

**SIPOA Bylaws**  
**Proposed Revisions for Property Owner Review**

**REVISION ITEM 1:**

**Bylaws Introductory Page:**

**Change language as shown**

**Rationale:** Remove arcane language:

NOW, THEREFORE, ~~KNOW ALL MEN BY THESE PRESENTS that~~ Seabrook Island Property Owners Association hereby modifies, amends and restates the ~~Tenth Restated and Amended Bylaws and adopts the within~~ Eleventh Restated and Amended Bylaws and adopts the within Twelfth Restated and Amended Bylaws as the Bylaws of SIPOA.

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**REVISION ITEM 2:**

**Multiple Sections: Definition, 3.2.1, 3.2.2, 3.2.3(3), 3.2.5, 5.15, 6.4, 6.5**

**Change language as shown**

**Rationale:** Update language to reflect existing policies and practices, such as Policy-Based Governance, approved by the Board:

**Article I, Definitions (*to comply with Conflict of Interest Policy*):**

**Executive Director:** means the chief administrator of SIPOA; a paid staff member who reports directly to the Board, and who serves pursuant to the directions of the Board; he or she ~~need~~may not be a Property Owner. ~~No Director shall be employed as Executive Director during the term for which he or she has been elected.~~

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**3.2.1 Administrative Responsibilities.**

(1) To appoint ~~and employ, evaluate,~~ remove from office ~~any officer, to employ~~ and terminate ~~employees and agents of SIPOA (including~~ the Executive Director,

~~); to prescribe duties and requirements, including bonding requirements, of employees and agents, to fix their compensation, and to provide for their supervision; in its discretion, to delegate day-to-day operating responsibility to the chairpersons of the standing committees that are identified in §7.4 and/or employees of SIPOA; to manage and operate the business of SIPOA and to establish its own~~(2) To establish administrative, financial and operating policies for SIPOA, except as otherwise specifically reserved to the vote of Property Owners in these Bylaws; all within the constraints of the approved annual budget (except as otherwise provided in these Bylaws).

(3) To establish amounts and limits of fidelity bonds to cover SIPOA employees who handle funds of SIPOA, and also to establish amounts and limits of Directors and Officers insurance to be carried by SIPOA.

(4) The Board shall ensure timely informative communications for Property Owners by appropriate means about SIPOA's operations and policies, as well as an accurate exchange of information that fosters understanding and support of SIPOA by Property Owners and others. The Executive Director will be assigned staff responsibility for communications as part of his/her responsibilities defined in SIPOA operating policies. Communications will be conducted in close collaboration with Board members as Committee Chairs and, when appropriate, with the Board and the President when sensitive or policy matters are involved.

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3.2.2 **Contractual Responsibilities; Operating Expenses.** To ~~enter~~ authorize the entering into of contracts and to purchase, lease or sell supplies and equipment consistent with the budgets approved pursuant to §3.1.3.

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§3.2.3(3) *Imposition of Usage Fees:* To establish ~~and collect~~ fees for the use of the ~~facilities and~~ properties owned and/or operated by SIPOA.

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§5.15 **EXECUTIVE COMMITTEE.** There shall be an Executive Committee of the Board, which shall consist of the officers (President, Vice President, Secretary and Treasurer) of SIPOA Board and the chairperson of the Legal Committee. The Executive Director shall act as an ex officio, non-voting member of the Executive Committee. The Executive Committee shall be empowered, consistent with written policies adopted by the Board, to act between meetings of the Board, or when a Quorum is not present at any meeting of the Board. The supervision of the Executive Director, including but not limited to performance reviews and compensation decisions, shall be conducted by the Executive Committee, and the Executive Committee may meet in Executive Session for such purpose. Moreover, the Board may delegate to the Executive Committee the authority to consider ~~the~~ other matters set forth in §5.14(i) and the Executive Committee may meet in Executive Session for such purpose. The President or any two Executive Committee Directors may call for an Executive Committee meeting. A Quorum of the Executive Committee shall consist of three (3) or more members present in person or by telephone, video conference or similar communication's device. The Executive Committee shall not be empowered to hear appeals from decisions of the ARC or Safety and Security Committee.

§6.4 **SECRETARY.** The Secretary shall be responsible for the custody of the membership records, the book of resolutions and the minutes of all meetings of Property Owners and the Board. The Secretary shall be responsible for the preparation of minutes of Property Owner and Board meetings and shall post in accordance with these Bylaws notices of the annual schedule of all Board meetings and any revisions to such schedule, shall arrange for the proper execution and custody of all contracts, title deeds, legal documents and other important papers. The Secretary shall perform all duties incident to the office of Secretary, as well as those ~~assigned~~requested by the President or the Board.

§6.5 **TREASURER.** The Treasurer shall serve as chairperson of the Finance Committee. The Treasurer ~~shall collect and receive all monies due and belonging~~in consultation with the Executive Director shall identify and manage all money due to SIPOA and shall ~~have~~ oversee the custody of all funds and securities, either directly or as delegated by the Board. The Treasurer shall ~~arrange for~~oversee payment of all lawful bills of SIPOA, subject to specific or general approval of the Board. The Treasurer shall arrange for the preparation of the annual budget, monitor performance against such budget, and recommend revision of the budget when necessary. The Treasurer shall submit financial reports to the Board at its regular meetings and at each Annual Meeting of Property Owners and shall, at the Annual Meeting, submit a report showing the financial condition of SIPOA for the preceding fiscal year. The Treasurer shall establish prudent internal financial control systems and shall oversee the operation of the accounting system. The Treasurer shall perform all duties incident to the office of Treasurer, as well as those ~~assigned~~requested by the President or the Board.

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### **REVISION ITEM 3:**

**Multiple Sections: 3.2.5, 3.2.7, 4.9, 5.9, 5.9.1, 5.10, 7.4.1, 7.4.2, 7.4.3, 7.4.5, 7.4.7, 7.6, 7.7, 9.2, 9.3, 10.5, 10.6**

**Change language as shown**

**Rationale:** Language and Process Clarifications Recommended by SIPOA Counsel.

Add 5.9.1 which allows the Board to discuss matters in an informal, non-decision-making meeting.

3.2.5 **Professional Agreements.** To ~~employ~~authorize the employment or retention of attorneys, engineers, and consultants deemed by the Board necessary or appropriate to conduct SIPOA's business.

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§3.2.7 **Promulgate Rules and Regulations.** To adopt, publish and enforce rules and regulations for the common benefit, governing Property Owners in the SID and others using the facilities and properties owned and/or operated by SIPOA. Such rules and regulations shall be designed to govern personal conduct as it may affect the quality of life in the SID, use of the streets, roads and other common property, as well as administration and enforcement of applicable Protective Covenants and restrictions pertaining to the construction, use and occupancy of Properties. Such rules and regulations shall be ~~published in printed form and~~ made available to all Property Owners and also published on SIPOA's website.

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§4.9 **REFERENDUM AND EXTENSION OF DEADLINE FOR RECEIPT OF BALLOTS BASED ON QUORUM REQUIREMENTS.** Except as otherwise provided in these Bylaws, any action that may be taken at any Annual Meeting or special meeting of Members may be taken by Referendum without a meeting if SIPOA delivers (i) by posting in the United States mail or (ii) electronically, a ballot to Property Owners entitled to vote on the matter. Such ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by ballot pursuant to this section is valid only when the number of votes cast by ballot equals or exceeds the Quorum required to be present at a meeting authorizing the action, and the number of affirmative votes equals or exceeds the number of votes that would be required to approve the matter at a meeting. All solicitations for votes by ballot shall: (i) indicate the number of responses needed to meet the Quorum requirements; (ii) state the percentage of approvals necessary to approve each matter other than election of Directors; and (iii) specify the time by which a ballot must be received by SIPOA in order to be counted. Once received by SIPOA, a ballot may not be revoked.

If an insufficient number of ballots are returned and Quorum requirements under this section are not met, an extension of not more than thirty (30) days shall be provided to Property Owners. In such case, twenty (20) days written notice shall be given by mail or electronically to all Property Owners at his or her designated address, setting forth the extended time period in which to submit their ballot. In addition, such notice must be posted ~~in~~on SIPOA's office and website.

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§5.9 **REGULAR MEETINGS OF THE BOARD.** The Board shall have at least eight (8) regular meetings during each fiscal year. The Board shall provide, by resolution, the time ~~and~~, place and method for the holding of its regular meetings. No notice to Directors or Property Owners of the time and place of such regular meetings shall be required other than the posting in SIPOA's ~~principal office and~~ on its website of the time and place established pursuant to such resolution; provided, however, such time and place may be changed upon two weeks' notice posted ~~in SIPOA's principal office and~~ on its website. Notwithstanding the foregoing, the President may, upon polling the Board and determining that it is not necessary to have a scheduled regular meeting, cancel or change the method of such meeting; provided, however, promptly after the decision to cancel a regular meeting, notice of such ~~cancellation~~change shall be posted ~~in SIPOA's principal office and on~~ its website. Minutes of Board meetings shall be published on the website after they have been approved by the Board of Directors.

The first regular meeting of Directors held following the Annual Meeting of Property Owners shall be an organizational meeting of Directors convened to elect officers of SIPOA and to appoint chairpersons of Committees of the Board.

All meetings of the Board, except Executive Sessions, shall be open to Property Owners; provided, however, the Board may establish rules governing and limiting the timing and duration of Property Owners' comments and questions at Board meetings and dispensing entirely with the opportunity for Property Owners' vocal participation at those portions of meetings of the Board at which no formal action

shall be taken (sometimes referred to as work sessions). The Board shall have authority to adjourn and reconvene into or otherwise meet in Executive Session for purposes of discussing any of the matters set forth in §5.14.

§5.9.1 Informal Work Sessions Of The Board. The Board is authorized to have informal meetings called “Informal Work Sessions.” Informal Work Sessions are neither regular meetings of the Board nor special meetings of the Board, and shall be held separately from regular and special meetings. Informal Work Sessions shall be for the purpose of discussion by the Board of matters ev to SIPOA, but the Board is not permitted to take action at Informal Work Sessions. Informal Work Sessions shall be closed to the public, unless the Board chooses to make them open to the public. Notice of the Informal Work Session shall be provided to Board members in the same manner as for special meetings. The records of SIPOA shall reflect when Informal Work Sessions occur, but since the Board is not permitted to take action during Informal Work Sessions, no minutes are required to be taken.

§5.10 **SPECIAL MEETINGS.** The President or any three (3) Directors may call a special meeting of the Board by filing with the Secretary a written request for such meeting, stating the purpose(s) and matter(s) to be considered. Only such business specified in the notice shall be conducted at such meeting except as may be authorized by §5.14. Special meetings, with the exception of Executive Sessions, shall be open to Property Owners. Advance notice of any special meeting of the Board must be given at least forty-eight (48) hours prior thereto by written notice that may be mailed, faxed, telegraphed, transmitted by electronic mail or delivered personally to each Director at his or her designated address; except that in an Emergency, the meeting maybe called as is appropriate under the circumstances. In addition, such notice must be posted ~~in on~~ the ~~principal office of~~ SIPOA ~~and on its~~ website. If mailed by United States mail, such notice shall be deemed to be delivered forty-eight (48) hours after its deposit in the United States mail, addressed to the Director at his or her address as it appears on the books of SIPOA, with first class postage thereon. If two successive letters mailed to the last known address of any Director of record are returned as undeliverable, no further notice to such Director is necessary until another address for such Director is made known to SIPOA. If notice is given by email, such notice shall be deemed to be delivered at the time sent on the Internet, unless the email is returned as undeliverable.

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§7.4.1. **Finance Committee.** The Treasurer shall serve as chairperson of the Finance Committee. This Committee shall:

(i) Establish procedures for and implement the preparation of a budget for the ensuing fiscal year and shall recommend an operating budget and capital expenditure and capital reserve budget to the Board based upon estimates from the various committees and/or operating components reporting to the Board or the Executive Director.

(ii) Establish procedures for measuring the actual income, expenditures, and cash flow of SIPOA against the budget, and shall report complete financial operations to the Board on a regular basis.

~~(iii) Develop and publish, at least biennially, a five-year forecast of financial operations, and shall estimate the assessment rates applicable to each class of Property five (5) years into the future.~~

(~~iii~~) Establish and update internal controls to safeguard assets of SIPOA, and shall seek to formulate and implement proposals to impose fiscal responsibility with respect to the operations of SIPOA.

(iv) Periodically review and approve the composition of the SIPOA investment portfolio.

(v) Oversee Reserve Studies in consultation with other appropriate committees periodically to evaluate future financial needs.

§7.4.2 **Safety and Security Committee.** The Safety and Security Committee shall develop and recommend to the Board rules and regulations for control of access to the SID, and for the security, protection, safety and welfare of Property Owners and all Persons within the SID. The Committee shall develop programs, policies and rules and regulations covering security, ~~fire protection,~~ traffic control, and enforcement of applicable recorded Protective Covenants, as well as these Bylaws and duly adopted and published rules and regulations. The Safety and Security Committee shall also hear requests for reconsideration in matters within its jurisdiction.

§7.4.3 **General Operating and Maintenance Committee.** This Committee shall develop, recommend, and arrange for the implementation of policies and programs for the maintenance of common property owned by SIPOA, including, but not limited to, buildings, roads, bridges, parking spaces, storm drainage systems, signs and street lighting. The Committee shall make recommendations to the Board regarding acceptance of roads, bridges, drainage easements and other structures that have been constructed within the SID. The Committee shall be responsible for long-range planning of major maintenance relating to roads and drainage and other common properties. The Committee shall oversee the development of specifications, requests for ~~proposal~~ proposals and the review of bids for projects within its jurisdiction.

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7.4.5 **Long Range Planning and Development Committee.** This Committee shall be responsible for developing and recommending to the Board long range goals and strategic plans through study and analysis of current and anticipated future growth and needs. ~~Such studies and plans may include, but shall not be limited to, capital improvements, cost sharing agreements, utility services and realignment of committees or staff. A detailed report of the activities and plans developed shall be submitted to the Board at least biennially to coincide with the five-year forecast of financial operations produced by the Finance Committee.~~

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7.4.7 **Environmental Committee.** This Committee shall advise the Board on matters relating to ~~the beach trust area, revetments,~~ wildlife, plants and trees, marshes, lakes and other matters relating to the environment. It shall develop and recommend to the Board policies for environmentally sensitive areas.

It shall ~~participate in~~ monitor other activities and legislation that fall under to the jurisdiction of the United States Environmental Protection Agency, and its Bureau of Ocean and Coastal Resource Management, the South Carolina Department of Health and Environmental Control or other such governmental agencies as may have jurisdiction over the environment of Seabrook Island.

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§7.6 **NOMINATING COMMITTEE.** The Nominating Committee shall consist of five (5) natural persons who would be eligible to serve as a Director as specified in §5.1 (considering applicable qualifications and limitations), four (4) of whom shall be elected at the Annual Meeting of Property Owners as provided herein. The fifth member of the Committee, who shall serve as the chairperson, shall be appointed by the President from among the non-officer Directors. A quorum of the Nominating Committee shall consist of at least 80% of the elected and appointed members of the committee then holding office. The chairperson shall be entitled to vote to break or make ties in matters voted upon by the elected members of the Nominating Committee.

At the Annual Meeting of Property Owners held immediately following the adoption of these amendments, the Property Owners will elect two (2) Nominating Committee members to serve for one (1) year terms and two (2) Nominating Committee members to serve for two (2) year terms. Each year thereafter, two (2) members of the Nominating Committee shall be elected at the Annual Meeting of Property Owners for terms of two (2) years. Nominating Committee members shall serve until their successors have been elected. A Property Owner (or Property Owner's spouse or Declared Domestic Partner, or holders of an equitable or beneficial interest in Property owned by an Entity that is a Property Owner in Good Standing) may not be nominated for or serve on the Nominating Committee for more than one (1) consecutive term, in addition to filling the unexpired term of a Nominating Committee member who has resigned or otherwise become ineligible to serve. A Property Owner (or Property Owner's spouse or Declared Domestic Partner, or holders of an equitable or beneficial interest in Property owned by an Entity that is a Property Owner in Good Standing) who has served on the Nominating Committee will be eligible for election to the Nominating Committee provided at least three (3) years intervene between the expiration of his or her prior term and the commencement of a new term.

The names of the Nominating Committee members shall be posted in SIPOA's office and on its website within a reasonable time after their election. The name of the Nominating Committee chairperson shall be posted in SIPOA's office and on its website promptly after his or her appointment. The Board must inform the Nominating Committee of the number of Directors to be elected and the group year of such number. The group year is the year in which the term of the Director expires.

The principal responsibilities of the Nominating Committee are to actively and affirmatively recruit and select qualified candidates for the Board and Nominating Committee. The Nominating Committee shall welcome and consider all applicants for the Board and Nominating Committee who are interested in sharing their skills, views and energies by participating in SIPOA's governance. The Nominating Committee may enlist the Board's assistance in identifying and recruiting prospective Board and Nominating Committee candidates, including from among the membership of the committees chaired by Board members. The Nominating Committee shall prepare guidelines for the selection of candidates for the Board's approval which shall include the following: (i) candidates shall satisfy the qualifications as

set forth in the first paragraph of this §7.6, (ii) candidates should have demonstrated leadership and the ability to work with others, (iii) candidates should have the willingness and ability to commit the required time in the discharge of Board and committee duties; (iv) candidates should have an understanding that all Board members are required to serve in the best interest of all Property Owners; and, preferably, for Board and Committee work, candidates should be familiar with and able to use electronic document creation and management tools, ~~including Microsoft Office, Dropbox and Adobe (PDF), electronic communication tools such as email, text and social media, and mobile technologies.~~ The Nominating Committee guidelines shall be published on the SIPOA website and as otherwise deemed appropriate by the Nominating Committee. To determine whether potential candidates meet the required and desired criteria, the Nominating Committee should, among other things, review the candidates' experiences at Seabrook Island, such as prior experience on committees, community involvement and volunteer service, as well as prior professional experience. The Nominating Committee should also consider specific needs of the Board (e.g., finance, legal, engineering or information technology).

The Nominating Committee shall make as many nominations for election to the Board and the Nominating Committee as it shall, in its discretion determine, but not less than the number of positions that are to be filled.

Property Owners may submit the names of candidates for the Board and for the elected positions on the Nominating Committee, which names must be received by the Nominating Committee no later than October 1 of each year. At least one hundred and twenty (120) days prior to the Annual Meeting of Property Owners, each nominee shall complete and submit to the Nominating Committee a fully-completed nominee form proposed by the Nominating Committee and approved by the Board, which nominee form shall include such biographical and other information as the Nominating Committee and Board determine appropriate. The names of the nominees for the Board and Nominating Committee positions for the ensuing year shall be delivered by the Committee to the Secretary, who shall post the ~~nominees in list on~~ SIPOA's ~~principal office and on its~~ website at least sixty (60) days before the Annual Meeting of Property Owners. Thereafter, additional nominations for the Board and the Nominating Committee may be made by written petition signed by fifty (50) or more Property Owners in Good Standing. The signatures on such petitions of (i) more than one Property Owner of a Property owned by more than one natural person or (ii) more than one individual with an ownership interest in an Entity that owns a Property, shall be considered as a single signature. It shall be sufficient for all such petitions to be signed by: (i) only one Property Owner of a Property owned by more than one natural person; or (ii) a single natural person holding an equitable or beneficial interest in Property owned by an Entity. Such nominations must be delivered in writing to the Secretary within thirty (30) days after the Secretary has posted the names of the nominees as set forth above. The names of the nominees and the names of any additional persons nominated by petition, together with completed nominee form and a form of proxy, shall be mailed or transmitted electronically by the Secretary to Property Owners at least thirty (30) days prior to the Annual Meeting. No person shall be nominated for election to the Board or Nominating Committee except in accordance with this section.

The Nominating Committee will assist Board and Nominating Committee candidates to develop biographical and position statements about Seabrook Island topics and plans in conformance with a standardized format and size adopted by the Nominating Committee. ~~Candidates for the Board should have photographs taken for publication to Property Owners.~~



§7.7 **ELECTIONS COMMITTEE.** Prior to the Annual Meeting of Property Owners, ~~an Elections Committee of no fewer than~~ three (3) ~~member Elections Committee members~~ consisting of Property Owners in Good Standing or spouses or Declared Domestic Partners of such Property Owners, or holders of an equitable or beneficial interest in Property owned by an Entity that is a Property Owner in Good Standing, who are not on the Board or Nominating Committee shall be appointed by the President subject to the approval of the Board to verify and certify the validity of ballots cast and tabulations of votes cast for elections or on any other matter voted on at such meeting or ballots in any Referendum. The Elections Committee shall report its findings to the Secretary as soon as practical following a Referendum or the Annual Meeting or special meeting at which a vote is taken. The Elections Committee shall also be charged with the authority and responsibility to approve the Annual Meeting minutes. The term of the Elections Committee shall expire upon appointment of its successor.

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§9.2 **CONTRACTS.** In addition to the authorization contained herein, and subject to the limitations stated in these Bylaws, the Board shall ~~annually~~periodically review and approve delegations of authority whereby the authority of officers/agents and employees of SIPOA to enter into contract and expend funds is specified.

§9.3 **FIDELITY BONDS AND INSURANCE.** All officers and employees of SIPOA who handle funds of SIPOA shall be covered by fidelity bonds in amounts to be determined by the Board. The Board shall authorize the Executive Director to purchase such Directors and Officers insurance in the amounts and limits as shall be established by the Board.

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*(Note about 10.5: The removed items are already included in the records required by South Carolina Code Section 33-31-1601)*

§10.5 **RECORDS AT PRINCIPAL OFFICE.** In addition to the records specified in § 10.1, SIPOA shall keep a copy of the following records at its principal office: (i) all records as required by South Carolina Code Section 33-31-1601 as amended from time to time (ii) its Protective Covenants and all amendments to or restatements of them currently in effect; ~~(ii) its Articles and all amendments to or restatements of them currently in effect;~~ (iii) ~~its Bylaws and all amendments to or restatements of them currently in effect;~~ (iv) ~~resolutions adopted by the Board relating to the characteristics, qualifications, rights, limitations and obligations of Property Owners;~~ (v) ~~all written communications to Property Owners within the past three (3) years, including the financial statements furnished during that time period;~~ (vi) copies of the annual budgets for the past five years; ~~(vii) the most recent five-year forecast of financial operations and estimated assessment rates applicable to Property Owners five years into the future;~~ (viii) ~~the report of the Long Range Planning and Development Committee detailing the activities and plan developed to coincide with the five-year financial forecast;~~ (ix) ~~a list of the names and business or home addresses of its current Directors;~~ and (x) its most recent report or filing to the U.S. Internal Revenue Service and appropriate South Carolina governmental authorities.

§10.6 **INSPECTION OF RECORDS.** As permitted pursuant to South Carolina Code Section 33-31-1602 ~~(Revised 2006)~~, as amended from time to time and at its sole cost and expense, a Property Owner shall be

entitled to inspect and copy, at reasonable times during normal business hours and location specified by SIPOA, any of the records of SIPOA described in §§ 10.1, 10.2, 10.3 and 10.5 if a Property Owner gives SIPOA at least five (5) days written notice or a written request before the date on which the Property Owner wishes to inspect and copy such records. Property Owners may also submit records requests via a Records Request Form available on SIPOA's website.

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#### **REVISION ITEM 4:**

##### **Section: 2.3**

##### **Change language as shown**

**Rationale:** Remove subjective items SIPOA cannot control. The preservation and enhancement of property values remain primary goals of SIPOA, but these goals will be reflected in places other than the bylaws and covenants. The revised language is consistent with the revisions proposed in the covenants.

§2.3 **PURPOSE.** The purpose and business of SIPOA ~~shall be to preserve the Property values and the quality of life in the SID through~~ includes but is not limited to the following:

2.3.1 Development and implementation of programs to protect the environment, to facilitate acquisition and maintenance of green space, and to provide for the health, safety, security and welfare of Property Owners;

2.3.2 Protection, operation, maintenance and improvement of such roads, bridges, parks, playgrounds, beaches, open spaces, rights-of-way, easements and other SIPOA properties, as are deeded, leased or otherwise conveyed to or held in trust for the benefit of SIPOA or Property Owners; provided, however, while the provision in this section for the maintenance of beaches shall not be construed as imposing an obligation on SIPOA or its agents to restore, replenish, protect or take any preventive or remedial action against beach or marsh changes occurring as a result of forces of nature, projects of this nature may be undertaken as authorized in these Bylaws;

2.3.3 Retention of security forces and implementation and enforcement of security measures to limit access to the SID to Property Owners, and subject to the provisions of these Bylaws, the Protective Covenants and rules and regulations adopted from time to time, to Family Members, Guests and others;

2.3.4 Acquisition, construction, management, maintenance and care of SIPOA properties, including land, structures, systems and equipment, for the general benefit of Property Owners and others as determined by the Board. The conditions precedent to adding to the land area of the SID are: (i) the agreement by the Property Owner(s) of such additional area for himself or herself, his or her heirs, successors and assigns, to become subject to the Protective Covenants and Bylaws; (ii) that all roads and automotive vehicle ways within the added land area shall have been or shall be constructed in accordance with the then current requirements of SIPOA; (iii) that all roads, rights-of-way, walkways, boardwalks, easements and vehicle ways in the added land are deeded or transferred to SIPOA; and (iv) that an appropriate contribution to capital, as set by the Board, be made;

2.3.5 Adoption, distribution and enforcement of rules and regulations for the common good of Property Owners, including but not limited to, rules and regulations pertaining to: (i) planning, construction and design of improvements on Property or alteration thereof; (ii) maintenance of Property; (iii) sanitation; (iv) use of SIPOA properties; (v) responsibilities and obligations of Property Owners and others authorized to access the SID or to use the facilities and properties owned and/or operated by SIPOA; (vi) security, safety and maintenance of good order; and (vii) imposition of monetary and other sanctions for violations thereof;

2.3.6 Establishment of assessments and fees and their collection from Property Owners and, as applicable, others who use or have the right or permission to use any or all of the facilities and properties owned and/or operated by SIPOA subject to those certain agreements between The Club and SIPOA dated June 15, 2010 and that certain agreement between Bohicket Marina Village Council of Co-Owners Horizontal Property Regime and SIPOA, dated January 1, 2004, as such agreements may be amended from time to time;

2.3.7 Obtaining insurance of such types, in such amounts and with such companies as the Board, in its sole discretion, deems necessary or desirable for the protection of SIPOA, of Persons acting for or on behalf of SIPOA, and of the common properties and/or other properties in which SIPOA has an insurable interest; and

2.3.8 Engaging in such other activities as may be of benefit to Property Owners and SIPOA.

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**REVISION ITEM 5:**

**Sections: 3.1.4, 3.2.3(7), 3.2.3(8)**

**Revise language as shown**

**Rationale:**

§3.1.4 - The borrowing of money is governed by §3.2.3(7).

§3.2.3(7) – The Board feels that these funds can only be used for shortfalls and emergencies, usually hurricanes.

§3.2.3(8) – Revise language regarding allocation and investment of funds.

§3.1.4 ~~**Borrowing of Money and Certain Property Transactions, Etc.**~~ By Referendum of the Property Owners, pursuant to Section 3.2.10, to approve the ~~borrowing of money and the~~ purchase, mortgage, pledge, sale and conveyance of or the acceptance of title to real or personal property in the form of land, bodies of water, and improvements and structures, that will require the future commitment of SIPOA funds, or that will involve the giving of a security interest in any of the foregoing, except where such authority is specifically granted to the Board pursuant to §3.2.3(7) and §3.2.4.

§3.2.3(7) Borrowing Authority~~Allocation and Investment of Funds~~: To borrow funds: (i) for a period of time not to exceed one (1) year for the operations of SIPOA; or (ii) in an amount not to exceed ~~\$3,000,000~~4,000,000 if deemed necessary by the Board in the case of an Emergency, for such period of time as may be reasonably necessary to respond to such Emergency circumstances and to pay for the costs associated therewith.

§3.2.3(8) Allocation and Investment of Funds: Subject to any express limitations contained elsewhere in these Bylaws, the Board shall be entitled to spend and allocate and invest funds as, in its discretion, the Board deems appropriate for the operations of SIPOA; provided, however, other than ordinary transactions at SIPOA's primary bank in amounts less than ~~\$250,000.00~~250,000, investments of ~~operating~~operational and capital reserves of SIPOA are restricted to U.S. Treasury securities, federally insured bank deposits or brokered CDs, federal agency debt, debt obligations rated in one of the two highest categories by a nationally recognized rating agency, and money market funds restricted to high quality money market investments. Maturities on debt obligations may not exceed one (1) year, ~~and the Treasurer and Finance Committee of SIPOA will review and approve the composition of the investment portfolio at least annually.~~ except that investments in debt of obligations with a maturity of more than one (1) year, but not to exceed five (5) years and in an aggregate amount not to exceed \$5,000,000 may be made with approval of the Board.

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## **REVISION ITEM 6:**

### **Sections: 4.6**

#### **Change language as shown**

**Rationale:** For many Annual Meetings, Property Owners have to be begged, cajoled, and offered incentives to obtain the 45% required quorum. All Property Owners are still allowed and encouraged to participate and vote. Thus the Board recommends a quorum reduction to 35%. The added language involves Property Owners who owe SIPOA a small amount. They will be counted for quorum and allowed to vote. This is a minor change recommended by legal Counsel.

§4.6 **PROPERTY OWNER QUORUM.** At any meeting of Property Owners or in any Referendum of Property Owners, a Quorum shall consist of ~~forty-five~~thirty-five percent (~~45~~35 %) of Property Owners in Good Standing who are entitled to a vote as provided in §4.7 (only one Property Owner shall be counted for Quorum purposes for each Property owned), present in person, and/or by proxy at a meeting, or participating by voting on a matter in a Referendum. Notwithstanding anything herein to the contrary a Property Owner who is not in Good Standing, shall be entitled to vote and be counted for quorum purposes if the amount owed by such Property Owner to SIPOA does not exceed \$200.00.

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**REVISION ITEM 7:**

**Section: 8.4**

**Change section number**

**Rationale:** Fix section numbering error.

**~~§ 8.3~~§ 8.4** **NON-APPLICABILITY TO CODE OF CONDUCT.** The provisions of this Article VIII shall not apply to the enforcement procedures for any Code of Conduct that has been duly enacted and approved by the Board.