



INDIGO RUN

By-Laws of the Indigo Run Community Owners Association

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ARTICLE I: Name, Location & Applicability

Section 1. Name

The name of this Association is Indigo Run Community Owners Association, Inc. (hereinafter referred to as the "Association"), a South Carolina nonprofit corporation.

Section 2. Registered Office and Agent

The Association shall maintain a registered office and shall have a registered agent whose business office is identical with such registered office. The Association may have offices at such place or places as the Board of Directors may from time to time designate.

Section 3. Applicability

These By-Laws are applicable to the Lots, Dwellings, Recreational Facilities and Common Areas in the residential development known as "Indigo Run" (hereinafter referred to as the "Development"). These By-Laws are binding on all present or future Owners, tenants, occupants or other persons occupying or using the Recreational Facilities, Common Areas, Lots, Dwellings and facilities of the Development in any manner. The mere acquisition, rental, use or other act of occupancy of any Lot, Dwelling, Recreational Facility, or Common Area will signify that these By-Laws are accepted and ratified. These By-Laws are established pursuant to and subject to the provisions of the South Carolina Code of Laws, 1976, as amended, relating to nonprofit corporations and that certain Amended and Restated Declaration of Covenants, Conditions and Restrictions for Indigo Run (hereinafter referred to as the "Declaration" ratified by the Owners on December 11, 2002 and recorded in Beaufort County June 13, 2003, as amended from time to time).

ARTICLE II: Definitions

The following words and terms when used in these By-Laws or any modification thereto, unless the context shall clearly indicate otherwise, shall have the meanings assigned to them in Article I of the Declaration, unless the context shall otherwise require or prohibit.

"Association"	"Dwelling"
"Board of Directors"	"Lot"
"Common Areas"	"Recreational Facilities"
"Common Expenses"	"Owner"
"Covenants"	"Development"
"Declaration"	

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ARTICLE III: Membership

Section 1. Membership

The membership of the Association shall be limited to Owners of Lots, Dwellings and Recreational Facilities located within the Development. An Owner shall automatically become a member of the Association upon taking title to his property and shall remain a member for the entire period of ownership. As may be more fully provided below, a spouse of a member may exercise the powers and privileges of the member. Membership does not include persons who hold an interest merely as security for the performance of an obligation; and the giving of a security interest shall not terminate the Owners' membership. Membership shall be appurtenant to the property and shall be transferred automatically by conveyance of that property and may be transferred only in connection with the transfer of title.

Section 2. Entity Members

In the event an Owner is a corporation, partnership, trust or other legal entity not being a natural person or persons, then any natural person who is an officer, director, or other designated agent of such corporation, partner of such partnership, beneficiary or other designated agent of such trust, or manager of such other legal entity shall be eligible to represent such entity in the affairs of the Association. Such person's relationship with the Association shall terminate automatically upon the termination of such person's relationship with the entity which is the Owner. This will create a vacancy in any elected or appointed position within the Association in which such person may have been serving.

Section 3. Assessments

The rights of membership are subject to the payment of annual, specific, and special assessments levied by the Association. The obligation for such assessments is imposed against each owner and becomes a lien upon the property against which such assessments are made as provided by the Declaration.

Section 4. Governance

The association shall be organized under the South Carolina Non-Profit Corporations ACT and be named Indigo Run Community Owners Association, Inc.

ARTICLE IV: Voting Rights

Section 1. Lots and Dwellings

The Owner(s), whether one (1) or more, of a Lot or Dwelling shall have one (1) vote.

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Section 2. Interval Ownership Dwellings

For the Owner's Club, in which the Dwellings (units) are owned in interval ownership by multiple individuals or entities, the Dwelling itself shall be entitled to one (1) vote only. The single Vote to be cast by the Owners of the multiple intervals of ownership shall be determined by the Owner's Club Regime in accordance with the provisions of its covenants and bylaws. This same voting procedure shall apply to any and all additional interval ownership Dwellings that are constructed within the Development in the future.

Section 3. Recreational Facilities

The Owner(s) of the following Recreational Facilities shall have the following votes:

Golden Bear Golf Club, and appurtenant facilities.....	56 votes
The Golf Club, and appurtenant facilities.....	24 votes
Sunningdale Park, and appurtenant facilities.....	10 votes

If any portion of Sunningdale Park is conveyed by its owner to the Association, the votes will be reduced by the number of votes attributed to that portion.

Section 4. Suspension of Voting and Use Rights

The voting and use rights of any person whose interest in the Properties is subject to assessments, whether or not he be personally obligated to pay such assessments, shall be automatically suspended during the period when the assessments remain unpaid; but upon payment of such assessments his right shall be automatically restored.

Section 5. Majority Vote

Unless otherwise specifically stated in the Declaration or these By-Laws, the words "majority vote" shall mean more than fifty percent (50%) of the votes cast by those voting in person or by proxy. Except as otherwise specifically provided in the Declaration or these By-Laws, all decisions shall be by majority vote.

ARTICLE V: Association Purposes and Powers

Section 1. Purpose

The Association shall have the responsibility of administering the Property, establishing the means and methods of collecting the contributions to the Common Expenses, arranging for the management of the Development, maintaining Common Areas, enforcing the Association's covenants and bylaws, providing security on the Property,

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and performing all of the other acts that may be required to be performed by the Association pursuant to the South Carolina Nonprofit Corporation Act and the Declaration. Except as to those matters which the Declaration or the South Carolina Nonprofit Corporation Act specifically require to be performed by the vote of the Association membership, the administration of the foregoing responsibilities shall be performed by the Board as more particularly set forth in Article IX.

Section 2. Mortgages and Other Indebtedness

The Board shall have the power and authority to mortgage the property of the Association and to pledge the revenues of the Association as security for loans made to the Association which loans shall be used by the Association in performing the authorized functions.

Section 3. Transfer of Real Property

The Association shall have power to dispose of its real properties only as authorized under the Declaration.

ARTICLE VI: Meetings of Association Members

Section 1. Annual Meetings

The Annual Meeting shall be held in December of each year at a time and place to be designated by the Board, and such information shall be set forth in the Notice of Meeting.

Section 2. Special Meetings

Special meetings of the Owners may be called at any time by the President or by the Board or upon a petition signed by members entitled to vote one-fourth (1/4) of all the votes of the membership. Any such petition by the Owners must be submitted to the Association's Secretary. The Secretary shall then verify that all of the required number of Owners have joined in the petition and shall submit all proper petitions to the Association's President. The President shall then promptly call a special meeting for the purpose stated in the petition and the Secretary shall send notice of the meeting in accordance with these By-Laws

Section 3. Notice of Meetings

Written notice by regular mail or by electronic mail of each meeting of the Owners shall be given by or at the direction of the Secretary or person authorized or qualified to call the meeting, by mailing or emailing a copy of such notice, with proper postage affixed and at least fifteen (15) days, and not more than forty-five (45) days, before such

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meeting, to each member entitled to vote at the last known physical or electronic address of the person or entity who appears as Owner in the public records of Beaufort County, South Carolina, on the first day of the calendar month in which said notice is mailed. Notice to one or two or more Co-Owners shall constitute notice to all Co-Owners. It shall be the obligation of every Owner to immediately notify the Secretary of the Association in writing of any change of address. Any person who becomes an Owner following the first day in the calendar month in which said notice is mailed shall be deemed to have been given notice if notice was given to his predecessor in title. The mailing or delivering of a meeting notice as provided in this section shall constitute proper service of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting the purpose of the meeting.

Section 4. Waiver of Notice

Waiver of notice of a meeting of the Owners shall be deemed the equivalent of proper notice. Any Owner may, in writing, waive notice of any Association meeting, either before or after such meeting. Attendance at a meeting by an Owner, whether in person or represented by proxy, shall be deemed a waiver by such Owner of notice of the time, date, and place thereof unless such Owner specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted at such meeting unless objection to lack of notice is raised before the business of which proper notice was not given, is put to a vote.

Section 5. Quorum

The presence at the beginning of the meeting in person or by proxy of Owners entitled to cast more than fifty percent (50%) of the member vote shall constitute a quorum for any action except as otherwise provided in the Declaration or these By-Laws. Electronic proxies and voting are authorized. If, however, such quorum shall not be present or represented at any meeting, the Owners entitled to vote thereat, or the person initially calling the meeting, shall have power to adjourn the meeting and to call a second meeting subject to the giving of proper notice, and the required quorum at such meeting shall be the presence in person or by proxy of Owners entitled to cast one-third (33 1/3%) of the total vote of the membership of the Association. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. For the purpose of this section, "proper notice" shall be deemed to be given when notice of such meeting and the general nature of said meeting is given each member not less than fifteen (15) days, and not more than forty-five (45) days, prior to the date of the meeting at which any proposed action is to be considered. Evidence of such notice having been given may consist of an Affidavit of Mailing evidencing that the requisite notice was posted at least thirty (30) days prior to said meeting. Once a quorum is established for a meeting it shall be conclusively presumed to exist until the meeting is adjourned and shall not need to be reestablished throughout the meeting.

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Section 6. Proxy

Any member entitled to vote may do so by written proxy or electronic ballot duly executed by the member setting forth the meeting at which the proxy is valid. To be valid, a proxy must be signed, dated, and filed with the Secretary prior to the opening of the meeting for which it is to be used. Proxies may be delivered to the Board by personal delivery or U.S. mail or by electronic ballot to the Association's office or to the General Manager. Proxies may be revoked by written notice delivered to the Association or by request in person by the proxy giver at a meeting for which the proxy is given. A proxy holder may not appoint a substitute proxy holder unless expressly authorized to do so in the proxy.

For purposes of this Article and Section of these By-Laws, the term "electronic ballot" shall mean any form of communication, including an electronic signature and date stamp, not directly involving the physical transmission of paper, that creates a record that:

- a. May be retrieved, retained and reviewed by the Secretary of the Association; and
- b. May be reproduced directly into paper form, including the signature of the voting member(s), through an automated process, and recorded by the Secretary of the Association.

Section 7. Action by the Association without a Meeting

Any action that may be taken at an annual or special meeting may be taken without a meeting if the Association delivers a written ballot to every Owner entitled to vote on the matter. The ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot shall be 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 approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting. All solicitations for votes by written ballot shall (a) indicate the number of responses needed to meet the quorum requirements, (b) state the percentage of approvals necessary to approve each matter other than election of Directors, and (c) specify the time by which a ballot must be received by the Association in order to be counted. A written ballot may not be revoked. The Association shall maintain such ballots in its file for at least three (3) years.

ARTICLE VII: Board of Directors

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Section 1. Number

The affairs of this Association shall be governed by a Board of Directors, who must be Owners at all times during their service as Directors. Effective January 1, 2010, the authorized number of Directors shall be reduced to ten, one chosen by the Owners of the Recreational Facilities and nine of whom shall be elected by the Property Owners or otherwise replaced in accordance with the By-Laws, provided however that, in the event the number of Directors is reduced, any elected director shall serve until his term expires. The Board may, by two-thirds (2/3) vote, also reduce the number of Directors due to resignation, death or disqualification as long as nine (9) director positions are filled. One (1) Board position shall be reserved for the Owner of a Recreational Facility, and this position is not subject to election by the members of the Association. The Directors shall be Owners or Co-Owners or spouses of such Owners; provided, however, no owner and his or her spouse may serve on the Board at the same time, and no Co-owners may serve on the Board at the same time.

Section 2. Term of Office

All elected Directors shall be elected for three (3) year terms. The term of office shall begin on January 1st of the year immediately following the election at a duly held annual meeting held in accordance with Article VI, Section 1 of the By-Laws. The three (3) year term shall end on December 31. In the event the annual meeting is not held in December due to impossibility, the elected term shall begin immediately upon the date of election at the annual meeting, or until such replacement is installed.

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Except as provided in Section 6, below, no elected director may serve more than two (2) consecutive three (3) years terms. Nothing in this section shall prohibit a Member from re-election provided the Member has not served as an elected director for at least one (1) calendar year directly following two consecutive three (3) year terms.

Section 3. Classes of Directors

The elected directors shall be divided into three classes which shall be kept as equal in number as possible. Whenever the board size changes, the director shall serve until expiration of the director's term. After January 2009, the directors elected at the next annual meeting shall be deemed class one, classes two and three shall be elected at next two annual meetings, respectively.

Section 4. Removal of Members of the Board

At any regular or special Board meeting any one or more Board members may be removed with cause by a majority of the Board members, and a successor may then and there be elected to fill the vacancy created. Any Director whose removal has been proposed shall be given ten (10) days notice of the calling of the meeting with details as to the reasons, to consider their removal and shall be given an opportunity to be heard at

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the meeting. However, any Director who has had three consecutive unexcused absences from regularly scheduled Board meetings or is more than thirty (30) days past due in the payment of any assessment may be removed by the vote of a majority of the other Directors.

Section 5. Election

Election shall be by mail or electronic ballot in accordance with Article VI of the By-Laws, and the results will be announced at the annual meeting to include the names of those that have won election. The complete record of the vote is a record of the corporation and shall be available for inspection in accordance with Article XII herein. Nominees will be listed on the ballot in alphabetic order and the persons receiving the greatest number of votes will be elected to the Board. In the event of a tie, a run-off will be conducted at the annual meeting. That vote will be, by written ballot, from those in attendance in person. The persons receiving the greatest number of votes shall be elected. There shall be no cumulative voting. The term of office shall be in accordance with Article VII, Section 2 of the By-Laws.

Section 6. Vacancies on Board

If the office of any Director becomes vacant by reason of death, resignation, removal, retirement, or disqualification, a majority of the remaining members of the Board, may choose a successor or successors, who shall hold office for the balance of the unexpired term. Within 30 days of any vacancy the Board President shall call a Special Executive Session meeting which Board members may attend in person, by phone, electronically or by proxy. At such meeting, the President or any Board member may propose a candidate or candidates, as the case may be, to fill such vacancy. The term of office shall be in accordance with Article VII, Section 2 of the By-Laws. Such Director shall be eligible for election to two (2) consecutive three (3) year terms but will not be an automatic nominee and will need to go through the nomination or petition process. Nothing in this section shall prohibit a Member from re-election provided the Member has not served as an elected director for at least one (1) calendar year directly following two consecutive three (3) year terms. No vacancy created resignation, death or disqualification may be left unfilled for more than six months if the vacant position is one of the authorized number unless there is a scheduled annual election within six months of the date of the vacancy or the number is reduced by Board action. For purposes of calculating a board majority or super majority for voting purposes, a vacant position shall not be counted in either the numerator or denominator.

Section 7. Compensation

No Director shall receive compensation for any service he may render to the Association as a Director. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties upon approval of such expenses by the Board.

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Section 8. Nomination

Nomination for election to the Board shall be made by a Nominating Committee who shall report to the Board of Directors. Candidates for election to the Board shall be solicited from all members in writing at least one hundred twenty (120) days prior to the Association's annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a Member of the Board, one (1) additional Board Member and three (3) or more Members of the Association who are not Board Members. The Nominating Committee Chair shall be appointed by the Board at the first Board Meeting of the new year. The Chair shall select members of the Nominating Committee and bring to the Board for approval no later than the June Board meeting. The members of the Nominating committee will serve for one year. In the event a member of the Nominating Committee dies, resigns, or fails to act, the Board may appoint a replacement member at such time.

The Nominating Committee shall make nominations for election to the Board of Directors. The maximum number of nominations shall be for the number of vacancies plus two. Incumbent members in good standing, choosing to run for a second term will be automatically nominated provided that said incumbents, by June 30 of the year in which they are standing for re-election, declare their intentions (by written or electronic notice to the Secretary) to run for re-election.

The Committee shall conduct a personal interview with each candidate to become acquainted with the person and obtain pertinent information such as the length of residency, service to Indigo Run, prior life experience, education, and any possible conflicts of interest, and all other relevant qualifications of the proposed nominee. During the process, the Committee shall reiterate a Board Member's duties, responsibility, and a general requirement of time. The Committee shall notify the candidates that appeared, as to the Committee's recommendation no later than sixty (60) days prior to the annual meeting. Nominations may be made only from among Owners; and no Owner shall be nominated for election to the Board or be permitted to run for election if he is more than thirty (30) days past due in the payment of any assessment.

If the Nominating Committee fails to qualify enough candidates to fill the vacancies plus two (2) then the Board of Directors may nominate additional candidates. Additional nominees would then be required to submit their qualifications in writing for review and the board may then conduct interviews at their discretion before the nominee is added to the ballot.

Nominating Committee submits its recommendations to the Board. These recommendations are final and not subject to approval of the Board.

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Nominations may also be made by a petition of not less than fifty (50) Owners in good standing with such nominations being submitted to the Secretary of the Board at least forty-five (45) days before the announced date of the annual meeting so the names on the petition can be verified, the nominee qualified by the Nominating Committee as to ownership and good standing (IE. No outstanding unpaid assessments, fines, or penalties) and the name of the individual included on the ballot.

The nominations shall be mailed to the Owners at least thirty (30) days prior to the announced date of the annual meeting. If there should be a failure to comply with any time requirements of this Section which, in the judgment of the Board, was due to unavoidable circumstances, it shall not invalidate the election of Directors who are otherwise nominated in accordance with the provisions of this section. For greater clarity, the role of the Nominating Committee shall be complete after the Meet the Candidates meeting and shall play no further role in nominating candidates until the following calendar year.

Section 9. Resignation and Disqualification of Directors

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

Section 10. Director Conflicts of Interest

No Director shall enter into a contract or be compensated for services or supplies furnished to the Association in a capacity other than as Director, nor shall any Director be involved in any transaction that may pose either a direct or indirect conflict of interest with the Association. All potential conflicts of interest shall be disclosed to the Board by the Director involved, and the Board shall then address the issue of conflict of interest in accordance with the procedures set forth in the South Carolina Nonprofit Corporation Act, S.C. CODE ANN. Sec. 33-31-831.

ARTICLE VIII: Meetings of Directors

Section 1. Regular Meetings

Regular meetings of the Board shall be open to all Members and held at least quarterly with notice at such place and hour as may be fixed from time to time by the Board. No proxy votes shall be allowed. The Board shall permit any or all Directors to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of

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communication by which all Directors participating may hear each other simultaneously during the meeting. A Director participating in a meeting by such means is deemed to be present in person during the meeting and is not a proxy vote. If a confidential or secret vote or ballot is taken, the person recording the vote shall confidentially record the vote by those not present. Such recording function does not constitute a proxy vote.

Section 2. Special Meetings

Special meetings of the Board shall be held when called by the President of the Association, or by a majority of Directors, after not less than five (5) days notice to each Director. Notice shall be given by mail, electronic mail, in person, by telephone, or by facsimile transmission and shall state the date, time, place and purpose of the meeting.

Section 3. Quorum

A majority of the voting Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the voting Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Place of Meetings

Meetings of the Board shall be held on Hilton Head Island, South Carolina, whenever practical. However, this provision is in no way intended to invalidate, in any way whatsoever, meetings held somewhere other than Hilton Head Island, South Carolina, so long as such meetings are proper in all other respects.

Section 5. Action Taken Without a Meeting

The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written or email approval of two-thirds (2/3) of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors. The written approvals shall be filed with the minutes of the Board.

Section 6. Executive Sessions/ Committee of The Whole

Generally executive sessions should be held for purposes of discussing litigation, contractual, or personnel matters; nevertheless, at the direction of the President or by majority vote of the Board, the Board may meet in private executive session or committee of the whole attended by Board members only, unless guests are invited by the President or Board majority. No official actions shall be taken in executive session unless notice has been given in the same manner as provided for special meetings or such private session occurs during a scheduled Board meeting. No official actions may be taken in a committee of the whole meeting.

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ARTICLE IX: Powers and Duties of the Board of Directors

Section 1. Powers and Duties

The Board shall manage the affairs of the Association and shall have all the powers and duties necessary for the administration of the property and may do all such acts and things as are directed by the Declaration or these By-Laws. In addition to the duties imposed by these By-laws, the Board shall have the power to and shall be responsible for the following, in way of explanation, but not limitation:

- (a) preparing and adopting an annual budget;
- (b) making assessments to defray the Common Expenses and establishing the means and methods of collecting such assessments;
- (c) providing for the operation, care, upkeep, and maintenance of all Common Areas;
- (d) designating, hiring, compensating, and dismissing the personnel necessary for (i) the operation of the Association, (ii) the maintenance, repair, and replacement of the Common Areas and Association property, and (iii) the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;
- (e) collecting the assessments, depositing the proceeds thereof in a financial depository or institution which it shall approve, or otherwise investing the proceeds in accordance with any limitations set forth, and using the proceeds to administer the Association;
- (f) making and amending rules and regulations governing the use of the Common Areas, Lots, Multi-Family Areas, and Dwellings, and imposing sanctions for violation thereof, including reasonable monetary fines;
- (g) opening of bank or other financial accounts on behalf of the Association and designating the signatories required;
- (h) contracting for the making of repairs, additions, improvements, or alterations to the Common Areas as needed;
- (i) enforcing by legal means the provisions of the Declaration, and the By-Laws, including, without limitation, the judicial foreclosure of delinquent assessment liens, and the rules and regulations adopted by it, and bringing any proceedings which may be instituted on behalf of or against an Owner or

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Owners concerning the Association;

- (j) obtaining and carrying insurance against casualties and liabilities, and paying the premium cost thereof;
- (k) paying the costs of all services rendered to the Association or its members and not directly chargeable to specific Owners;
- (l) paying taxes, if any, on Common Areas and facilities;
- (m) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration and causing an annual audit or review to be performed;
- (n) contracting with any person for the performance of various duties and functions. The Board shall have the power to enter into common management agreements with trusts, condominium associations, or other associations or corporations. Any and all functions of the Association shall be fully transferable by the Board, in whole or in part, to any other entity.
- (o) retaining outside counsel for the Association and for access by the Board. The outside counsel shall be managed by the President and/or the Association's General Manager.
- (p) reviewing and approving the investment policy proposed annually by its Treasurer.
- (q) reviewing a Chart of Authority annually. The chart of authority shall define the authority of its President, General Manager or Management Firm, the Board Committees, and principal employees of the Association with respect to spending authority, contractual approval, and personnel policy.

The President of the Board of Directors or his/her designee shall be the only spokesperson for the association.

Section 2. Management Agent

The Board of Directors may, but shall not be required to, hire a professional management agent or agents at a compensation established by the Board to perform such duties and services as the Board shall authorize.

Section 3. Borrowing

The Board shall have the power to borrow money without the approval of the members of the Association as follows: (a) a maximum of \$500,000 for working capital, (b) a

1st Revision: 6/19/2003; 2nd Revision: 6/17/2004; 3rd Revision: 1/6/2005; 4th Revision: 4/20/2006; 5th Revision: 9/20/2007; 6th Revision: 10/16/2008; 7th Revision: 1/21/2010; 8th Revision: 1/1/2011; 9th Revision: 4/27/2011; 10th Revision Revised 11/16/2012; 11th Revision Revised 8/15/2013; 12th Revision Revised 11/15/13; 13th Revision Revised 8/21/14; 14th Revision Revised 8/18/16; 15th Revision Revised 7/21/22; 16th Revision 2/16/23.

maximum of \$1,800,000 for short term financing for disaster recovery because of a natural disaster, a named tropical storm or hurricane. Further, the Board may borrow (a) any amount from internal accounts or funds, or (b) any amount approved by the Owners and such borrowed amounts shall not be included in the calculation of the borrowing limits set forth in the first sentence of this section.

Section 4. Liability and Indemnification of Officers and Directors

- (a) The Association will indemnify an individual made a party to a proceeding, because the individual is or was a Director and/or Officer against liability incurred in the proceeding if the individual:
 - (1) conducted himself in good faith; and
 - (2) reasonably believed:
 - A. in the case of conduct in his official capacity with the Association, that his conduct was in its best interests; and
 - B. in all other cases, that his conduct was at least not opposed to its best interest; and
 - (3) In the case of a criminal proceeding, had no reasonable cause to believe his conduct was unlawful.
- (b) The termination of a proceeding by judgment, order, settlement, conviction or upon a plea of *nolo contendere* or its equivalent is not, of itself, determinative that the Director and/or Officer did not meet the standard of conduct described in this section.
- (c) A corporation may not indemnify a Director and/or Officer under this section:
 - (1) in connection with a proceeding by or in the right of the Association in which the Director and/or Officer was adjudged liable to the corporation; or
 - (2) in connection with any other proceeding charging improper personal benefit to the Director and/or Officer, whether or not involving action in his official capacity, in which the Director and/or Officer was adjudged liable on the basis that personal benefit was improperly received by the Director and/or Officer.
- (d) Indemnification permitted under this section in connection with a proceeding by or in the right of the Association is limited to reasonable

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expenses, including reasonable attorney's fees, incurred in connection with the proceeding.

- (e) The Association shall indemnify a Director and/or Officer who was wholly successful on the merits in the defense of a proceeding to which the Director and/or Officer was a party because he is or was a Director and/or Officer of the Association against reasonable expenses actually incurred by the Director and/or Officer in connection with the proceeding. The Officers and Directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association except to the extent that such Officers or Directors may also be members of the Association, and the Association shall indemnify and forever hold each such Officer and Director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any Officer or Director, or former Officer or Director, may be entitled. The Association shall, as a common expense, maintain adequate general liability and, if obtainable, Directors' and Officers' liability insurance. Advancement of Fees and expenses shall be made in accordance with the South Carolina Nonprofit Corporation Act, S.C. CODE ANN. Sec.33-31-853.

ARTICLE X: Officers and Their Duties

Section 1. Officers

The Officers of the Association shall be a President, a Vice President, a Secretary, a Treasurer and such other Officers as the Board may, from time to time by resolution create, all of whom shall be Members of the Board.

Section 2. Election of Officers

The election of officers shall take place at the first Directors meeting immediately following the Annual Meeting of the Members. The meeting shall be opened by the President until his/her successor is elected. Thereafter, all Directors, current, outgoing and newly elected shall be eligible to vote for officer appointments. The election of officers of the Association shall be elected annually by these Board Directors and each shall hold office for one (1) year, commencing on January 1 unless he/she shall resign, or be removed or otherwise be disqualified to serve. In the event the annual meeting is not held in December due to impossibility, the previously elected officers term shall continue until such replacement is installed.

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Section 3. Term

The Officers of the Association shall be elected annually by the Board and each shall hold office until resignation, removal, disqualification or a successor is elected.

Section 4. Special Appointments

The Board may elect such other Officer as the affairs of the Association may require, including the temporary appointment of interim Officers in the event of an elected Officer's temporary absence or disability, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal

Any Officer may be removed from office by a majority of the Board. Any Officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies

A vacancy in any office may be filled by the Board. The Officer elected to such vacancy shall serve for the remainder of the term of the Officer he replaces.

Section 7. Multiple Offices

The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices.

Section 8. Duties

The duties of the Officers are as follows:

- (1) **President.** The President shall preside at all meetings of the Board, may vote on all matters before the Board (unless prohibited by law, the Declaration, or these by-laws), shall see that orders and resolutions of the Board are carried out, through its General Manager or management agent if one is hired, shall sign all leases, mortgages, deeds, contracts and other written instruments, (provided however, that the President may, at any time, delegate signing authority, in writing, to the General Manager and such delegation shall be reflected in the Chart of Authority) shall co-sign promissory notes, and shall exercise and discharge such other duties as may be required of him by the Board. The President shall recommend to

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the Board Committee chairpersons for the Board's approval.

- (2) **Vice President.** The Vice President shall act in the place and stead of the President in the event of his absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.
- (3) **Secretary.** The Secretary shall be responsible for recording the votes and keeping the minutes of all meetings and proceedings of the Board and of the Owners, keeping the corporate seal of the Association and affixing it on all papers requiring said seal; serving notice of meetings of the Board and of the Owners; keeping appropriate current records showing the members of the Association, together with their addresses; and performing such other duties as required by the Board. The Secretary may delegate all or a part of the preparation of the minutes and other duties associated with the above responsibilities to a member of the Association's staff.
- (4) **Treasurer.** The Treasurer shall be responsible for receiving and depositing, or causing to be deposited, in appropriate bank accounts all monies of the Association, shall disburse such funds to pay for authorized functions approved by the Board, shall co-sign promissory notes of the Association; shall cause an annual audit or review of the Association's books to be made by a Certified Public Accountant at the completion of each fiscal year; shall develop proper financial records and controls and supervise maintenance of appropriate books of accounts; and shall prepare an annual budget. The budget shall be distributed to Owners; and the review may be mailed to Owners at the discretion of the Board or shall be available at the Association's office during normal business hours for review. The Treasurer may delegate all or part of the above responsibilities to a member of the Association's staff.

ARTICLE XI: Committees

Section 1. General.

The Association's Board shall appoint a Nominating Committee Chair as provided in Article VII of these By-Laws, an Executive Committee as provided in Section 2 of this Article, and a Governance Committee. In addition, the Board shall appoint such other committees as deemed appropriate in carrying out its purpose. All Committees of the Association shall comply with the guidelines established by the Board and shall report their recommendations to the Board for determination of appropriate action(s). Committee members are limited to serving one (1) year terms, for up to three (3) consecutive years and then must vacate the Committee and not reapply for membership

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for one (1) year from the time of appointment. However, in the event no applications for Committee membership are received, the Board may re-appoint an existing member to a one (1) year membership continuance.

Section 2. Executive Committee

The Board shall establish an Executive Committee consisting of the President of the Board and up to four (4) additional Directors who shall be approved by the Board. The Committee shall have authority to exercise all the powers of the Board at any time when the Board is not in session, provided there is an emergency and having a special Board meeting is not practical, so long as such powers are lawfully delegated and are not inconsistent with these By-Laws and the Declaration. The President shall be chair of the Committee and a majority of the members of the Committee shall constitute a quorum. In the event of resignation, illness or other absence of a committee member, an alternate member may be appointed by the President to be approved by the Board.

ARTICLE XII: Books and Records

An Owner may inspect and copy the following records upon written notice at least five (5) business days before the date on which the Owner wishes to inspect and copy if (a) the Owner's demand is made in good faith and for a proper purpose that is reasonably relevant to the Owner's legitimate interest, (b) the Owner describes with reasonable particularity the purpose and that the records that the Owner desires to inspect are directly connected with this purpose, and (c) the records are to be used only for the stated purpose:

- (1) excerpts from minutes of any Board meeting, records of any action of a committee of the Board while acting in place of the Board on behalf of the Association, minutes of any meeting of the members, and records of action taken by the Owners or the Board without a meeting;
- (2) accounting records of the Association; and
- (3) the membership list only if for a purpose related to the Owner's interest as an Owner. Without the consent of the Board, a membership list or any part thereof may not be used to solicit money or property (unless such money or property will be used solely to solicit the votes of the Owners in an election to be held by the Association), used for any commercial purpose, or sold to or purchased by any person. The Association may impose a reasonable charge covering the cost of labor and material for copies of any documents provided to the Owner. Any dispute over the parameters of a request for inspection and copying of Association books and records shall be resolved with reference to the South Carolina Nonprofit Corporation Act, S.C. CODE Ann. SEC. 33-31-1601, *et seq.*

1st Revision: 6/19/2003; 2nd Revision: 6/17/2004; 3rd Revision: 1/6/2005; 4th Revision: 4/20/2006; 5th Revision: 9/20/2007; 6th Revision: 10/16/2008; 7th Revision: 1/21/2010; 8th Revision: 1/1/2011; 9th Revision: 4/27/2011; 10th Revision Revised 11/16/2012; 11th Revision Revised 8/15/2013; 12th Revision Revised 11/15/13; 13th Revision Revised 8/21/14; 14th Revision Revised 8/18/16; 15th Revision Revised 7/21/22; 16th Revision 2/16/23.

ARTICLE XIII: Rulemaking

Section 1. Rules and Regulations

Subject to the provisions hereof, the Board may establish reasonable rules and regulations consistent with the purposes and provisions of the Restated Declaration concerning, the use of Lots, Dwellings, Common Areas, and the facilities located thereon. Copies of such rules and regulations and amendments thereto shall be furnished by the Association to all Owners prior to the effective date of such rules and regulations and amendments thereto. Such rules and regulations shall be binding upon the Owners, their families, tenants, guests, invitees, servants, and agents, until and unless any such rule or regulation be specifically overruled, canceled, or modified by the Board or in a regular or special meeting of the Association with Article VI of the By-Laws. In the event of a violation of the established rules and regulations, the Board shall have the authority to impose such monetary fines and impose such other sanctions as are set forth in the Declaration or in the adopted rules and regulations of the Association.

ARTICLE XIV: Corporate Seal

The Association may have a seal in circular form having within its circumference the words: INDIGO RUN COMMUNITY OWNERS' ASSOCIATION, INC., or an appropriate abbreviation thereof.

ARTICLE XV: Miscellaneous

Section 1. Amendment

These By-Laws may be amended, at a regular or special meeting of the Directors, by a vote of not less than two-thirds (2/3) of the members of the Board, provided that those provisions of these By-Laws that are governed by the Articles of Incorporation of the Association or by the Declaration may not be amended except as provided in the Articles of Incorporation, the Declaration, or applicable law.

Section 2. Conflicts

In the case of any conflict between the Articles of Incorporation of Indigo Run Community Owners' Association, Inc. and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

1st Revision: 6/19/2003; 2nd Revision: 6/17/2004; 3rd Revision: 1/6/2005; 4th Revision: 4/20/2006; 5th Revision: 9/20/2007; 6th Revision: 10/16/2008; 7th Revision: 1/21/2010; 8th Revision: 1/1/2011; 9th Revision: 4/27/2011; 10th Revision Revised 11/16/2012; 11th Revision Revised 8/15/2013; 12th Revision Revised 11/15/13; 13th Revision Revised 8/21/14; 14th Revision Revised 8/18/16; 15th Revision Revised 7/21/22; 16th Revision 2/16/23.

Section 3. Fiscal Year

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year.

Section 4. Gender and Grammar

Wherever in these By-Laws a pronoun is used in the masculine it shall be read and construed in the feminine as an alternative if applicable or more appropriate; and whether a word is used in the singular or plural it shall be read and construed as whichever would best apply.

Section 5. Robert's Rules of Order

The Rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern any meeting of the Board of Directors or the Members in all cases to which they are applicable and in which they are not inconsistent with these Bylaws and any special rules of order the Board of Directors or the Members may adopt.

Section 6. Severability

The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or affect the balance of these By-Laws or the Declaration.

Section 7. Bank Account Signature Cards/Depository Accounts

Any one of the President, Vice-President, Treasurer, or Secretary may sign signatory cards and/or certify the adoption of any standard Depository Board Resolutions pertaining to changes in authorized signatories for existing depository accounts and such certification shall be deemed an action of the Board of Directors. Any new bank or other fund depositories must be approved by full Board action as evidenced by appropriate board resolutions.

1st Revision: 6/19/2003; 2nd Revision: 6/17/2004; 3rd Revision: 1/6/2005; 4th Revision: 4/20/2006; 5th Revision: 9/20/2007; 6th Revision: 10/16/2008; 7th Revision: 1/21/2010; 8th Revision: 1/1/2011; 9th Revision: 4/27/2011; 10th Revision Revised 11/16/2012; 11th Revision Revised 8/15/2013; 12th Revision Revised 11/15/13; 13th Revision Revised 8/21/14; 14th Revision Revised 8/18/16; 15th Revision Revised 7/21/22; 16th Revision 2/16/23.

Prepared By/Return To:
Mutterer Law Firm, LLC
PO Box 29
Bluffton, SC 299110

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)
)

AFFIDAVIT TO RECORD

IN RE: Indigo Run Community Owners Association, Inc.

I, Jannine M. Mutterer, Esquire, do hereby state that:

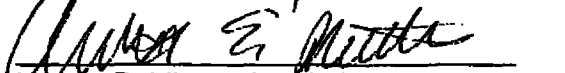
1. I serve as general counsel for Indigo Run Community Owners Association, Inc.
2. This Affidavit is made to record the following documents in order to meet the requirements of the South Carolina Code §27-30-110, et seq. known as The South Carolina Homeowners Association Act which amended Title 27 of the 1976 Code of Laws of South Carolina.
 - a. *Seventeenth Amendment to Indigo Run By-Laws*

FURTHER AFFIANT SAYETH NOT.


Jannine M. Mutterer, Esquire

SWORN TO BEFORE ME THIS

21st day of July, 2026


Notary Public for South Carolina
My Commission expires 2/7/2033

Prepared By/Return To:
Mutterer Law Firm, LLC
PO Box 29
Bluffton, SC 29910

STATE OF SOUTH CAROLINA	)	
	)	
COUNTY OF BEAUFORT	)	SEVENTEENTH AMENDMENT TO
	)	INDIGO RUN BY-LAWS

This 17th Amendment to the Indigo Run By-Laws (the "Seventeenth Amendment") is entered into this 17th day of July, 2026, by INDIGO RUN COMMUNITY OWNER'S ASSOCIATION, INC. (the "Association") to amend certain of the provisions of its bylaws, which are dated February 16, 2023 and recorded with the Beaufort County Register of Deeds on February 24, 2023 in Book 4220 at Page 3022; and

WHEREAS, Article XV, Section 1, of the By-Laws states that the By-Laws may be amended at a regular or special meeting of the Directors by a vote of not less than two-thirds (2/3) of the members of the Board, subject to the limitation that provisions of the By-Laws which are governed by the Articles of Incorporation or by the Declaration may not be amended except as provided in the Articles of Incorporation, the Declaration, or applicable law; and

WHEREAS, a regular meeting of the directors was held on June 18, 2026, at which the following amendment to the By-Laws was approved and authorized by the Board of Directors of the Association by a vote of ten (10) in favor of the Amendment and none (0) against the Amendment and the number of votes in favor and against such amendment is on file with the Secretary of the Association and is available upon request.

WHEREAS, pursuant to the South Carolina Nonprofit Corporation Act of 1994 and the Association's Articles of Incorporation, By-Laws, and Declaration of Covenants, Conditions, and Restrictions (collectively, the "Governing Documents"), the Board of Directors (the "Board") is authorized to manage the affairs and financial operations of the Association; and

WHEREAS, the Board has determined that establishing a Line of Credit and related deposit and investment accounts, is in the best interests of the Association for liquidity management, emergency preparedness, operational flexibility, and financial efficiency; and

WHEREAS, the Finance Committee has reviewed proposed banking relationships, evaluated the funding needs relating to casualty events such as a named storm, and recommends the establishment of such credit facilities, accounts, and related security arrangements as necessary to facilitate the Association's financial operations; and

WHEREAS, the Board has determined that the proposed level of credit availability is warranted in light of the Association's increased financial exposure to casualty events, including the anticipated reduced availability of federal, state, and county emergency relief funds-including FEMA assistance-for debris removal on private HOA properties (as contrasted with governmental support received following Hurricane Matthew), escalating rates charged by emergency response contractors such as Crowder Gulf, and significant increases in fuel and labor costs in the Hilton Head Island market; and

NOW, THEREFORE, For and in consideration of the above premises and in accordance with the provisions of Article IX, Section 3, of the By-Laws, the Association does hereby amend the By-Laws, as follows:

The Board shall have the power to borrow money without the approval of the members of the Association in the event of a casualty event, including a natural disaster or hurricane. Such borrowing is limited to an aggregate multiple of 2 times the annual assessment, applicable to all members, existing at the time of the casualty event. Further, the Board may borrow (a) any amount from internal accounts or funds, or (b) any amount approved by the Owners and such borrowed amounts shall be included in the calculation of the borrowing limits set forth in the preceding two sentences. The Line of Credit may be accessed only upon the express approval of the Board.

All of the other terms and conditions of the Indigo Run By-Laws and all Amendments thereto, are hereby ratified and confirmed and shall remain in full force and effect.

IN WITNESS WHEREOF, this Seventeenth Amendment to the Indigo Run By-Laws has been executed by the Association on the day and year above first written.

SIGNATURE PAGE TO FOLLOW

(Signature Page; Seventeenth Amendment to the Indigo Run By-Laws)

WITNESSES:

[Signature]
[Signature]

INDIGO RUN COMMUNITY OWNERS'
ASSOCIATION

By: [Signature]
Name: David McNair
Its: President

By: [Signature]
Name: Thomas Huber
Its: Secretary

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

ACKNOWLEDGEMENT

I, the undersigned Notary Public for South Carolina, do hereby certify that David McNair, and Thomas Huber, personally appeared before me this day and, in the presence of the witness(es) above named, acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this 17 day of July, 2026.

[Signature]
Notary Public for South Carolina
My Commission Expires: July 17, 2027

Dodi Heywood
Notary Public, State of South Carolina
My Commission Expires July 17, 2027

[Signature]