

## **Bylaws of the Palmetto Dunes Property Owners Association, Inc.**

(As Amended ~~October 1, 2024~~)

Potential Amendments, Clarifications, Corrections June March 2025

Palmetto Dunes Property Owners Association, Inc. herein referred to as the Association, being a corporation organized under the South Carolina Non-Profit Corporation Act of 1994 applicable to corporations for no profit or gain to Members, shall at all times be operated in conformity with the laws of the State of South Carolina applicable to such corporations.

### **Article I**

#### **Purpose and Powers**

The basic purpose of the Association is to promote the common good and general welfare of property owners in Palmetto Dunes (which term shall include only the Mariners, Inverness and Queen's Folly Road corridor portions of Palmetto Dunes Resort, excluding Leamington and Shelter Cove). In the accomplishment thereof the Association has the following purposes and powers:

1. Represent all residential property owners of Palmetto Dunes in conduct of their common affairs with other persons and entities and with public entities including but not limited to the Town of Hilton Head Island, Public Service District(s), the County of Beaufort, and the State of South Carolina.
2. To exercise legal and managerial responsibility for Palmetto Dunes pursuant to the Consolidated Limited Residential Covenants of February 1, 1982 recorded in the office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 341, page 657, and the Consolidated Multi-Family Residential Covenants dated January 1, 1981, and recorded in such office in Deed Book 314 at Page 505, as the same have been or may be amended or restated, both of which Covenants have been assigned to the Association.
3. To coordinate with the owners of commercial properties within Palmetto Dunes and \ with the property owners associations for Leamington and Shelter Cove (Palmetto Dunes, Leamington and Shelter Cove comprise Palmetto Dunes Resort),
4. Enforce any and all covenants, restrictions and agreements applicable to the properties in Palmetto Dunes for which responsibility has been or may be assigned to the Association.

Commented [POA1]: Grammatical fix

**Article II-**  
**Membership and Membership Meetings**

1. Eligibility for Membership

Subject to the following provisions, each owner of a residential property (whether an undeveloped lot, house, condominium, villa or time share) in Palmetto Dunes shall be a Member of the Association.

a. Single Property Ownership

If the property is owned by one person, that person shall be the member and be entitled to one vote.

b. Multiple Property Ownership

If a person owns more than one property, such person shall be a member and entitled to one vote for each property owned.

c. Multiple Owners of a Single Property

If a single property is owned by more than one person or is a legal time share, then all such owners shall constitute collectively, but not severally, one member and shall be entitled jointly to one vote. Such owners may give written notice to the Association designating one of such owners to receive notices and to cast the one vote. Until such written notice is received by the Association, the Association shall have the right to designate on its books one of such owners to receive notices and to cast the vote.

d. Entity Owner

In the event property is owned other than by a natural person or persons, the controlling authority of the entity owner shall give written notice to the Association designating an individual to receive notices and to cast the vote; said individual shall be considered to be a member. Until such written notice is received by the Association, the Association shall have the right to designate on its books a principal or registered agent of said entity owner to receive notices and cast the vote.

2. Determination of Members

The Association shall maintain a register of all persons eligible for Membership and their addresses. The Association shall use reasonable efforts to revise such register to

**Commented [POA2]:** Heading edited for clarity. Also, throughout Article and elsewhere, "Membership" inserted to describe all Membership Meetings to distinguish from Board or Committee meetings.

**Commented [POA3]:** Edit made to subheading for clarity and consistency with the above subheadings

**Commented [POA4]:** Proposed provision added to account for property owned by an entity

reflect changes in ownership and addresses. Until such time as the Association receives actual written notice of a name or address change, the register maintained by the Association shall be deemed complete, conclusive and binding for all purposes. The Membership register as of ~~the thirty (30) business days prior~~ to the date of the mailing of any notice to Members shall be conclusive as to the parties entitled to receive such notice and entitled to vote at any meeting called by such notice.

**Commented [POA5]:** The issue has been raised that 30 days prior to the date of the mailing (giving 60 days notice), means the register and eligibility to vote is for owners as of 90 days out. We have a lot of sales within those 90 days. Now with everything electronic, we don't need 30 days to pull a membership list and get it to a printer. Recommend changing to the day before notice is sent so the maximum number of current members receive notice and may vote.

3. Associate Members

Property owners in Leamington and Shelter Cove, property management companies and rental management companies doing business within Palmetto Dunes, and others approved by the Board may elect to become Associate Members of the Association. Such Associate Members shall receive communications, may attend meetings and may serve on committees. The Board from time to time shall determine the annual dues to be paid by an Associate Member.

4. Notice of Annual Membership Meeting

The Annual ~~Membership Meeting of the Membership~~ shall be held on a weekend in October at a time, place and date determined by the Board. The Association shall use its reasonable efforts to give Members ~~as much sixty (60) days~~ advance notice of the date of the Annual ~~Membership Meeting of the Membership~~ so members can plan for attendance. At least thirty (30) days before the date set for the Annual ~~Membership Meeting of the Membership~~ the Secretary of the Association shall mail to each member: (1) A report of the significant business conducted by the Association during the preceding year; (2) A balance sheet for the Association as of the end of the preceding fiscal year; ~~(3) and a~~ A cash receipts and disbursements statement for the previous fiscal year; ~~and (4)~~ Notice with respect to the time, place and purposes of such meeting.

**Commented [POA6]:** Edits made throughout for clarity and consistency in reference to Annual and Special Membership meetings

**Commented [POA7]:** Having two dates created confusion about the absolute requirement for notice. This proposed change requires the Association take reasonable efforts to notify the membership of the date of the Annual Meeting with no specific timing. The 30-day requirement for the entire notice and package is retained.

**Commented [POA8]:** Renumbered for clarity

5. Annual Membership Meeting ~~Content~~

At the Annual ~~Membership Meeting~~, the ~~results of the~~ election of the new Directors shall be announced. There shall also be held such votes on other matters which were specified in the notice of the meeting, and such other business conducted as may be appropriate.

**Commented [POA9]:** Subheading edited for clarity in relation to other section subheadings

**Commented [POA10]:** Edited to reflect prior bylaw changes allowing elections prior to the Membership Meeting and that results are shared at the membership meeting

6. Special ~~Membership Meetings of the Membership~~

Special ~~Membership Meetings of the Membership~~ may be called by the Board of Directors for consideration of specified items. A ~~Special Membership Meeting~~

**Commented [POA11]:** Section edited to reflect SC law requirements for minimum 5% of voting members and requiring Board to send notice within 30 days of receiving a valid demand

may be requested by the petition of ~~one hundred (100)~~ at least 5 percent of the voting Members of the Association stating the items of business which such Members desire to submit for the consideration of the Membership. Upon receipt of the petition, the Board shall ~~send notice of~~ decide whether to call a Special Membership Meeting ~~within 30 days receipt of the demand, or to place the requested items on the agenda of the next Annual Meeting which is at least ninety (90) days after receipt of the petition.~~ The Secretary shall mail written notice to the Membership of a Special Membership Meeting at least thirty (30) days in advance of such meeting.

Notice of ~~a Special~~ Membership Meeting shall contain the time and place of the meeting and an agenda of the business to be submitted to the Membership.

7. Notices

All notices provided for in these Bylaws, except as otherwise expressly provided, shall be mailed to the Members by first class United States Mail, postage prepaid, to the address shown on the register of Members or by email to any Member who has elected in writing to receive correspondence from the Association by electronic means.

**Commented [POA12]:** Edited to reflect SC law requirement for mailing

8. Quorum

The presence in person or by written or electronic proxy at any Membership meeting of fifteen percent (15%) of the Members shall constitute a Quorum, but a lesser number may continue a meeting previously constituted.

**Commented [POA13]:** Recommended for clarity

9. Proxy

Any Member may give a proxy to vote to any person for a specific Membership meeting. Such proxy may be general or limited to a specific purpose. The Board may solicit proxies with respect to any Membership meeting. Any member giving a proxy shall be deemed present at such meeting for all purposes. An appointment of a proxy is effective when received by the Secretary or other officer or agent authorized to tabulate votes and must be received 15 days prior to the Annual or Special Membership Meeting. ~~All proxies must be received by the Secretary of the Association at the address of the Association at least fifteen (15) business days before the date of the annual meeting.~~ Proxies shall be in written form signed by the Member or in electronic form utilizing the electronic proxy form made available by the Association.

**Commented [POA14]:** Edited for receipt to be inclusive of paper and electronic proxies. Current bylaw does not include electronic receipt criteria.

10. Annual or Special Membership Meetings; Remote Communication

If authorized by the Board, and subject to guidelines and procedures adopted by the Board, members not physically present at an Annual or Special Membership meeting may, by means of remote communication:

- a. participate in an Annual or Special Membership meeting;
- b. be deemed present in person and vote at an Annual or Special Membership meeting, whether such meeting is to be held at a designated place or solely by means of remote communication, provided that the Board implements reasonable measures to verify that each person deemed present and permitted to vote at the Annual or Special Membership meeting is a member of the Association or proxy holder.

#### 11. Membership Meeting During a Period of Emergency

Upon the occurrence of, or anticipated occurrence of, acts of war; riot; terrorism; civil commotion; military disturbances; nuclear or natural catastrophe; significant storm, earthquake, flood or fire; pandemic, epidemic, or outbreak; or other acts of God; which, in the determination of the Board of Directors, acting on two-thirds vote, with the presence of a quorum, might likely negatively impact the health, safety, and /or welfare of Members attending an Annual ~~Meeting or~~ Special Membership Meeting ~~of the Membership~~ (hereinafter an "Emergency")<sup>11</sup> then in that event, the Board may, but shall not be obligated to postpone such an Annual or Special Membership Meeting until such time as the Board determines the Emergency has passed or sufficiently subsided to allow the meeting to occur. In such event, the Board must use its best efforts to give written notice of the postponement to the Membership at its earliest opportunity using either mail or electronic means.

Commented [POA15]: Grammatical fix

### **Article III Board of Directors**

#### 1. Number, Good Standing

The Association shall be managed by a Board of Directors composed of nine Members of the Association plus a tenth director to the extent provided in Article X, Section 2. The nine Directors, who are Members of the Association, are tasked with representing the interests of all property owners in Palmetto Dunes. A Director must be in good standing financially with the Association, having no outstanding assessments, fees, fines, arrearages, or other similar obligations, owing to the

Association. Failure to maintain good standing shall be cause for removal from the Board of Directors. A Director (exclusive of the tenth director to the extent provided in Article X, Section 2) who is no longer a Member in accordance with Article II shall automatically be removed as a Director. Further, as deemed appropriate by the Board of Directors, other individuals representing interests related to Palmetto Dunes, may be appointed as ex-officio Members. Ex-officio Members may attend meetings but not vote.

**Commented [POA16]:** The Board proposes adding automatic removal for any Director who is no longer a member, for example, due to sale of PD property

## 2. Election and Term

Any Member seeking election to the Board of Directors must first be nominated pursuant to Article VI of these Bylaws. Directors shall be elected by ballot voting of the Membership held prior to the Annual Membership Meeting each year, by either mail or electronic means as determined in advance by the Board of Directors and shall take office at the conclusion of such Annual Membership Meeting. The Board of Directors shall establish the commencement date of the election each year, which date shall be not more than sixty\_

**Commented [POA17]:** The Board proposes deleting this provision so only Directors elected by the Membership, appointed by Greenwood, or elected by the Board when a vacancy exists may be members of the Board. The Association has many ways to communicate with non-Members, including inviting guests to Board meetings, without need to add to the Board.

(60) days, nor less than thirty (30) days prior to the Annual Meeting. Voting shall remain open for a period determined by the Board in advance of the election~~thirty- (30) days after the commencement date~~. No vote received by the Association after voting closes shall be counted.

**Commented [POA18]:** The Board proposes this change to keep the voting period flexible based on timing and the nature of the vote. Deadline would be set in the Board approved procedure for the vote.

The Board of Directors shall cause notice of the election to be mailed to the Members by first class United States Mail, or by email to any Member who has elected to receive correspondence from the Association by electronic means ("Notice of Election").

Inclusion of such notice within the Association's newsletter shall satisfy this notice requirement. If the election is conducted by mail, the notice shall include a Ballot for voting. If the election is conducted through electronic means, the notice shall contain instructions for accessing an electronic ballot.

Ballots (whether provided by mail or electronic means) shall list the names of the nominated candidates and indicate how each candidate was nominated. ~~Voting shall remain open for a period of thirty (30) days commencement date established by the Board of Directors.~~

**Commented [POA19]:** Grammatical fix

**Commented [POA20]:** Delete as it is duplicative of above

The Board of Directors shall establish, from time to time, such administrative and

procedural rules necessary to ensure the election of Directors under this Section. Voting shall comply with such rules established by the Board of Directors.

Once cast, a Members vote may not be changed or withdrawn. Members shall not cast more than one (1) vote for each Board vacancy to be filled. Cumulative voting shall not be permitted. The candidates receiving the largest number of votes cast shall be elected to fill the positions. In the event of a tie, a run-off will be conducted at the Annual [Membership](#) Meeting by a ballot vote of the Members present in person or by proxy.

Directors shall serve for a term of three years, or such lesser term for which they may have been elected, and, in any case, until their successors shall have been elected and taken office. At least three Directors shall be elected each year in order to provide for staggered terms. Directors may serve no more than two consecutive terms.

During any election at which at least one more candidate is seeking election than vacant seats are available~~more than three (3) candidates are seeking election~~, the Board of Directors shall retain the services of a third-party to review the election process to ensure compliance with these Bylaws and the election rules established, and the votes cast by the members, and to certify the election results to the Association.

Within 15 days of announcing the results, ~~a~~ tabular breakdown of for the results of the election of Directors shall be ~~made~~ posted to the Association Membership website available on request to any Member eligible to vote, which shall include: (a) the total number of votes cast, (b) the total number of candidates, (c) the ~~winning~~ candidates and the votes each received, and (d) the number of disqualified ballots received. ~~Upon request, any candidate shall be informed of the number of votes he or she received.~~

### 3. [Board Meetings](#)

The Board shall hold regular meetings as determined by the Board at the first Board meeting following the Annual membership Meeting or special meetings on call by the Chairperson or by the Secretary at the request of four Members of the Board. Notice of such [Board](#) meetings shall be given to each ~~member of the Board~~ [Director](#) in advance of the meeting and by such means of communication as time, under the

**Commented [POA21]:** Propose adding to clarify that Directors may serve consecutive terms while also limiting to 2 consecutive terms, or maximum 6 years in a row.

**Commented [POA22]:** Edit to clarify a third-party reviewer is needed whenever there are more candidates than seats available, rather than an absolute number of candidates. For example, if we have 4 candidates for 4 vacant terms, there would be no need for third-party review, but the current language would require it. A third-party reviewer would now be required if there were 5 or more candidates for 4 available seats, for example.

**Commented [POA23]:** This change requires the election results, including vote totals for each candidate, to be posted to the Association Membership website within 15 days of their announcement for increased transparency.

**Commented [POA24]:** Insert "Board" throughout to clarify this section refers to Board meetings and to distinguish from Membership meetings. Also changes to "Director" to avoid confusion with "member" or "membership"

**Commented [POA25]:** Establishes process for scheduling regular Board meetings after the Annual Membership Meeting each year. The Board may still call additional meetings using process identified.

circumstances, permits. Directors may participate in a Board meeting through use of telephone, video, Internet conference or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a [Board](#) meeting pursuant to this Section constitutes presence in person at such meeting.

4. Quorum

The presence of a majority of the directors shall be necessary to constitute a quorum for conducting the business of the Board, but a lesser number may adjourn a meeting from time to time for periods not in excess of two weeks.

5. Vacancy [on Board of Directors](#)

Should any vacancy occur on the Board, for any reason other than the normal expiration of the director's term, the remaining directors shall elect a qualified Association member to fill the vacancy until the next [Annual Membership meeting](#) ~~of the Membership. If more than 6 months remains in the term. If the term has 6 months or less remaining, or if more than a year remains in the term but the Annual Membership Meeting is 6 months or less away, the Board may at its discretion leave the directorship term vacant until the next Annual Membership Meeting.~~ The remaining unexpired term ~~in excess of one year~~ shall be filled by vote of the Membership at the next [Annual Membership](#) meeting.

**Commented [POA26]:** The Board proposes changing this provision to allow for vacancies of 6 months or less due to the difficulty in finding Members willing to serve such short terms in both 2024 and 2025. Note, it does not require a 6-month vacancy but allows it in case a replacement Director cannot be found or if the vacant period is very short and it is not practicable to fill it. (For example, in 2024 we had only a few weeks from when a Director sold property and was no longer an eligible Member until the Annual Membership Meeting).

6. Records

The Secretary shall keep a written record of all meetings of the Board showing: (1) the names of the directors; (2) resolutions passed; and (3) where appropriate, other matters considered. Such records shall be open for inspection by the Members of the Association upon ~~fifteen~~ (45) [business](#) days' [written](#) notice to the Secretary. [Minutes of a Board meeting \(excluding Executive Sessions\) shall be posted to the Association Membership website within a reasonable time following approval of the minutes by the Board. Members have the right to inspect the records in accordance with The South Carolina Non-Profit Corporation Act, Section 33-31-1602. Members may obtain minutes of a Board meeting \(excluding Executive Sessions\) upon written request with a self-addressed stamped envelope and a fee covering the reproduction costs. The Minutes will be sent within a reasonable time following the meeting.](#)

**Commented [POA27]:** Proposed changes to this section would require posting of Board meeting minutes to the Association Membership website once approved by the Board. It also inserts the right to inspect as required by SC law and changes the timeframe to 5 days to comport with the law.

7. Attendance

All ~~Board members~~ [Directors](#) must attend at least two-thirds (2/3) of the Board

**Commented [POA28]:** Edits throughout standardize references to "Director" except where "member of the Board" or "Board member" provides greater clarity



meetings during any twelve (12) month period. For the purposes of this Section 7, Board meeting shall mean any meeting of the Board of Directors noticed and held pursuant to Article III, Section 3 and shall also include Board workshops. The Secretary shall take attendance at all Board meetings and, including Board workshops. If a ~~Board member's~~ Director's failure to attend a Board meeting and/or Board workshop for which notice has been given will result in that ~~Board member's~~ Director's failure to meet the attendance requirements set forth above, the Secretary shall notify such ~~Board member~~ Director in writing of the requirements of this Section 7 and the past twelve (12) months' attendance records of such ~~Board member~~ Director no less than one (1) day prior to such Board meeting and/or Board workshop.

**Commented [POA29]:** Grammatical fix

#### 8. Removal of Directors ~~and Committee Members~~

**Commented [POA30]:** Section edited to correct and clarify means to remove a Director

##### a. Removal for Any Reason

A Director may be removed by the Members for any reason at a ~~Board~~ Special Membership Meeting called for the purpose of removing the director following a meeting notice which states that one of the purposes of the meeting is to vote on removal of such director. The Director is removed if a majority votes in favor of removal in a Special Membership meeting at which a quorum is present, in person or by proxy. The Special Membership Meeting must be called in accordance with Article II, Section 6.

##### b. Removal for Cause

a. ~~A Director elected to the Board, or a Committee Member appointed to a Committee, after the date of this Amendment~~ may be removed for cause by the affirmative vote of a majority two-thirds (2/3) of the Board Directors then in office attending a duly called Board meeting in which a quorum is present following a Board determination that such Director ~~or Committee Member~~ breached the Director's fiduciary obligations to the Association by: (i) violating the Board's written Conflict of Interest / Standards of Conduct Policy then in effect; (ii) malfeasance related to the Director's position as a Board Member ~~or the Committee Member's position in such Committee~~; failing to meet attendance requirements; or

**Commented [POA31]:** To align with SC Nonprofit Corp Act, vote required to remove a Director changed to majority of directors in office.

**Commented [POA32]:** Edited to clarify that this section refers to removal for cause.

(iii) a violation of the Restrictive Covenants or these Bylaws after being given notice of such violation and failing to cure such violation within the following periods: (i) the number of days afforded to any Member to address a similar

**Commented [POA33]:** The Board proposes adding failure to meet attendance requirements as a for cause removal item.

covenant violation, or (ii) a fifteen (15) days' right to cure period for a violation of the Conflict of Interest Standards of Conduct Policy and/or malfeasance.

9. Members Right to Attend Meetings

Members shall have the right to attend any meeting of the Board of Directors except for an Executive Session ~~declared~~approved by the Board. A schedule of regular Board meetings will be posted to the Association Membership website. If a special Board meeting is called, the members will be notified at least 2 days prior by posting on the Association Membership website. Within a Board meeting, a An Executive Session may be approved by Board vote~~declared~~ for the purpose of discussing personnel, contractual, legal and other ~~appropriate~~ matters involving an individual's privacy. The Board may invite any relevant person to participate in an Executive Session. The Board ~~or~~ shall re-open its regular session for a final vote or decision on any matter discussed in Executive Session.

**Commented [POA34]:** Proposed edits add requirement for notifying members of Board meetings so they can plan to attend. Edits also clarify process and narrow reasons for an Executive Session and allow only relevant persons to be invited.

10. Role of the Board of Directors

The business and affairs of the Association shall be managed by the Board of Directors (the "Board"). The Board ~~of Directors~~ may exercise all the powers of the Association, except such as are, by the laws of South Carolina, the Articles of Incorporation, the Covenants or these Bylaws, conferred upon or reserved solely to the Members. The Board shall set policy and act as a group making decisions to further the common good and general welfare of property owners in Palmetto Dunes. The Board shall oversee the functions of the organization and ensure that it continues to operate in the best interest of the Members.

**Commented [AB35]:** Grammatical fix for consistency

The Board shall maintain ~~draft~~ a Conflict of Interest ~~S/ t~~Standards of Conduct Policy which shall be binding upon all Directors and Committee Members. Each Director and Committee Member shall sign a copy upon election or appointment to the Board or ~~appointment to a Committee~~ and annually thereafter if a multi-year term. The Board<sup>1</sup>'s Conflict of Interest ~~Policy/Standards of Conduct Policy~~ may be amended upon the approval of at least two-thirds (2/3) of the Board attending a duly called Board meeting in which a quorum is present.

**Commented [POA36]:** Edit to clarify the Board must maintain such a policy rather than drafting. Current language could be construed to require each instance of the Board to draft a policy.

11. Role of the Chairperson of the Board

The Chairperson of the Board (the "Chairperson"), who shall be a Director, shall call all meetings of the Board, except those meetings called by the Secretary pursuant to paragraph 3 hereof; shall preside at meetings of the Board and of the Members; and shall exercise and perform such other powers and duties as may from time to time

**Commented [POA37]:** Grammatical edit

be assigned to ~~the Chairperson him/her~~ by the Board or prescribed by these Bylaws. The Chairperson manages the Board. ~~He/she~~The Chairperson provides the leadership that the Board requires to be successful. The Chairperson is the only Board member authorized to speak for the Board as a group, and manages the Board to maintain the integrity of the structure, which the Board has determined is in the best interests of the Association. The Chairperson provides oversight and guidance to the GM/COO/CEO (as defined herein). The Chairperson is authorized to execute such contracts, notes, mortgages, security interests, and similar instruments binding the Association, under the seal of the Association, as may be approved by the Board, except where 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. The Chairperson shall have the power to act on behalf of the Board, within any limits prescribed by the laws of South Carolina, the Articles of Incorporation, the Covenants or these Bylaws, between meetings of the Board to take care of the normal and customary business of the Board or anything of an emergency nature.

**Commented [POA38]:** Edit to use Chairperson throughout for consistency

#### **Article IV Officers**

##### **1. Number and Title**

There shall be a minimum of four officers of the Association: a Chairperson, a Vice Chairperson, a Secretary, and a Treasurer. Additional officers may be elected or appointed by the Board of Directors as the work of the Association warrants, such as a Vice Treasurer or, Vice Secretary. Additional Officers need not be a Director. --

No person may simultaneously hold more than one office.

**Commented [POA39]:** Proposed change specifies some additional officers the Board may elect or appoint. Associate officers for succession planning are especially critical for Treasurer and Secretary where specific skills and knowledge are important. Associate Officer positions will allow for members to gain experience and perhaps seek to be elected in a future year while also assisting the current office holder.

##### **2. Chairperson Elect, Election and Term**

In May of each year a Chairperson Elect shall be elected by the Board of Directors from among them. A Director may nominate himself/herself or be nominated by another Director. The election shall be by written ballot in executive session. The successful candidate shall be Chairperson Elect until he/she takes office as Chairperson at the first Board meeting following the Annual Meeting. The Chairperson Elect shall attend all

Executive Committee meetings. A Director may serve as Chairperson for no more than 2 consecutive annual terms, and may be both Chairperson and Chairperson Elect at the same time.

3. Vice Chairperson, Treasurer, and Secretary, Election and Term

The Vice Chairperson, Treasurer, and Secretary shall be elected annually via written ballot by the Board of

Directors from among them at the first Board meeting following the Annual Membership Meeting. The Chairperson shall recommend to the Board his/h r the Chairperson's nominees for these offices.

↓

Upon their election by the Board, the officers shall serve for one year or until ~~their~~ successors are elected and take office. The Board may elect a Director to the same office for no more than three successive one-year terms.

4. Vacancies and Removal

~~If Should any~~ vacancy occurs in any office for any reason other than the normal expiration of the officer's term, the Board shall elect any qualified member of the Board to fill such office. Any officer elected by the Board ~~of Directors~~ may be removed at any time with good cause by an affirmative vote of two-thirds (2/3) majority of the ~~full~~ Board.

5. Authorities

The Chairperson shall have the duties and authorities provided hereinabove. In the absence of the Chairperson or in the event of his inability or refusal to act, the Vice Chairperson, the Secretary or the Treasurer, in that order, shall exercise the authorities of such office. The Treasurer shall chair the Finance Committee. The Secretary shall provide for minutes to be taken of all Board meetings and provide copies of the minutes to the Directors before the next Board meeting. All officers shall have such authorities as are normally associated with their office and such further authorities as may be vested in them by the Board.

6. Chairperson, Ex-Officio Member of All Committees

a. Finance Committee Single Ownership

The Chairperson shall be an ex-officio member of the Finance Committee and shall have all the same rights and privileges, including the right to vote, as

**Commented [POA40]:** Edit recommended for clarity.

**Commented [POA41]:** Proposed change to allow a Director to be elected for any office except Chairperson for all 3 years since it can be difficult to find Directors willing to take on this work especially for Treasurer and Secretary.

**Commented [POA42]:** Edited to allow for removal for any cause and to remove confusion cause by use of "full" Board, i.e. does it count vacancies meaning a vote of 7 is needed, or only of currently seated Directors.

**Commented [POA43]:** Corrects error in header wording

other committee Members. However, the Chairperson shall not be counted in determining the number for a quorum or in determining whether a quorum is present.

b. All Other Committees

b. The Chairperson shall be an ex-officio member of all other committees and shall have all the same rights and privileges, except the right to vote, as other committee Members.

**Commented [POA44]:** Subheading added for clarity and consistency with other sections

**Article V  
Committee  
s**

1. The Board shall provide for the following standing committees:

a. Executive Committee

Shall be composed of the ~~Chairperson, Vice Chairperson and one (1) Director appointed by the Chairperson, with the concurrence of the Board~~ Officers of the Board. Except for receiving, reviewing and investigating ethical or conflict of interest charges levied against a Board Director or Committee Member and presenting its findings to

the full Board in Executive Session, which is the responsibility of the Executive Committee, the Executive Committee shall convene or function only during emergencies when a quorum, by in-person and/or electronic means, of the full Board cannot be obtained in a timely manner - followed by a Board meeting or detailed communication within 48 hours to discuss the reasons for, and results of, the Executive Committee meeting. All non-emergency issues, other than ethical or conflict of interest charges as referenced above shall be addressed by a quorum of the ~~full~~ Board.

**Commented [POA45]:** This Board proposes to change the Executive Committee to a traditional one including all 4 officers of the Board. This also allows for 3 members to investigate a charge of any of the other officers, while the current composition leaves only 2.

Also deletes "full" to avoid confusion should there be a vacancy on the Board at the time.

b. Finance Committee

The Committee will review financial statements of the Association, ~~arrange for an annual audit~~ shall assist with and review audit(s), review and make recommendations on compensation and benefits, supervise the investments of Association funds, ~~make periodic recommendations on bonding limits~~, and otherwise coordinate financial matters.

**Commented [POA46]:** Edits proposed to responsibilities as Committee cannot bind the POA to an audit contract and GM can handle. Also eliminates bonding responsibility as no longer necessary.

c. Nominating Committee

**Commented [POA47]:** Proposed edits to clarify membership and to limit consecutive terms so committee members could not influence a full 3-year Board election cycle. The Board has already added the 2-year term limit to the Nominating Committee charter and this change would incorporate it into the bylaws.

The Chairperson of the Board shall select one of the Directors~~Board Members~~ to serve as Chairperson of the Committee, The Committee shall consist of five (5) Members of the Association: the Committee Chairperson, one other Director, and ~~three (3) of whom shall not be serving as a non-Directors.~~ Committee members shall serve one-year terms and may serve no more than 2 consecutive terms.

d. Architectural Review Board

Shall exercise the duties set forth in the Limited Residential and Multifamily Covenants and make reports of its activities to the Board.

e. Appeals Committee

e. Hearing Board

~~The Hearing Board shall consist of (5) Members of the Association to be selected by the Board. The Hearing Board is vested with the authority to: (1) uphold compliance, (2) conduct a hearing, (3) determine whether to ratify a decision or~~

The Appeals Committee is vested with the authority to a citation and the fine imposed by PDPOA or uphold the adjudicate appeals based on the circumstances of the particular case presented and (4) render a decision that is binding on all parties. (5) The decision to pursue enforcement action shall be left to the Appeals Committee's discretion as described in the covenants, except that the Appeals Committee may not be arbitrary or capricious in taking, or not taking, enforcement action.

**Commented [POA48]:** Proposed change to reflect higher level responsibilities reflected in the Covenants, rather than specificity provided in Resort Policy. Renames to Appeals Committee to better reflect actual responsibilities. Also reiterates discretion allowed by the Covenants. Removes number of members as not delineated in covenants.

2. Ad Hoc Committee or Advisory Groups

From time to time the Board may establish ad hoc committees or advisory groups without any power to exercise the authority of the Board. The composition, assignment(s), and conduct of the affairs of any such ad hoc committees or advisory groups shall be established by the Board and documented in a charter. All of these charters shall include a sunset provision of a date certain or objective completion upon which the ad hoc committee or group shall be automatically dissolved. For those with a specific objective, the charter shall include a sunset provision of objective completion or date certain, whichever occurs first. If the Board determines that a committee or advisory group's work is incomplete at the planned sunset date, the Board must act to extend it and include a revised sunset

**Commented [POA49]:** Adds requirement for all ad hoc committees to have a charter with a sunset provision and that each Committee with delegated board authorities must have 2 Board members as required by SC law.

date in the charter. Each committee that is a board committee with delegated power(s) shall include have two or more directors who serve at the pleasure of the Board.

### 3. Powers of the Committees

Except as otherwise above provided, each committee shall have such powers, functions, term and Members as determined by the Board as set forth in their respective charters if any, and/or Board resolution establishing such committee. Any committee (other than standing committees) may be terminated by the Board at any time. The Members of any committee may be removed and/or The Board may appoint additional Members or reduce the number of members appointed by the Board at any time, unless the number of members is specified elsewhere in these bylaws or the covenants. The Board shall review each charter at least once every three years and document the review date on the charter.

### 4. Members, Good Standing

All committee Members, unless otherwise provided, shall be appointed by the Board of Directors and must be in good standing financially with the Association, having no outstanding assessments, fees, fines, arrearages, or other similar obligations, owing to the Association. Failure to maintain good standing shall be cause for termination.

### 5. Notice of Committee Meetings

Notice of such Committee meetings shall be given to each member of the Committee in advance of the meeting and by such means of communication as time, under the circumstances, permits. Committee Members may participate in a Committee meeting through use of telephone, video, Internet conference or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a Committee meeting pursuant to this Section constitutes presence in person at such meeting.

### 6. Removal of Committee Members

A Committee Member may be removed by the Board of Directors for any reason at any time by majority vote of the Directors then in office. This includes removal for cause for violating the Conflict of Interest/Standards of Conduct Policy.

### 7. Members Right to Attend Committee Meetings

**Commented [POA50]:** Adds requirement for the Board to review charters at least every 3 years. The current Board has encountered charters more than 10 years old and some with unknown creation dates. This proposed change is intended to help ensure that committee responsibilities are up-to-date and needed.

**Commented [POA51]:** Clarifies that committee members must be appointed by the Board. "Unless otherwise provided" accounts for those committees with different processes described elsewhere in the bylaws.

**Commented [POA52]:** This proposed change adds a notice for committee meetings so membership is aware of them

**Commented [POA53]:** Breaks out removal process into separate section for clarity and to distinguish from Board Director removal process

**Commented [POA54]:** This proposed addition allows Members to attend committee meetings as they do Board meetings

Members shall have the right to attend- any meeting of a Committee except for an Executive Session declared by the Committee. Within a Committee meeting, aAn Executive Session may be approved by the Committee for the purpose of discussing personnel, contractual, legal and other- matters involving an individual's privacy. The Committee may invite any relevant person to participate in an Executive Session. The Committee shall re-open its regular session for a final vote or decision on any matter discussed in Executive Session.

## Article VI

### Board of Directors Nominating Procedures

1. ~~Committee~~ Board of Director Nominations by the Nominating Committee

The Nominating Committee shall nominate at least one (1) candidate for each directorship to be filled. If a partial term(s) is being filled, the nominating committee shall designate at least one specific candidate(s) for each partial term.

2. ~~Petition~~ Board Nominations by Petition

Any member may be nominated by petition signed by no less than ten (10) Members of the Association; provided such petition be delivered to the Secretary not less than ninety (90) days before ~~prior to~~ the Annual ~~Meeting of the Membership~~ during Meeting during the year in which the election is to be held. For the purposes of this section, the definition of ~~"Member"~~<sup>11</sup> or ~~"Members"~~ shall have the meaning described in Article II, Section 1.A through C.

3. Notice of Board Nominees

The names of all Board candidates nominated shall be distributed to the Membership with the Notice of Election.

## Article VII Finances

1. Bank Accounts

Funds of the Association, including any reserve or special accounts, shall be

**Commented [POA55]:** This proposed change allows the Nominating Committee to nominate at least one qualified candidate for each directorship to be filled so Members may vote from among them. While the Board considered requiring more candidates so that Member votes matter, in some years the Nominating Committee struggles to find a sufficient number of qualified candidates. This change also specifies that in years in which a partial term must be filled, the Nominating Committee will nominate at least one candidate for the partial term. This will allow candidates to know in advance whether they are committing to a full or partial term.

**Commented [POA56]:** Edits for clarity

**Commented [POA57]:** Edits for clarity



deposited or invested in accordance with the Palmetto Dunes Financial Policies and Procedures manual (as the same may from time to time be revised by the Board) or as otherwise approved by the Board.

- a. The Board shall approve those officers, directors, agents and/or employees who will be authorized signatories on Association bank accounts.
- b. The Board shall determine the need for two signatures on certain accounts or on checks over a certain amount.

2. ~~Bonding~~Audits and Financial Review

2. ~~The Board shall obtain and maintain bonds on employees in such amount as are from time to time approved. Audits and Financial Reviews~~

The Treasurer shall ensure an independent audit is conducted at least once every 2 years, with a financial review conducted in non-audited years.

**Commented [POA58]:** This change deletes the requirement for Bonding on the recommendation of the GM

**Commented [POA59]:** This new provision addresses the Association audit (having been removed from the Finance Committee provision above), making it a responsibility of the Treasurer rather than the Finance Committee. It also provides flexibility for a financial review every other year. For 2024, this flexibility would have been welcome as the Association had no full-time Controller and a new GM at the time the audit needed to be conducted. This flexibility does preclude the Board, Treasurer, Finance Committee or GM from recommending, approving or conducting an audit ever year.

#### **Article VIII**

##### **Liability and Indemnification of Directors and Officers**

No Officer or Director shall be held individually liable for any action taken or decision made within the scope of his or her authority. The Association and Membership shall indemnify and hold harmless any Director or Officer, his or her heirs, executors, administrators or assigns, against all damages, losses, costs and expenses reasonably incurred by him or her in connection with any legal action, suit or proceeding as a reason for his or her being, or having been, a Director or Officer of the Association. Such indemnification shall not be available if it should be determined in such legal action, suit or proceeding that such Director or Officer was not within the scope of his or her authority, or was guilty of gross negligence or willful misconduct. The foregoing indemnification shall be in addition to and exclusive of all other rights to which such Director or Officer shall be entitled.

#### **Article IX**

##### **Management**

1. The Board shall employ a salaried staff executive who shall have the title of general manager/chief operating officer/chief executive officer ("GM/COO/CEO") on such terms

and conditions and with such duties as the Board shall determine. The GM/COO/CEO shall (unless excused by the chairperson) attend Board meetings, shall make periodic reports to the Board concerning Palmetto Dunes, and may

participate in Board discussions.

2. Role of the GM/COO/CEO

The GM/COO/CEO shall have the responsibility for the day-to-day administration and operations of the Palmetto Dunes Property Owners Association, Inc. The GM/COO/CEO shall direct and administer all aspects of the operations: the common areas, infrastructure, [supervision of staff](#), [collection of assessments](#), and all activities and owner relations. In addition, the GM/COO/CEO will assist the Board in setting strategies for the future. The GM/COO/CEO shall have such other powers and duties as may be prescribed by the Board.

**Commented [POA60]:** Added management responsibilities for clarity and specificity.

The GM/COO/CEO may be authorized to execute such contracts, notes, mortgages, security interests, and similar instruments binding the Association, under the seal of the Association, as may be specifically approved by the Board, except where 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.

**Article X**

**Special Provisions for Greenwood Communities and Resorts, Inc.**

1. Membership

Greenwood Communities and Resorts, Inc. (herein <sup>11</sup>Greenwood<sup>11</sup>) is designated as a Special Member of the Association. Each year Greenwood will have the number of votes determined by dividing the total amount of assessments due by Greenwood for such year by the amount of the greatest single lot regular assessment due for such year. For example, if the single lots were assessed a regular assessment of \$1035 and if Greenwood were assessed \$133,289 in assessments for that year, then Greenwood would have 129 votes ( $\frac{133,289}{1035}$  equals 128.78, or 129). However, if Greenwood sells any of its property subject to assessments, its vote will not transfer to any successor in title unless otherwise approved by the Association in accordance with paragraph 3 below.

2. Additional Director

There shall be an additional tenth director on the Board, who shall be appointed annually by Greenwood. This additional director would not be required to carry the same committee duties as other directors but would otherwise be subject to the same bylaw provisions applicable to all directors. A majority of the other directors

may exclude this appointed director from any discussion of matters relating to or concerning agreements<sup>1</sup> contracts or relationships with Greenwood<sup>1</sup> any affiliate of Greenwood or any employee of Greenwood. This Section 2 shall terminate as of the date that Greenwood sells both golf courses (being the Jones and Fazio courses) and its tennis facility in Palmetto Dunes to an unrelated entity<sup>1</sup> unless the Association in its sole discretion agrees to maintain it in effect.

3. Non-assignability

The above provisions are personal to Greenwood and may not be assigned or transferred nor pass to any successor or successor in title without the consent of the Association<sup>1</sup> which consent may be given or withheld in the Association's sole discretion.

**Article XI**

**Amendment of the ~~Covenants and~~ Bylaws**

~~1. Amendment of the Covenants~~

~~The Limited Residential and/or the Multifamily Covenants may be amended by one of the following procedures:~~

~~a. The Board of Directors may propose an amendment by approval of a majority of the Directors present at a regularly scheduled or called Board special meeting where notice was given that the amendment would be considered. The proposed amendment shall then be presented to the Membership at an Annual or Special Membership regular or special meeting.~~

~~b. The Members may propose an amendment by a written proposal signed by one hundred (100) or more Members<sup>1</sup> which proposal shall set forth in full the Covenant provision to be changed<sup>1</sup> the proposed amendment and the reason for such amendment. Such proposal shall be filed with the Secretary. The amendment shall then be presented to the Membership at the next regular Annual Membership Meeting which is at least ninety (90) days after receipt of the proposal.~~

~~c. Under either procedure<sup>1</sup> the notice of meeting to the Membership shall set forth the Covenant proposed to be amended<sup>1</sup> the proposed amendment and the reason for the proposed amendment. The amendment will become effective upon a majority vote of Members present in person or by proxy at such meeting<sup>1</sup> except that the quorum for such meeting shall be twenty five percent (25%) rather than the usual fifteen percent (15%).~~

~~2. The Bylaws may be amended by one of the following procedures:~~

~~a. Board-proposed Amendments~~

~~a. The Board of Directors may propose an amendment by approval of a majority of the Directors present at a regularly scheduled or special Board meeting where notice was given to the Directors that the amendment would be considered. The~~

**Commented [POA61]:** Propose deleting entire section because Bylaws cannot address changes to the covenants, as the covenants are the higher-level document.

In addition, section (c) is in direct conflict with both sets of covenants:  
Art X single family and Art IX multi requiring majority of those subject to the covenant to approve, not majority of a 25% quorum.

**Commented [POA62]:** Edits throughout clarify the process for votes whether at a meeting or without a meeting.

proposed amendment shall then be presented to the Membership for approval by written or electronic ballot without a meeting or at an ~~Annual~~regular or ~~Special~~ Membership meeting.

b. Member-proposed Amendments

The Members may propose an amendment to the bylaws by a written proposal signed by one hundred (100) or more Members, which proposal shall set forth in full the Bylaw provision to be changed, the proposed amendment and the reason for such amendment. Such proposal shall be filed with the Secretary. ~~The proposed amendment shall then be presented to the Membership for approval by written or electronic ballot without a meeting or at an Annual or Special Membership meeting.~~

~~b. The amendment shall then be presented to the Membership at the next regular Annual Meeting which is at least ninety (90) days after receipt of the proposal.~~  
c.

Notice

Under either procedure above, the notice of the Membership meeting or the ~~proposal for approval by~~ written or electronic ballot without a meeting must be sent to the Membership ~~shall~~ setting forth the Bylaw proposed to be amended, the proposed amendment and the reason for the proposed amendment. The notice for a written or electronic ballot without a meeting shall include the start and end date of the voting period.

d. Voting and Approving

~~e.~~ The amendment will become effective on the date set forth in the proposed amendment upon a majority vote in favor by ~~of~~ Members present in person or by proxy at such meeting or participating in a written or electronic ballot initiative without a meeting provided a quorum is present at the meeting or casts votes in the ballot initiative.

**Article XII**  
**General**

All meetings of the Membership and the Board of Directors shall be conducted in accordance with Robert's Rules of Order Newly Revised, provided that where there is a conflict with these Bylaws, the Bylaws shall prevail.