute a quorum for the transaction of business unless a greater number is required by law or by the Articles of Incorporation. If a quorum shall

not be present at any meeting of Directors, the Directors present may adjourn the meeting from time to time until a quorum shall be present, without notice of the time and place that the meeting will be reconvened other than announcement at the adjourned meeting.

Section 7. Majority. The act of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by the Articles of Incorporation.

Section 8. Action by Consent. Any action required or permitted to be taken at a meeting of Directors or a committee thereof may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all Directors or Members of the committee, as the case may be, entitled to vote with respect to the subject matter thereof. Such consent shall be filed with the minutes of the proceedings of the Board or the committee.

Section 9. Action Without A Meeting. Actions of the Board may be taken without a meeting if the action is taken by all Directors of the Board and evidenced by one or more written consents describing the action taken, signed by each Director and included in the records of the Association.

ARTICLE VI

Notices

Section 1. Required Notices. Whenever, under the provisions of applicable law, the Articles of Incorporation or these By-Laws, any notice is required to be given to any Director or Member, such notice shall be given in writing and delivered either personally or by first class mail, addressed to such Director or Member, at the address as it appears on the records of the Association. If mailed, such notice shall be deemed to be delivered three (3) business days after it was deposited in the United States mail with first class postage prepaid. Notices given by other means shall be deemed delivered when received by the addressee.

Section 2. Waiver of Notice. Whenever under the provisions of applicable law, the Articles of Incorporation or these By-Laws, any notice is required to be given to any Director or Member, a written waiver thereof signed by the person or persons entitled to such notice, either before or after the time stated therein, shall be deemed the equivalent to the giving of such notice.

ARTICLE VII

Officers

Section 1. Officers: Election; Term. The officers of the Association shall be chosen by the Board of Directors and shall be a President, a Secretary and a Treasurer. Except as otherwise provided by law,

any person may hold more than one office. Officers shall be elected at the first meeting of the Board of Directors following the annual meeting of Members and shall hold offices until their respective successors have been elected and shall have qualified, and if the Board of Directors shall fail in any year or years to meet and elect officers, the officers last elected shall continue to hold office. The officers shall be a Member of the Board of Directors and a Member of the Association.

Section 2. Additional Officers and Agents. The Board of Directors may appoint such other officers, including vice presidents, assistant secretaries and assistant treasurers, and agents as it shall deem necessary. Such officers and agents shall hold their respective offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

Section 3. Salaries. The officers shall receive no compensation.

Section 4. Removal; Vacancies. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board at any time with or without cause by the affirmative vote of a majority of the Board of Directors. Officers and agents otherwise elected or appointed may similarly be removed or otherwise in accordance with South Carolina law. Any vacancy occurring in any office of the Association may be filled by the Board of Directors until a successor is elected to fill the remainder of that term at the next annual meeting.

Section 5. The President. The president shall be the chief executive officer of the Association, shall preside at all meetings of Members and the Board of Directors, shall have general and active management of the business of the Association and shall see that all orders and resolutions of the Board of Directors are carried into effect. He or she with the approval of the Board of Directors shall have the authority and power to execute on behalf of the Association bonds, mortgages, notes, contracts, leases and other documents and instruments (whether or not requiring a seal of the Association) except where such documents or instruments are required by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Association.

Section 6. Vice President. The vice president, or if there shall be more than one, the vice presidents in the order determined by the Board of Directors, shall, in the absence or disability of the president, perform the duties and exercise the powers of the president. Each vice president shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

Section 7. Secretary and Assistant Secretaries. The secretary shall attend all meetings of Members and the Board of Directors and shall record the proceedings of such meetings in books to be kept for that

purpose and shall perform like duties for the committees of Directors when required. He or she shall give, or cause to be given, notice of all meetings of Members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the president, under whose supervision he shall be. He or she shall have custody of the corporate seal of the Association and he shall have authority to affix it to any instrument requiring it and when so affixed it may be attested by his signature. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the Board of Directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers (including affixation of the Corporate Seal) of the secretary and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

Section 8. Treasurer and Assistant Treasurers. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. He or she shall disburse the funds of the Association as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the president and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his transactions as treasurer and of the financial condition of the Association. If required by the Board of Directors, he or she shall give the Association a bond in such sum and with surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his or her office and for the restoration to the Association, in case of his or her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Association. The assistant treasurer, or if there shall be more than one, the assistant treasurers, in the order determined by the Board of Directors shall, in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

ARTICLE VIII

General Provisions

Section 1. Checks. All checks, drafts, demands for money and notes of the Association shall be signed by two officers of the Corporation or by a management company authorized by the Board of Directors.

Section 2. Fiscal Year. The fiscal year of the Association shall be fixed by resolution of the Board

Section 2. Fiscal Year. The fiscal year of the Association shall be fixed by resolution of the Board of Directors. The Board shall prepare and approve a budget covering the estimated costs of operating the Association for the upcoming fiscal year, which may include a capital contribution or reserve. The budget shall be mailed or delivered to each Member with the annual meeting notice.

Section 3. Seal. The Association shall have a corporate seal which shall have inscribed thereon the name of the association, the year of its organization and the words "Corporate Seal – South Carolina". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced. The Board of Directors may from time to time authorize any other officer to affix the seal of the Association and to attest to such affixation by his signature.

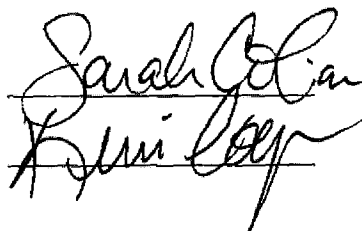
Section 4. Books and Records. The Association shall keep correct and complete books and records of accounts and shall keep minutes of the proceedings of its Members, Board of Directors, and committees of Directors. Not later than two (2) months after the close of each fiscal year, and in any case prior to the next annual meeting of Members, the Association shall prepare a balance sheet showing in reasonable detail the financial condition of the Association as of the close of its preceding fiscal year, and a profit and loss statement showing the results of its operations during such fiscal year. Upon written request the Association promptly shall mail to any Member of record a copy of such balance sheet and profit and loss statement.

Section 5. By-Law Amendments. These By-Laws may be altered, amended, or repealed or new By-Laws may be adopted by a two-thirds (2/3) vote of the Board of Directors by written consent and included in the records of the Association.

Section 6. Conflict. In the event of any conflict between these By-Laws and the following, the controlling language shall be found in: the laws of the State of South Carolina, the Declaration or the Articles of Incorporation, in the order listed.

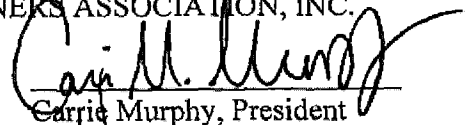
Witness our hands and seals the date first above written.

Witness:


Sarah Colian
Kimi Cole

THE VILLAGES AT PALMETTO POINTE
HOMEOWNERS ASSOCIATION, INC.

By:


Carrie Murphy, President

Attest:

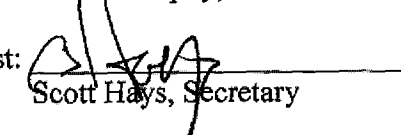

Scott Hays, Secretary

EXHIBIT A

Code of Ethics for Board Members

Goal: To establish a set of principles and practices of the Villages at Palmetto Pointe Homeowners Association, Inc. (the "Association") Board of Directors that will set parameters and provide guidance and direction for board conduct and decision-making.

Code: Members of the Board of Directors of the Association are committed to observing and promoting the highest standards of ethical conduct in the performance of their responsibilities on the board. Board members pledge to accept this code as a minimum guideline for ethical conduct and shall:

Accountability

1. Faithfully abide by the Articles of Incorporation, by-laws and policies of the Association.
2. Exercise reasonable care, good faith and due diligence in organizational affairs.
3. Fully disclose, at the earliest opportunity, information that may result in a perceived or actual conflict of interest.
4. Fully disclose, at the earliest opportunity, information of fact that would have significance in board decision-making.
5. Remain accountable for prudent fiscal management to association members, the board, and nonprofit sector, and where applicable, to government and funding bodies.

Professional Excellence

6. Maintain a professional level of courtesy, respect, and objectivity in all the Association activities.
7. Strive to uphold those practices and assist other Association members of the Board in upholding the highest standards of conduct.

Personal Gain

8. Exercise the powers invested for the good of all members of the organization rather than for his or her personal benefit, or that of the Association they represent.

Equal Opportunity

9. Ensure the right of all Association members to appropriate and effective services without discrimination on the basis of geography, political, religious, or socio-economical characteristics of the state or region represented.
10. Ensure the right of all Association members to appropriate and effective services without discrimination on the basis of the organization's volunteer or staff make-up in respect to gender, sexual orientation, national origin, race, religion, age,

political affiliation or disability, in accordance with all applicable legal and regulatory requirements.

Confidential Information

11. Respect the confidentiality of sensitive information known due to board service.

Collaboration and Cooperation

12. Respect the diversity of opinions as expressed or acted upon by the Association board, committees and membership, and formally register dissent as appropriate.
13. Promote collaboration, cooperation, and partnership among Association members.

Board of Director Member /Date

THE VILLAGES AT PALMETTO POINTE
HOMEOWNERS ASSOCIATION, INC.

First Amendment to By-Laws

NOW, THEREFORE, the By-Laws are hereby amended as executed on October 4, 2018.

APPROVAL

I/We hereby approved amending the By-Laws as executed on October 4, 2018 and to be filed with the Office of Register of Deeds for Beaufort County.

Date: 10/5/18

Director:

Carroll M. Murr

Date: 10/22/18

Director:

[Signature]

Date: 10/22/18

Director:

Brian Arge

Date: 10/22/18

Director:

[Signature]

Date: 10/22/18

Director:

[Signature]