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STATE OF SOUTH CAROLINA     )     IN RE: RECORDING OF 2<sup>ND</sup> AMENDED AND  
  )     RESTATED COVENANTS AND 2<sup>ND</sup>  
COUNTY OF BEAUFORT         )     AMENDED BYLAWS FOR CROSSWINDS

WHEREAS, that certain Resolution and Certificate of Authenticity (2<sup>nd</sup> Amended & Restated Covenants and Bylaws) was recorded with the Register of Deeds on August 8, 2022 in Book 4171 at Page 3145;

WHEREAS, the 2<sup>nd</sup> Amended and Restated Declaration of Covenants and Provisions for Membership in Crosswinds Property Owners' Association, Inc. was inadvertently omitted from Exhibit "A"; and

WHEREAS, there was an additional typographical error on the recorded Resolution,

Now therefore, I have caused a new Resolution to be executed and the corrected documents to be recorded with the proper attachments.

MINOR, HAIGHT & ARUNDELL, P.C.

By: *Stacey S. Collins*  
Stacey S. Collins

**STATE OF SOUTH CAROLINA      )**  
**)**  
**COUNTY OF BEAUFORT            )**      **RESOLUTION AND CERTIFICATE OF**  
**)**      **AUTHENTICITY**  
**)**      **(2<sup>nd</sup> Amended & Restated Covenants and**  
**)**      **Bylaws)**

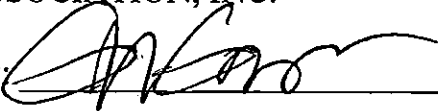
WHEREAS, Crosswinds Property Owners' Association, Inc. (the "Association") is a non-profit corporation in good standing, organized for the purpose of administering the property known as Crosswinds located on Hilton Head Island, in Beaufort County, South Carolina, as set forth in the Declaration of Covenants and Provisions for Membership in Crosswinds Property Owners' Association, Inc. dated April 19, 1999 in Deed Book 1163, at Page 2062 (the "Declaration") and also those certain Bylaws of Crosswinds Property Owners' Association, Inc. attached thereto as Exhibit "B" ("Bylaws"), all as may be amended from time to time; and

WHEREAS, the South Carolina Homeowners Association Act, S.C. Code Ann. §27-30-110 et seq. ("SCHAA") mandates that all governing documents, and any amendments thereto, must be recorded with the ROD;

It is therefore resolved and certified:

- 1. That on Monday, June 20, 2022, by written ballot in lieu of a meeting the Membership, having established a quorum, did adopt in accordance with the Declaration and Bylaws, the 2<sup>nd</sup> Amended and Restated Declaration of Covenants and Provisions for Membership in Crosswinds Property Owners' Association, Inc. as well as the 2<sup>nd</sup> Amended and Restated Bylaws, true and correct copies of which are attached hereto (the "2<sup>nd</sup> Amended and Restated Covenants and Bylaws");
- 2. That the undersigned in the duly appointed Secretary of Crosswinds and as such, has the requisite knowledge and authority to execute this instrument on behalf of the Board and to record this 2<sup>nd</sup> Amended and Restated Covenants and Bylaws in accordance with the SCHAA.

So certified on this 8/11 day of August, 2022.

CROSSWINDS PROPERTY OWNERS'  
ASSOCIATION, INC.  
By:   
Its: Secretary

After Recording Return to:  
MINOR, HAIGHT & ARUNDELL, P.C.  
P.O. Drawer 6067  
Hilton Head Island, SC 29938

STATE OF SOUTH CAROLINA )  
 )  
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COUNTY OF BEAUFORT )  
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**SECOND AMENDED & RESTATED  
DECLARATION OF COVENANTS  
AND PROVISIONS FOR MEMBERSHIP  
IN CROSSWINDS PROPERTY  
OWNERS' ASSOCIATION, INC.**

**THIS SECOND AMENDED AND RESTATED DECLARATION OF COVENANTS AND PROVISIONS FOR MEMBERSHIP IN CROSSWINDS PROPERTY OWNERS' ASSOCIATION, INC. (the "Declaration" also referred to as the "Covenants"),** is made effective this 20<sup>th</sup> day of June, 2022, by CROSSWINDS PROPERTY OWNERS' ASSOCIATION, INC., (hereinafter referred to as "Association") a non-profit corporation organized and existing under and by the laws of the State of South Carolina, its successors, and assigns.

**WITNESSETH:**

**WHEREAS,** B & A Crosswinds, L.L.C., (the "Declarant"), recorded that certain Declaration of Covenants and Provisions for Membership in Crosswinds Property Owners' Association, Inc. dated April 19, 1999, in the Office of the Register of Deeds for Beaufort County, South Carolina in Deed Book 1163 at Page 2062, as amended by that certain First Amendment to Declaration dated March 10, 2000 and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Deed Book 1271 at Page 1256; that certain Amended and Restated Declaration of Covenants and Provisions for Membership in Crosswinds Property Owners' Association, Inc. dated June 19, 2000, in the Office of the Register of Deeds for Beaufort County, South Carolina in Deed Book 1305 at Page 148; by that certain Second Amendment to Declaration dated April 10, 2002 and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Deed Book 1635 at Page 2134; and by that certain First Amendment (to the First Amended and Restated Covenants) having an effective date of December 1, 2011 and being recorded in the Office of the Register of Deeds for Beaufort County, South Carolina on January 6, 2012 in Deed Book 3110 at Page 2158 (the original Declaration as amended being referred to herein collectively as the "First Amended and Restated Covenants");

**WHEREAS,** Declarant recorded that certain Assignment of Declarant Rights dated

October 24, 2008, in the Office of the Register of Deeds for Beaufort County, South Carolina in Deed Book 2779 at Page 921, assigning its rights under the Declaration, as amended, to the Association; and

**WHEREAS**, the Association, via written ballot in lieu of a meeting pursuant to S.C. Code Ann. §33-31-704 concluded on June 20, 2022, for which notice of the amendments contained in this Declaration was properly given and a quorum was established, did approve and adopt this Declaration;

NOW, THEREFORE, the Association hereby declares that the Property described in Article II of this Declaration, is and shall be held, transferred, sold, devised, assigned, conveyed, given, purchased, leased, occupied, possessed, mortgaged, encumbered, improved, and used subject to the Covenants. The benefits of these Covenants, whether pertaining to items, benefits and obligations presently existing or to be created or executed in the future, do and shall, in equity and at law, touch concern, benefit and burden, and run with the land and any estates in the land herein referred to as the Property, and these Covenants are intended to be covenants and servitudes burdening and benefiting all persons now or hereafter deriving a real property estate in the Property whether by assignment, succession or inheritance or other method of conveyance.

**PART ONE**  
**GENERAL REFERENCES**

**ARTICLE I:**  
**DEFINITIONS**

**Section 1.1: Definitions.** The following words and terms, when used in this Declaration, or any supplemental Declaration, unless the context clearly shall indicate otherwise, shall have the following meanings.

- (a) “Architectural Review Board” or “Review Board” or “ARB” means the Architectural Review Board described in Section 3.2 of this Declaration.
- (b) “Assessments” shall mean all Annual Assessments, Special Assessments, and other charges as provided in Article VIII, Section 8.1 of this Declaration.
- (c) “Association” shall mean Crosswinds Property Owners’ Association, Inc.
- (d) “Board” shall mean the Board of Directors of the Association as defined in the By-Laws of the Association.
- (e) “Common Expenses” shall mean and refer to all expenditures lawfully made or incurred by or on behalf of the Association, together with all funds assessed for creation or maintenance of reserves, pursuant to provisions of this Declaration.
- (f) “Common Property” shall mean and refer to those areas of land, including those with any improvements thereon, which are deeded to the Association and designated in said deed as Common Property. The term “Common Property” shall include any personal

property acquired by the Association, if said property is designated as "Common Property". All Common Property is to be devoted to and intended for the common use and enjoyment of the Owners of the Lots and Dwellings, their families and guests, The term "Common Property" shall also refer to all areas provided for the common use and enjoyment of Owners of the Lots, their families and guests, and designated as Common Property on the plat referred to in **EXHIBIT "A"** or on any other approved plat or Master Plan evidencing a specific intent to designate Common Property, whether or not such property has been actually conveyed to the Association.

(g) "Declarant" shall mean and refer to B & A Crosswinds, L.L.C.

(h) "Declaration" or "Covenants" shall mean and refer to this Second Amended and Restated Declaration of Covenants and Provisions for Membership in Crosswinds Property Owners' Association, Inc., and any duly adopted amendments thereto which are recorded in the Office of the Register of Deeds for Beaufort County, South Carolina.

(i) "Dwelling" shall mean and refer to any improved Lots intended for use as single-family detached dwellings located within the Property.

(j) "Institutional Mortgagee" means any bank, the Federal National Mortgage Association (FNMA), insurance company, federal or state credit union, FHA approved mortgage lending institution, recognized pension fund investing in mortgages, federal or state savings and loan association, having recorded a mortgage lien upon any Lot or which has acquired and holds title thereto as a result of foreclosure of any such mortgage lien or by deed in lieu of foreclosure, or any other lender approved in writing by the Association.

(k) "Lot" shall mean and refer to any parcel of land within the Property upon which it is intended that a single-family dwelling be constructed. Said definition does not include the single-family detached dwelling to be constructed on the Lot.

(l) "Member" shall mean and refer to each of those persons or entities entitled to membership in the Association, as provided in Article VI hereof

(m) "Mortgage" with an initial capital letter shall mean and refer to any mortgage, security deed, deed of trust, or other similar security instrument granting, creating or conveying a lien in a Lot or Dwelling

(n) "Non-Profit Act" shall mean the South Carolina Non-Profit Corporations Act, S.C. Code Ann. §33-31-10 et seq.

(o) "Owner" shall mean and refer to the holder of title to any Lot situated upon the Property as shown on the records in the Office of the Register of Deeds for Beaufort County, South Carolina whether said holder is one or more persons, firms, associations, corporations, or other legal entities of the fee simple title, but shall not mean or refer to a mortgagee under a Mortgage unless and until such mortgagee has acquired title pursuant to a foreclosure proceeding or any proceeding in lieu of foreclosure, nor shall the term owner mean or refer to any lessee or tenant of the Owner. The term "Owner" shall also include all those individuals as provided herein in Article VI. Furthermore, for the purposes

of the use of the recreational amenities, the enjoyment of the Open Space and the use of the Common Property, the term "Owner" shall include:

- (i) the Owner's spouse; and
- (ii) all family members of the Owner so long as such family members are:
  - (1) residing in the Owner's household or away at school or in the military; and
  - (2) under twenty-five (25) years of age.
- (p) "Open Space" shall mean and refer to those parcels of land which are dedicated by a recorded Declaration as land for such purposes or identified as such on a plat recorded by the Declarant or the Association, which, pursuant to these Covenants, cannot be developed or improved or altered except as provided in Article VII and any other relevant sections of these Covenants. Open Space shall be designated in such Declaration, making reference to recorded plats. Use of the term "Open Space" shall not mean or imply that the general public at large has access to or use and enjoyment of the land which is so designated.
- (q) "Property" or "Properties" shall mean and refer to the Property described in Article II hereof.
- (r) "Rules" shall mean any rules or regulations duly adopted by the Board of Directors of the Association and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, as may be amended from time to time.

**ARTICLE II:**  
**Property Description/General Plan of Development**

**Section 2.1: The Property.** The real property ("the Property") which is and shall be held, transferred, sold, conveyed, given, donated, leased, and occupied subject to these Covenants, is described in **EXHIBIT "A"** to these Covenants.

**Section 2.2: Additional Property.** In addition to the Property described in Section 2.1 above, wherever used in these Covenants the term "the Property" shall also mean and refer to all property which may be contiguous to the Property or located nearby if such property is voluntarily submitted hereunder by the owner thereof with the consent of the Association. The intent of this Section is that Association shall have the unrestricted right to authorize the addition of property to these Covenants with such addition becoming effective upon filing a document of record in the Office of the Register of Deeds ("ROD") for Beaufort County, South Carolina, executed in recordable form, by the property owner and the Association, describing such property and stating that the addition was approved by the Owners in the same manner as an amendment to this Declaration as described at Article XII hereof.

Section 2.3: General Plan of Development.

For purposes of these Covenants the phrase "Master Plan" shall mean and refer to the Property as currently developed, being a private residential community featuring recreational facilities, various amenities, and any other lawful activities which the Association deems appropriate as uses for such Property. Association reserves the right to review and modify its Master Plan at its sole option from time to time as it deems reasonably necessary or desirable and it shall not be strictly bound to adhere to Master Plans in the development of the Property except in the following specific instances:

- (a) That there will be no more than sixty-seven (67) Lots; and
- (b) That the Property will include, as Common Property, at a minimum: a swimming pool, one or more ponds and one (1) common dock.

**PART TWO**  
**LAND USE RESTRICTIONS**

**ARTICLE III:**  
**GENERAL LAND USE RESTRICTIONS AND OBLIGATIONS**

Section 3.1: Use of Property. The Association does hereby declare that the Property which is the subject of this Declaration shall be utilized for residential purposes and all commercial activities upon, or within said Property are hereby prohibited; provided, however, that this prohibition shall not be interpreted as preventing the Association, or its agents, successors and/or assigns from maintaining its management offices or conducting promotional activities upon the Property. The Association further acknowledges that it may include additional restrictions or modifications in deeds to various properties to further define the scope of this general use condition. The allowance or approval of a proposed use under this Section shall not be interpreted as a representation that such use complies with any applicable governmental zoning and/or land use regulation. Such regulations may apply further use restrictions in addition to the above. Notwithstanding the above, Owners may have for profit home offices located on the Property provided that said office does not regularly have business visitors, nor involve sales and/or storage of inventory. Furthermore, this Section shall not prevent the Association from charging user fees or rental fees in conjunction with the use of the Common Property.

Section 3.2: Architectural Review Board. The Association may establish an Architectural Review Board ("ARB") and appoint its members to function as its agent for the purpose of reviewing and approving all activities which are made subject to architectural approval by these Covenants. The ARB shall be composed of at least three (3) and no more than nine (9) Owners or, at Association's discretion, others who need not be owners of Lots within the Property, and such ARB Members shall serve for terms of one (1) year. If new appointments are not made by the Board, the existing ARB members may continue to serve until their replacements are appointed. The ARB may, with the consent of the Board, engage or contract with consultants as may be necessary to carry out this function. Standards for review and construction guidelines ("ARB

Guidelines”) may be published by the ARB from time to time, with the unanimous consent of the Board, and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina. NO APPROVAL OF PLANS, LOCATION OR SPECIFICATIONS, AND NO PUBLICATION OF ARCHITECTURAL STANDARDS BULLETINS BY THE ASSOCIATION OR THE ARB SHALL EVER BE CONSTRUED AS REPRESENTING OR IMPLYING THAT SUCH PLANS, SPECIFICATIONS OR STANDARDS WILL, IF FOLLOWED, RESULT IN A PROPERLY DESIGNED BUILDING OR THAT SUCH STANDARDS COMPLY WITH PERTINENT LAW. ANY ESTABLISHED STANDARDS OR GUIDELINES MAY BE CHANGED FROM TIME TO TIME AT THE DISCRETION OF THE ARB, WITHOUT PRIOR NOTICE. THE ASSOCIATION, ARB, OR ANY OFFICER, EMPLOYEE, AGENT, DIRECTOR, OR MEMBER THEREOF SHALL NOT BE LIABLE FOR DAMAGES TO ANY PERSONS SUBMITTING PLANS AND SPECIFICATIONS FOR APPROVAL BY REASON OF MISTAKE IN JUDGMENT, NEGLIGENCE OR NONFEASANCE ARISING OUT OF OR IN CONNECTION WITH THE APPROVAL, DISAPPROVAL OR FAILURE TO APPROVE ANY PLANS AND SPECIFICATIONS. EVERY PERSON WHO SUBMITS PLANS AND SPECIFICATIONS FOR APPROVAL AGREES, BY SUBMISSION OF SUCH PLANS AND SPECIFICATIONS, THAT IT WILL NOT BRING ANY ACTION OR SUIT AGAINST THE ASSOCIATION, DECLARANT, OR ARC TO RECOVER ANY SUCH DAMAGES.

Section 3.3: Architectural Review of Specifications for New Construction or Additions Reconstructions, Alterations or Changes to Structures, Landscaping and Siting.

(a) No building, fence, gazebo, retaining wall, sign, pool, landscaping or other structure or landscaping element shall be erected, placed or altered on said Property until the proposed building, plans, specifications, tree and topographical survey, exterior color and finish, landscape plan including exterior lighting, and plot plan (showing proposed location of such building or structure, setbacks, open space, drives, landscape elements, patios, decks and parking areas) shall have been approved in writing by the ARB. Refusal of approval of plans, location or specifications may be based by the ARB upon any reasonable grounds, including purely aesthetic considerations, which in the ARB's sole discretion shall be deemed sufficient.

(b) No alterations in the exterior appearance of any building, landscape element or structure shall be made without like approval by the ARB. All requisite plans and related data, together with such fees as the ARB Guidelines may require covering costs of plan review by professionals and other ARB administrative expenses, shall be furnished to the ARB, or its agent, for its records. Furthermore, a reasonable fee, as determined by the ARB, may be required at the time of submittal to cover costs of plan review by professionals and other ARB administrative expenses. Approval shall be dated and shall not be effective for construction commenced more than twelve (12) months after such approval unless a different expiration time is specifically stated in the approval. Disapproved plans and related data shall be accompanied by a statement of items found unacceptable. In the event the ARB fails to affirmatively grant or deny such application within thirty (30) days following receipt of a completed application with all required documentation and written



request for approval, the application shall be deemed to have been denied and all fees previously paid by Owner refunded, less costs actually incurred in the application review.

Section 3.4: Exterior Antennas, Towers, and Solar Panels. Except as provided for under the Telecommunications Act of 1996, no television antenna, radio antenna, solar panels, satellite receiver or other rooftop device in excess of one (1) meter in diameter, may be placed upon any Lot; provided, however, that such devices may be allowed by the ARB at its discretion. In those cases when such devices are allowed, the ARB shall have the right to reasonably regulate height, location, and other aesthetic features, including the right to require appropriate natural or artificial screening.

Section 3.5: Tree Removal. No trees measuring six (6") inches or more in diameter at a distance of four (4') feet. above ground level may be removed without the written approval of the ARB.

Section 3.6: Service Yard. Each lot shall have a visually screened area to serve as a Service Yard and an area in which garbage receptacles, fuel tanks, or similar storage receptacles, electric and gas meters, air conditioning equipment, and other unsightly objects must be placed or stored in order to conceal them from the road and other adjacent properties. Household fuel tanks must be permitted from the proper authorities and may be located outside of such screened areas only if located underground. Plans for such fence or screening delineating size, design, color, texture, appearance, and location must be approved by the ARB prior to construction.

Section 3.7: Minimizing Construction Disturbances. During any construction on a Lot, the Owner and the contractor shall maintain the construction site in a clean and uncluttered condition, and construction activities may be restricted to certain times and days of the week, as provided for in the ARB Guidelines. Nothing contained herein shall prevent the Association, or the ARB from conducting or authorizing construction outside of such restricted hours or days in the event of an emergency.

Section 3.8: Temporary Structures, Outbuildings and Construction Site Clean-Up. No structure of a temporary character shall be placed upon a Lot at any time; provided, however, that this prohibition shall not apply to shelters used by the contractor during the construction of any main building. Under no circumstances shall these latter temporary shelters be used as residences or permitted to remain on said Lot after completion of construction. Furthermore, during construction, said shelters shall be subject to continuous clean-up. After completion of construction, it shall be the sole responsibility of the Owner to ensure that all temporary structures are removed immediately and that the site is cleaned up and placed in good order. The design size and color of structures temporarily placed on said Lot by a contractor or subcontractor shall be subject to the reasonable aesthetic approval of the ARB.

Section 3.9: Water and Sewage. No Dwelling may be erected on the Lot unless suitable provisions have been made for water and the disposal of sewage by Owner and said provisions have been approved by the ARB. No portable water or irrigation wells may be drilled or maintained on the Lot by anyone other than the Declarant or the POA; provided, however, that this prohibition is not intended to prevent the ARB from approving heating and cooling systems which include a closed loop groundwater well system.

Section 3.10: Minimum Required Square Footage; Maximum Height; Setback. No Dwelling Unit will be approved unless the proposed Dwelling will have a minimum square footage of One Thousand Eight Hundred (1800) square feet of enclosed dwelling area if single story, and Two Thousand Four Hundred (2400) square feet of enclosed dwelling area if one and one-half or two story. No Dwelling may exceed three habitable floors. The term "enclosed dwelling area" as used in these minimum size requirements shall mean the total enclosed area air conditioned and heated within a dwelling, excluding garages.

No structure shall be constructed on a Lot which has a height exceeding forty-five feet (45') above A-7 14.0 MSL (FEMA). All Dwellings shall have as a minimum first floor elevation the level of the one-hundred-year flood as designated on the official Beaufort County flood plain maps.

No structure shall be constructed on a Lot within the building set back established by the Declarant for each Lot unless otherwise approved by the ARB.

Section 3.11: Animals. No animals, livestock or poultry of any kind shall be raised, bred, kept or pastured on the Property other than household pets kept in any one residence. For purposes of these Covenants, the term "household pets" shall mean a cat, dog, or appropriately documented service or support animal. Exotic animals (e.g. monkeys, pythons, etc.), farm animals (e.g. chickens, pigs, miniature horses, etc.) are not permitted. Vicious Canines [e.g.. American Pit Bull Terriers, American Staffordshire Terriers, Stafford Bull Terriers, Rottweilers, or any dog that, in the discretion of the Board, exhibits physical characteristics which predominately conform to the standards established by the American Kennel Club (AKC), the United Kennel Club (UKC), or the American Dog Breeders Association (ADBA) for any of those breeds; or any other dog, regardless of breed, that the Owner or Resident knows, or should have known, has attacked, bitten, or otherwise harmed any person or animal] are not allowed. If a dog attacks, bites, or otherwise harms any person or pet in the Property (or threatens to attack, bite, or otherwise harm any person), the Board may, in its sole and absolute discretion, require that the dog be permanently removed from the Property and assess the costs for such removal to the Owner and/or Resident of the Lot or Residence where the pet resides.

Notwithstanding anything contained herein to the contrary, not more than three (3) animals of any kind may be maintained on any one Lot

Section 3.5: Unsightly Conditions. It shall be the responsibility of the Owner, his heirs, successors and assigns to prevent the development of any unclean, unsightly, or unkempt conditions of buildings or grounds on said Property which shall tend to decrease the beauty of the neighborhood.

Section 3.6: Offensive Activity. No noxious or offensive activity shall be carried on upon said Property, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to the neighborhood. There shall not be maintained any plants or devices or thing of any sort whose normal activities or existence is in any way noxious, dangerous,

unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of the other Property in the neighborhood by the Owners thereof. Further, while it is understood that the Owners will have garbage receptacles, such receptacles shall be for domestic garbage only and the Owner shall not be authorized to dispose of any hazardous waste materials on a Lot or within the Property. The term "hazardous waste materials" shall mean any substance, material, waste, gas or particular matter, which is regulated by any local government authority, the State of South Carolina or the United States Government, as a "hazardous waste", "hazardous waste material", "hazardous substance" or restricted "hazardous waste".

Section 3.7: Other Buildings and Vehicles. No mobile homes, trailers, tents (other than children's tents on a temporary basis), barns or similar out-buildings, vehicles or structures shall be placed on any Lot at any time, either temporarily or permanently without prior approval of the Association and such approval shall normally be limited to temporary use of such structures reasonably essential to economical, orderly, and efficient construction during the construction process only. No motorcycles or motorbikes may be maintained on the Property unless otherwise approved by the Association. Further, no boats, boat trailers, camper trailers, recreational vehicles, trucks, or utility trailers may be maintained on the Property without prior written approval of the Association unless garaged at all times. The term "truck" as used herein is intended to refer to those vehicles of various sizes and designs for transporting goods, moving heavy articles, or hauling quantities of cargo and which are used in a trade or business in which the truck is used because of its commercial capabilities and identification of a commercial enterprise on the exterior of the vehicle. This is not intended to include attractive dual-purpose vehicles driven and maintained primarily as a means of transportation, such as station wagons, mini-vans, Jeeps, Scouts, Wagoneers, Suburban type vehicles, sport utility vehicles, trucks and other pickup type trucks of three-quarter (3/4) tons or less, that do not have exposed signage or logos other than discreet identification approved by the ARB and do not have exposed equipment or supplies.

Section 3.8: Signs. No commercial signs, including "for rent" or "for sale" and other similar signs, shall be erected or maintained on or in said Property by anyone other than the Association, including, but not limited to, the Owner, a realtor, a contractor, or a subcontractor, except with the written permission of the ARB, or except as may be required by legal proceedings. If such permission is granted, the ARB reserves the right to restrict size, color, and content of such signs.

Section 3.9: Restrictions of Use of Roadways. Subject to the rights of ingress and egress of Owners and their guests, Declarant and its successors shall have the power to place any reasonable restriction upon the use of the private roadways within the Property and leading through lands owned or managed by Declarant to the Property, including, but not limited to restrictions pertaining to the speeds of vehicles, including "speed bumps", traffic and parking regulations, and vehicular noise levels. The fact that such restrictions on the use of the roads shall be more restrictive than the laws of any state or local government having jurisdiction over the Property shall not make such restrictions unreasonable.

Section 3.10: Landscaping Maintenance. No weeds, underbrush or other unsightly vegetation shall be permitted to grow or remain upon any Lot, and no refuse pile or unsightly objects shall be allowed to be placed or suffered to remain anywhere thereon. All Lots and all portions of the Property and any improvements placed thereon shall at all times be maintained in a neat, attractive

and orderly manner, including maintenance of grass, plants, plant beds, trees, turf, proper irrigation and lake/conservancy/water/marsh maintenance.

Section 3.11: Right of Entry. Whenever there shall exist a condition which is in violation of these Covenants, the Association, its agents and assigns, shall have the right to enter upon said Property where such violation exists and summarily abate or remove the same at the expense of the Owner if, after written notice of such violation in accordance with Article X, Section 10.3, such condition or violation shall not have been corrected by the Owner, and to assess the cost of such abatement or removal against the Owner. Notwithstanding the foregoing, the Association may exercise this right of entry without notice to abate a hazardous condition or violation of these Covenants if the condition poses an immediate risk of substantial injury or damage to persons or property. Any such entry or abatement or removal shall not be deemed a trespass.

Section 3.12: Consolidation of Property. Lots shall not be further subdivided or its boundary lines changed except with the written consent of the Association; provided, however, that nothing contained herein shall be construed to prohibit the Association the right to re-plat, by subdivision, consolidation or reconfiguration any Lot or Lots into one (1), two (2) or more lots which are owned by the Association, and the Association may take such other steps as are reasonably necessary to make such re-platted Lot(s) suitable and fit for use for its originally intended purposes. Such steps may include, but are not limited to, the relocation of easements, walkways, and rights-of-way to conform to the new boundaries of said re-platted Lots. In the event of an Owner, or Owners, owning two (2) or more contiguous lots, said Owner, or Owners, may apply to the Association for a consolidation of the two (2) or more lots into one or more Lots. At its discretion, the Association may then take such steps as are reasonably necessary to make this consolidation of the two (2) or more contiguous lots of record, such cost and expense to be the responsibility of the Owner or Owners making the request. The consolidating Owner, its successors and/or assigns, shall remain liable for two assessments.

Section 3.13: Docks, Landings and Boat-slips. No docks, landings, boat-slips, or similar structures (other than the common dock maintained by the Association as Common Property) may be constructed or placed on the Property or any lot or any marsh or waterway adjacent to any lot except as otherwise approved by the ARB.

Section 3.14: Use Prohibition.

- (a) Timesharing & Interval Uses. No time sharing, fractional, or other forms of ownership having the effect of providing for interval ownership and/or use of a Lot, including, but not limited to that defined under the Vacation Time Sharing Act, a Vacation Multiple Ownership Act, as codified in Title 27, Chapter 32 of the South Carolina Code at the time this Declaration is recorded, shall be permitted on the Property. Notwithstanding the foregoing, a Lot may be held in a Family Trust for the use and enjoyment of multiple individuals provided that they are related by consanguinity or marriage.

- (b) Short Term/Vacation Rentals. No Dwelling, or any portion thereof, may be leased on a short-term or vacation rental basis, nor shall it be let or utilized as an Airbnb or similar vacation or overnight accommodations, or enrolled in any house swapping forum or other similar system designed to allow for the use of the dwelling by persons other than the Owners, and their family members. For purposes of this Section, the term "short-term" or "vacation rental" shall mean any rental for a period of less than twelve (12) continuous months. It is the intent of this Section to ensure that all Lots are occupied as single-family residences by the Owners or their tenants under a year or longer lease and not on a transient basis, so as to preserve the residential character of the neighborhood.

#### ARTICLE IV ENVIRONMENTAL CONTROLS

Section 4.1: Topography and Vegetation. Topographic and vegetation characteristics of a Lot shall not be altered by removal, reduction, cutting, excavation, fill or any other means without the prior written approval of the ARB.

Section 4.2: Environmental Hazards. To secure the natural beauty of Crosswinds, the Declarant, its successors or assigns may promulgate and amend from time-to-time Rules which shall govern activities which may, in its judgment, be environmentally hazardous, such as the application of fertilizers and pesticides and other chemicals.

Section 4.3: Erosion in Common Property. The Association, its successors and assigns, shall have the right, but shall not be obligated, to protect all Common Property from erosion, by planting trees, plants, and shrubs where and to the extent necessary or by mechanical means such as construction and maintenance of siltation devices.

Section 4.4: Mitigation Wetlands. No filling, grading, mowing or other disturbance of any kind whatsoever shall be permitted in any area within the Property designated a "mitigation wetlands" by the Association or any applicable governmental authority.

#### ARTICLE V: SPECIAL RESTRICTIONS AFFECTING MARSH FRONT AREAS

Section 5.1: Waterfront Setback Requirements. No Dwelling or building may be erected by anyone other than the Declarant or the Association within twenty (20) feet of the OCRM Critical Line as shown on the plats referred to at **Exhibit "A"** and any future recorded plat of the Property; provided, however, that structures or improvements in the nature of pools, decks, hot tubs, spas, or cook-out areas and any other structure may be built within such setback if requirements may be approved by the ARB where, in the sole discretion of the ARB, adjacent property would not be harmed by such variances.

**PART THREE**

**PROVISIONS FOR CROSSWINDS PROPERTY OWNERS' ASSOCIATION, INC.**

**ARTICLE VI:**  
**MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION**

**Section 6.1: Membership.** Every person and entity who is a record Owner of a fee simple or undivided fee simple interest in any Lot or Dwelling subject to this Declaration or which is subsequently submitted to this Declaration by recorded deed or covenant, shall be a Member of the Association (subject to the provisions relating to multiple ownership set forth in Section 6.2 below), provided that any such person or entity holding such title or interest merely as a security for performance of an obligation shall not be a Member of the Association. Membership shall be appurtenant to and may not be separated from Ownership of any Lot or Dwelling.

**Section 6.2: Multiple Ownership.** As defined in Section 1.1 (o), an Owner of a Lot in the Property may be more than one individual and may be a corporation or other legal entity. In such situation, however, such an Owner must designate a Member on an annual basis in accordance with the By-Laws of the Association. In such case, only the Member so designated shall be entitled to vote on Association matters as an Owner. Further, only the Member so designated, those persons related thereto who are included in the definition of Owner, or any permitted tenant(s) shall occupy any Lot as their single-family residence. In the absence of a written designation, the Association may designate any officer, manager, partner, of an owning entity as the designated Member. In the case of ownership by multiple natural persons, the Association may designate any one of those individuals appearing on title as the designated Member. In either instance, notice to the designated Member shall constitute notice to all Owners of the Lot.

**Section 6.3: Voting Rights.** Each Owner shall have one (1) vote per Lot. The construction of a Dwelling within a Lot shall in no way be construed to increase or alter the voting strength of such Lot, and such improved Lot shall continue to have one vote for voting purposes within the Association.

**Section 6.4: By-Laws.** The By-Laws of the Association, and any amendments thereto, shall be recorded in the Office of the Register of Deeds for Beaufort County, South Carolina. Recordation shall be deemed to be notice to the Owners.

**ARTICLE VII:**  
**PROPERTY RIGHTS AND COMMON PROPERTY**

**Section 7.1: Owner's Easements of Employment.** Subject to the provisions of these Covenants and the Rules of the Association, every Owner shall have a right and easement of enjoyment in and to the Common Property. Said easement shall be appurtenant to and shall pass with title to every Lot within the Property.

**Section 7.2: Title to Common Property.** The Association shall hold title to the Common Property for the benefit of the Owners.

Section 7.3: Extent of Owner's Easements. The right and easement of enjoyment created hereby shall be subject to the following:

- a. The right of the Association, in accordance with its By-Laws, to borrow money for the purpose of maintaining, repairing, replacing, or improving the Common Property and, in furtherance thereof, to mortgage said Common Property;
- b. The right of the Association, as provided in its By-Laws, to suspend the enjoyment of rights of any Owner for any period for which any Assessment remains unpaid, and for any period not to exceed sixty (60) days for any infraction of these Covenants and/or its published Rules, it being understood that a suspension for either nonpayment of any Assessment or a breach of the rules of the Association shall not constitute a waiver of discharge of the respective Owners' obligation to pay the Assessment;
- c. The right of the Association to dedicate or transfer to any public or private utility, fee title to or utility easements on or to any part of the Common Property; and
- d. The right of the Association to give or sell or lease all or any part of the Common Property, including a leasehold interest, to any public agency, authority, or utility or private concern for such purposes and subject to such conditions as may be agreed to by the Owners, provided that no such gift or sale or determination as to the purposes or as to the conditions thereof shall be effective unless such shall be authorized by the vote of three-fourths (3/4) of the Owners at a duly called meeting and unless written notice of the proposed agreement and action thereunder is sent to every Owner at least thirty (30) days in advance of any action taken.

A true copy of such Resolution together with a certificate of the vote taken thereon shall be made and acknowledged by the President or Vice President and Secretary or Assistant Secretary of the Association and such certificate shall be annexed to any instrument of dedication or transfer affecting the Common Property, prior to the recording thereof. Such certificate shall be conclusive evidence of authorization by the Owners.

Section 7.4: Use of Common Property: Liability of Association and Declarant. Neither the Association, its directors and officers, or agents, shall be liable to any Owner, their lessees, invitees, and/or guests for any damage or injury which results from the use of the Property, or any rule or regulation promulgated pursuant to these Covenants or the By-Laws. The Common Property is for the exclusive use of the Members of the Association and their guests. Although, the Association will be responsible for the general upkeep and maintenance of the Common Property as provided herein, neither the Association nor its officers, directors, or agents, shall be liable for any accident or injury thereupon which may be caused by Acts of God, negligence of parties not employed by the Association, or careless or negligent activities of Owners, their lessees, invitees or guests. All parties acquiring an interest in any portion of the Property hereby agree to hold the Owners and their guests harmless from any such accident or injury. All Owners and their guests agree and acknowledge that any use of the Common Property shall be at their own risk, without recourse to the Association, its officers, directors, or agents. Any damage to Common Property caused by an Owner or his lessees, invitees or guests shall be the responsibility of said Owner, and the

Association shall have the right to collect for such damages and to assess the Owner therefore, together with all costs of such collection and reasonable attorneys' fees, which sums shall constitute a lien on the responsible Owner's Lot. Nothing shall be done or kept on the Common Property which will increase the rate of insurance on the Common Property without the prior consent of the Association. No Owner shall permit anything to be done or kept on the Common Property which might result in the cancellation of insurance on any part of the Common Property, which would interfere with rights of other Owners, which would be noxious, harmful, or unreasonably offensive to other Owners or which would be in violation of any governmental statute, ordinance, rule, or regulation.

Section 7.5 Negligence or Carelessness of Owner. All Owners shall be liable for the expense of any maintenance, repair or replacement to any Lot, Dwelling, or Common Property rendered necessary by his act, neglect, or carelessness or by that of any member of his family, or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of any Lot, Common Property or Dwelling, or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by any insurance company of its rights of subrogation. The expense for any maintenance, repair, or replacement required, as provided in this Section, shall be charged to said Owner as a specific item which shall be a lien against said Lot or Dwelling with the same force and effect as if the charge were a part of the Common Expenses.

#### **ARTICLE VIII:** **COVENANT FOR MAINTENANCE ASSESSMENTS**

Section 8.1: Creation of the Lien and Personal Obligation of Assessment. The Owner of each Lot within the Property hereby covenants and by acceptance of a deed thereof shall be deemed to covenant and agree to all of the terms and conditions of these Covenants and to pay the Association: (1) Annual Assessments or charges ("Annual Assessments"; (2) Special Assessments for the purposes set forth herein; such assessments to be fixed, established and collected from time to time as hereinafter provided ("Special Assessments") and (3) all other charges of any kind (including, but not limited to, damages, fines, interest charges, attorneys' fees, costs, and/or reimbursements) levied by the Association in accordance with these Covenants, the By-laws, ARB Guidelines or other Rules duly adopted and recorded (Annual Assessments, Special Assessments, and all other charges, collectively, the "Assessments") . Such Assessments, as hereinafter provided, shall be an equitable charge and a continuing lien on the land and all the improvements thereon against which each assessment is made. Such Assessments shall also be the obligation of the person or entity who was the Owner of such Property at the time when the Assessment was levied by the Association as determined by the date of the notice of such levy. In the case of co-ownership of a Lot each of such co-owners of the Lot shall be jointly and severally liable for the entire amount of the assessment. The Annual Assessment shall be established by the Board of Directors of the Association. It shall be the duty of the Board to prepare a budget for the estimated Common Expense during each year and such budget may include a capital contribution or reserve account, if necessary, for the capital needs of the Association. The Annual Assessments shall be divided equally so that each Lot shall be subject to equal Annual Assessments. The budget and Annual Assessment shall become effective unless disapproved at the annual meeting by a majority vote of



the Members of the Association. In the event the budget is not approved, or the Association fails for any reason to determine the budget for the succeeding year; then and until such time as a budget shall have been determined as provided herein, the budget and total Annual Assessments in effect for the then current year shall be increased by ten (10%) percent. If any budget at any time proves inadequate for any reason, then the Board of Directors may call a special meeting of the Members for the approval of a Special Assessment or obtain said approval by mail referendum as provided herein.

Section 8.2: Purpose of Assessments. The Annual Assessments levied by the Association shall be used for the construction improvement, maintenance, and operation of roads, rights-of-way, drainage ways, lighting, signage, recreational facilities, security, insect control, vegetation control, drainage systems, open space maintenance, common utility services, and other Common Property expenses, including, but not limited to, the payment of taxes and insurance thereon and repair, replacement and additions thereto, for the cost of labor, equipment, materials, management and supervision thereof and third party services such as legal and accounting and for the cost of acquiring additional real or personal property. Special Assessments shall be used for the purposes as set forth in this Article VIII.

Section 8.3: Basis and Maximum of Annual Assessments. The total Annual Assessment shall be determined by Declarant, at its sole discretion, until conveyance of the Common Properties to the Association. Thereafter, the Board of Directors of the Association shall establish the budget and total Annual Assessment, as further provided in these Covenants and in the Association By-Laws. In all cases, the total Annual Assessment amount shall be prorated on the basis of total ownership, excluding Declarant.

Section 8.4: Special Assessments for Improvements and Additions. In addition to the Annual Assessment authorized herein, there may be, from time to time, a need for Special Assessments. Accordingly, the Association may levy Special Assessments for the purpose of defraying, in whole or in part, the cost of any substantial acquisition, construction or reconstruction, expected repair or replacement of a capital improvement of the Common Property, including the necessary fixtures and personal property related thereto or additions to the Common Property, or for the other reasonable needs of the Association, provided that any such assessments shall have the assent of the majority of the vote present in person or by proxy at a duly called meeting of Owners at which there is a quorum in attendance, written notice of which shall be sent to all Owners as provided for in the Bylaws of the Association. Any such duly approved Special Assessment shall be prorated among Owners on the same basis as Annual Assessments. In lieu of a meeting, a Special Assessment may be approved by consent of the Owners pursuant to a mail referendum in which case approval should be by a majority of Owners responding to said mail referendum. Such Special Assessments shall be applicable only to the year the assessment is levied unless otherwise approved by the Association and must be approved by the Declarant, for so long as Declarant owns any Lot within the Property. The Association may make such Special Assessments payable in installments over a period which may, in the Board of Director's discretion, extend in excess of the fiscal year in which adopted. In the event a Special Assessment is payable in installments which extend beyond the year of assessment, only the installments due in the current year shall be prorated between the Owner and any purchaser of said Owner's Lot closing during the current year.

Section 8.5: Date of Commencement of Annual Assessments and Due Dates. The Annual Assessment provided for herein shall commence on June 1, 1999 unless the Declarant determines such commencement to be at a later date. The Annual Assessment for any year thereafter shall be due and payable in annual installments on January 31 each year. The due date of any Special Assessments shall be fixed in the Resolution of the Board or notice of Declarant authorizing such assessments. Notwithstanding the foregoing, the Declarant or the Association upon transfer of Declarant rights hereunder, may establish provisions for installment payments of Annual Assessments over the year for which they are assessed.

Section 8.6: Duties of the Board of Directors. In addition to the duties of the Board of Directors as set forth in the By-Laws, the Board shall fix the amount of the Annual Assessment for each Lot for each assessment period and shall, at that time, prepare a roster of the Owners applicable thereto which shall be kept in the office of the Association. Said roster shall be open to inspection by any Owner. Written notice of the Annual Assessment shall be sent to every Owner subject thereto.

Section 8.7: Effect of Non-Payment of Assessment: Personal Obligation of Owner: Lien Remedies of the Association. If the Assessments are not paid on the date when due, then such assessments shall become delinquent and shall, together with interest thereon at a rate of eighteen percent (18%) per annum (or the maximum interest rate allowable by law) from the due date, and the cost of collection together with all reasonable attorneys' fees incurred by the Association become a charge and continuing lien on the Lot and on improvements thereon, against which each such Assessment is made. The obligation of the Owner at the time of the assessment to pay such Assessments, however, shall remain his personal obligation and shall not pass as a personal obligation to his successors-in-title unless expressly assumed by them. Any late payments received by the Association may be first applied to outstanding attorneys' fees, interest, and other costs, and then to past due Assessments.

Section 8.8: Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any recorded mortgage held by an Institutional Lender on a Lot, or any other mortgage approved in writing by the Association ("Approved Mortgage"). Sale or transfer of any Lot shall not affect the assessment lien. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof. Notwithstanding any provisions herein, no Lot shall be exempt from said assessments, charges, or liens except as provided hereinafter in Section 8.9. Notwithstanding all of the provisions of this Section 8.9, where an Institutional Lender or other holder of an Approved Mortgage obtains title to a Lot as a result of foreclosure of a first mortgage, such acquirer of title, its successor and assigns, shall not be liable for the assessments levied by the Association pertaining to such Lot or chargeable to the former Owner of such Lot which became due prior to the acquisition of title as a result of the foreclosure, unless such assessment was made prior to the recording of such mortgage. Such unpaid share of the assessments shall be deemed to be collectible pro rata from all of the Owners, including such acquirer, its successors, and assigns. An Institutional Lender, or other holder of an Approved Mortgage, acquiring title to a Lot as a result of foreclosure, may not, during the period of its Ownership of such Lot, whether or not such Lot is unoccupied, be excused from the payment of the assessments coming due during the period of such ownership.

Section 8.9: Exempt Property. The following property, individuals, partnerships, or corporations, subject to this Declaration, shall be exempted from assessments, charges and liens created herein:

- (a) the grantee in conveyance made for the purpose of granting utility easements;
- (b) all properties to the extent of any easement therein other than a utility easement dedicated and accepted by local public authority and devoted to public use, which does not adversely affect an Owner's use of the properties;
- (c) all Association Common Property within the Property, whether or not title to such Common Property has been transferred to the Association; and
- (d) all Lots or property owned by Association.

Section 8.10: Reserves for Replacement. The Association shall establish and maintain an adequate reserve fund from Assessments collected from Owners for the periodic maintenance, repair, and replacement of improvements to the Common Property which the Association is obligated to maintain. The fund shall be funded out of regular Annual Assessments for Association expenses and shall include sufficient funds to cover deductibles for insurance policies held by the Association.

Section 8.11: Authority to Impose Assessments for Working Capital Contribution. The Association shall collect an "Assessment for Working Capital Contribution" equal to one hundred and fifty (150%) percent, i.e., one- and one-half times, the Annual Assessment in effect upon each transfer of title to a Lot, whether or not improved, in the Property. The Assessment for Working Capital Contribution shall be payable by the new Owner to the Association at the closing of the transfer and shall be secured by the Association's lien for assessments and collected in the same manner and to the same extent, including applicable interest provisions and reasonable attorneys' fees, as Annual Assessments and Special Assessments. Payment of the Assessment for Working Capital Contribution shall be a condition precedent to transfer and may be enforced by the Association in an action in equity to enjoin such transfer in violation hereof. A transferring Owner shall notify the Association's Secretary of a pending title transfer at least seven (7) days prior to the transfer. Such notice shall include the name of the purchaser, the date of title transfer, and other information as may be required by the Board of Directors.

All Assessments for Working Capital Contribution which the Association collects shall be deposited into a segregated account used for the maintenance of Common Property and roads within or adjacent to the Property.

Notwithstanding the above, no Assessment for Working Capital Contribution shall be levied upon transfer of title to a Lot, improved or otherwise:

- (a) to any person who was a Owner immediately prior to such transfer;
- (b) to the Owner's estate, surviving spouse, or child upon the death of the Owner;
- (c) to an entity in which the grantor Owner has at least a 51% ownership interest; provided, upon any subsequent transfer of an ownership interest in such entity, the Assessment for Working Capital Contribution shall become due; or
- (d) to an institutional lender pursuant to a mortgage or upon foreclosure of a mortgage.

**ARTICLE IX:**  
**FUNCTIONS OF PROPERTY OWNERS' ASSOCIATION**

**Section 9.1: Association.** The Association, its successors, and assigns. shall be considered: (a) an assignee of Declarant; (b) the authorized and ratified agent of the Owners with respect to the functions specified herein; (c) a third-party beneficiary under these Covenants; and (d) as an Owner of Property subject to these Covenants. The Association and its successors and assigns shall have the standing and authority, at law or in equity, to carry out and enforce these Covenants.

**Section 9.2: Limitation on Duties and Obligations.** The Association shall strive to carry out and put into effect the functions and services specified or reasonably implied in this Declaration; however, the functions and services to be carried out or offered by the Association at any particular time shall be determined by the Board with due consideration given to the amount of reserves and revenues available to the Association, and the relative demands upon the resources which the Association can utilize to maintain Common Property and to increase the use and enjoyment of the Property as a whole. The Association shall not be obligated to incur debt or deficits of expenditures over revenues in order to carry out its monetary function.

The Association and its Directors and Officers shall not be liable to any Property Owner, their lessees, or guests, for any damage or injury which results from any rule or regulation promulgated pursuant to these Covenants.

**Section 9.3: Powers of the Association.** The Association shall have and may exercise any right or privilege given to it expressly in these Covenants or, except to the extent expressly limited by the terms and provisions of these Covenants, given to it by the Act or other law, and shall have and may exercise every other right, privilege or power and authority necessary or desirable to fulfill its obligations under these Covenants, including the right to engage necessary labor and acquire use or purchase necessary property, equipment or facilities; obtain and pay for legal, accounting, and other professional services as may be necessary or desirable; and to perform any function by, through, or under contractual arrangements, licenses, or other arrangements with any governmental or private entity as may be necessary or desirable.

Section 9.4: Ownership and Maintenance of Common Property. Common Property shall be maintained so that its use and enjoyment is not diminished or destroyed. The Association shall be authorized to permanently own and maintain Common Property, equipment, furnishings, and improvements devoted to the following uses:

- (a) for roads throughout the Property, if any, provided they are not transferred to the Town of Hilton Head, Beaufort County, or the State of South Carolina;
- (b) for sidewalks, walking paths or trails, if any, throughout the Property;
- (c) for providing any of the services which the Association is authorized to offer hereunder;
- (d) for insect and forest fire control within the Property; and
- (e) for drainage and irrigation facilities serving the Property.

The Association shall not be dissolved and shall not dispose of any Common Property, by sale or otherwise, except to an organization conceived and established to own and maintain the Common Property for the benefit of Crosswinds and its Owners.

Section 9.5: Authorized Services. Association shall be authorized but not required to provide the following services:

- (a) cleanup and maintenance of all Lots, roads, roadways, parkways, to the extent that it is necessary or desirable in the judgment of the Board of Directors of the Association to supplement the service provided by the State and local government, if applicable, and cleanup and maintenance of other Common Property within the Property and also all public properties which are located within or in a reasonable proximity to the Property such that their deterioration would affect the appearance of the Property as a whole;
- (b) landscaping of roads and parkways, sidewalks and walking paths and any other Common Property;
- (c) lighting of roads, sidewalks, and walking paths throughout the Property;
- (d) security functions, including but not limited to, maintenance of electronic and other security alarm devices and control centers for the protection of persons and property within the Property;
- (e) insect and pest control to the extent that it is necessary or desirable in the judgment of the Board of Directors of the Association to supplement the service provided by the state and local governments;
- (f) the services necessary or desirable in the judgment of the Board of Directors of the Association to carry out the Association's obligations and business under the terms of this Declaration;

- (g) to take any and all actions necessary to enforce all covenants and restrictions affecting the Property and to perform any of the functions or services delegated to the Association in any covenants or restrictions applicable to the Property;
- (h) to administer the ARB;
- (i) to construct improvements on Common Property for use, for any other purposes or as may be required to provide the services as authorized in this Article IX;
- (j) to provide administrative services, including but not limited to, legal; accounting and financial; and communication services informing Owners of activities, notice of meetings, referendums, etc., incident to the above-listed services.

Notwithstanding anything herein to the contrary, the Association may appoint a professional property manager to manage the Association and all Common Property.

Section 9.6: Mortgage and Pledge. The Board shall have the power and authority to borrow money for use by the Association and to mortgage the property of the Association and to pledge the revenues of the Association including the assessments and Special Assessments as security for such loans made to the Association which loans shall be used by the Association in performing its authorized functions. The Declarant, may, but shall not be obligated to, make loans to the Association, including loans for the purpose of acquiring additional Common Property, subject to approval by the Declarant of the use to which such loan proceeds will be put and the method by which such loans will be repaid and subject to a maximum of loan amount approved by the Declarant, at interest rates acceptable to the Declarant.

Section 9.7: Insurance Requirements. The Association shall at all times maintain in full force and effect casualty (hazard, and flood, if ever applicable) and liability insurance and fidelity bond coverage as hereinafter specified:

- (a) Hazard Insurance. The hazard coverage required hereunder shall protect at least against loss or damage by fire or all other hazards that are normally covered by the standard extended coverage endorsement and all other perils customarily covered for similar structures including those covered by the standard "all risk" endorsement, and shall likewise include, but shall not necessarily be limited to, the following coverage:
  - (i) Required Coverage. The Association shall maintain a policy of property insurance, with the premiums being paid as a common expense. The policy must cover all of the Common Property, except for those that are normally excluded from coverage, such as land, foundation, excavation, etc., fixtures and building service equipment that are considered part of the Common Property, as well as personal property and supplies of the Association, shall be covered. A reasonable deductible shall be determined by the Board each year.
  - (ii) Amount of Insurance. Insurance should cover the replacement cost of the

insured facilities. Coverage does not need to include land, foundations, excavation or other items that are usually excluded from insurance coverage.

(iii) Special Endorsements. The insurance coverage herein required shall include Agreed Amount, Replacement Cost, and Inflation Guard Endorsements when they can be reasonably obtained. Construction code endorsements such as Demolition Costs Endorsements, Contingent Liability from Operation of Building Laws Endorsements and Increased Cost of Construction Endorsements shall be required when reasonably obtainable.

(b) Flood Insurance. If any part of the project is in a flood hazard zone (as defined by the Federal Emergency Management Agency), the Association must maintain a "Master" or "blanket" policy of flood insurance and provide for the premiums to be paid as a common expense. The policy should cover any buildings on Common Property and any other real or personal property of the Association. A reasonable deductible shall be determined by the Board each year. The amount of insurance should be at least equal to the replacement cost of all buildings and other insurable property located in the flood hazard area or, in the alternative, the maximum coverage available for the Property under the National Flood Insurance Program.

(c) Liability Insurance. The Association shall maintain a comprehensive general liability insurance policy covering all common areas, public ways and any other areas comprising the Common Property which are under its supervision. The amount of coverage for bodily injury and property damage for a single occurrence shall be determined by the Board each year. The liability insurance should provide coverage for the following:

- (i) bodily injury and property damage that results from the operation, maintenance or use of the Common Property, and any facilities thereon; and
- (ii) any legal liability that results from lawsuits related to employment contracts in which the Association is a party.

(d) Fidelity Bonds. The Association may require blanket fidelity bonds for anyone handling or responsible for funds of the Association. Any management agent retained by the Association shall be covered by its own fidelity bond. The fidelity bond shall cover the maximum funds that will be in the custody of the Association or its management agent at any time while the bond is in force and shall be in an amount as determined by the Board each year.

Excepted are fidelity bonds that a management agent obtains for its personnel. All other bonds shall name the Association as an obligee and shall have their premiums paid as a common expense by the Association. The bonds must include a provision that calls for ten (10) days written notice to the Association before the bond can be canceled or substantially modified for any reason.

Section 9.8: Indemnification. Except where prohibited under the laws of the State of South Carolina, the Association shall indemnify every officer and director to the extent permitted under

the laws of the State of South Carolina (including all members of the ARB) including attorneys' fees reasonably incurred by or imposed upon such officer or director in connection with any action, suit, or other proceeding (including settlement of any such action, suit or proceeding, if approved by the then Board of Directors) to which he may be made a party by reason of being or having been an officer or director, whether or not such person is an officer or director at the time such expenses are incurred. Except where required by law, the officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, or for injury or damage caused by any such officer or director in the performance of his duties, except for their own individual willful misfeasance *or* malfeasance. 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 Owners of the Association), and the Association shall indemnify and forever hold each such officer or 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, current or former, may be entitled. In the event of conflict between this Section and the provisions regarding indemnification contained in the South Carolina Non-Profit Act of 1994, the provisions of said Statute shall control. The Association shall, as a common expense, maintain, if obtainable, officers' and directors' liability insurance to fund this obligation and said insurance shall be written as provided in this Section.

**ARTICLE X:**  
**RULES AND REGULATIONS**  
**AND ENFORCEMENT GENERALLY**

**Section 10.1: Establishment of Rules and Regulations.** Subject to the provisions hereof, the Board may establish reasonable Rules concerning the use of Lots, Dwellings, easement areas, Open Space, the Common Property, and facilities located thereon. The Board may also establish regulations regarding administrative procedures necessary to or which will facilitate the governmental functions of the Association and the management thereof as described herein. Copies of such Rules and amendments thereto shall be recorded in the Office of the Register of Deeds for Beaufort County, South Carolina. Such Rules shall be binding upon the Owners, their families, tenants, guests, invitees, servants, and agents, until and unless any such rules or regulations are specifically overruled, canceled or modified by the Board or in a regular or special meeting of the Association by the vote of the Owners as provided for in the Bylaws of the Association. Such Rules shall be enforceable in the same manner as this Declaration and all expenses incurred by the Association in the enforcement of such Rules, including reasonable attorneys' fees, shall be deemed part of the Assessments as provided for herein. A copy of the Rules may be obtained from the Office of the Register of Deeds and is further available from the Association, or its management agent, upon request.



**Section 10.2: Authority and Enforcement.** Subject to the provisions of Section 10.3 hereof, upon the violation of this Declaration, the By-Laws, or any Rules duly adopted hereunder, including, without limitation, the failure to timely pay any Assessments, the Board of Directors of the Association shall have the power to:

- (a) impose reasonable monetary fines in an amount not to exceed \$100.00 per occurrence, or if the offense is a continuing one, not to exceed \$100.00 per day up to \$1,500.00 exclusive of any attorneys' fees and other costs of collection and/or enforcement, on the Owner guilty of such violation which shall constitute an equitable charge and a continuing lien upon the properties of such Owner;
- (b) Bring an action at law to recover for its damage, on behalf of the Association or on behalf of the other Owners;
- (c) Bring an action in equity to enforce performance on the part of the other Owners;
- (d) Bring an action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief;
- (e) suspend an Owner's right to vote in the Association;
- (f) suspend an Owner's right to use the Common Property other than the right of ingress and egress; and
- (g) impose all or any combination of the above mentioned.

An Owner shall be subject to the foregoing sanctions in the event of such a violation by such Owner, his family, guest, tenants, or invitees, or by his co-owners. Any such suspension of rights may be for the duration of the infraction and for any additional period thereafter, not to exceed sixty (60) days.

**Section 10.3: Procedure.** Except with respect to the failure to pay assessments, the Board of Directors of the Association shall not impose a fine, suspend voting rights, or infringe upon or suspend any other rights of an Owner for violations of the Declaration, the By-Laws, or any Rules of the Association, unless and until the following procedure is followed:

- (a) Written demand to cease and desist from an alleged violation shall be served upon the person responsible for such violation specifying:
  - (i) the alleged violation;
  - (ii) the action required to abate the violation; and
  - (iii) a time period of not less than five (5) days during which the violation may be abated without further sanction, if such violation is a continuing one; provided,

however, that should said violation not be a continuing one, a statement that any further violation of the same provisions of this Declaration, the By-Laws, or of the Rules of the Association may result in the imposition of sanctions after notice and hearing.

(b) Unless such person shall contest the violation and request a hearing by sending a written notice to the Board, within five (5) days of the date of the written demand specified above, the violation shall be deemed admitted and any fines applied.

(c) If a timely written request for hearing is received, the hearing shall be held in executive session of the Board of Directors following reasonable notice and shall afford the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction so contested, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice together with a statement of the date and manner of delivery is entered in the record by the officer, director or other individual who delivered such notice. The notice requirement shall be deemed satisfied if an alleged violator appears at the meeting. The Board of Directors shall provide a written statement of the results of the hearing and the sanction imposed, if any. No recording of the proceedings of the meeting shall be permitted unless otherwise approved by the Board of Directors.

Section 10.4: Remedies in the Event of Violation or Breach. In the event of a violation or breach of any of the restrictions contained herein by an Owner, its agents, successors or assigns, the Association shall have the right, but not the obligation, to proceed at law or in equity to compel a compliance with the terms hereof or to prevent the violation or breach in any event, and the Association shall have the right to recover all costs and expenses of suit in such action, including reasonable attorneys' fees. In addition to the foregoing, the Association, its successors, and assigns shall have the right, but not the obligation, to abate such violation or condition as provided for in these Covenants. All rights, remedies and privileges granted to the Association, pursuant to any terms, provisions, covenants or conditions of the Declaration or these By-Laws, shall be deemed to be cumulative and the exercise of any one (1) or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from an exercising such other and additional rights, remedies, or privileges as may be granted to such other party by Property documents, or at law or in equity.

Section 10.5: No Waiver of Rights. The failure of the Association or of any member thereof to enforce any right, provision, covenant, or condition which may be granted by the Declaration, the By-Laws, or any Rules adopted pursuant hereto, shall not constitute a waiver of the right of the Association or member to enforce such right, provision, covenant, or condition in the future.

**PART FOUR**  
**GENERAL PROVISIONS**

**ARTICLE XI:**  
**GENERAL RIGHTS RESERVED BY ASSOCIATION**

Section 11.01: Easements Retained by Association.

- (a) The Association reserves unto itself, its successors, assigns and licensees, a perpetual, alienable, and releasable easement and right on, over and under the ground of the Property, other than the Lots, to erect, maintain and use electric, telephone and cable television, wires, cables, conduits, pipes, drainage ways, sewers, wells, pumping stations, tanks, water effluent and irrigation mains and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water, drainage or other public conveniences or utilities on, in or over those portions of the Property as may be reasonably required for utility line purposes; provided, however, that no such utility easement shall be applicable to any portion of the Property as may be designated as the site for a building on a plat plan or for erection of a building which has been filed with the ARB and which has been approved in writing by said ARB.
- (b) The Association further reserves unto itself, its successors, assigns and licensees, a perpetual, alienable and releasable easement and right on, over, and under the ground to erect, maintain and use wires, cables, conduits, pipes, sewers water mains, and other suitable equipment for the conveyance and use of electricity, cable television, security cable, telephone, gas, sewer, water or other private or public conveniences or utilities, on, in or over the rear (street side) seven (7) feet of each Lot, and three (3) feet along both sides of each Lot and such other areas as are shown on the applicable plats. Moreover, the Association, its successors, assigns or licensees, may cut, at its own expense, drain ways for surface water wherever and whenever such action may appear to the Association to be necessary in order to maintain reasonable standards of health, safety and appearance and an easement for such purpose is reserved unto the Association three (3) feet in width along each side lot line and seven (7) feet in width along each rear lot line.
- (c) These easements and rights expressly include the right to cut any trees, bushes, or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety, and appearance. Any material disturbance to the grounds of any Owner caused by such utility installation shall be repaired and said grounds returned to their prior condition by the Association as best as reasonably possible.
- (d) In addition, the Association reserves unto itself, its successors, assigns and licensees, a perpetual, alienable and releasable easement and right on and over and under the Property to dispense pesticides and take other action which in the opinion of the Board is necessary or desirable to control insects and pests.

(e) When any Lot and/or Dwelling within the Property is offered for sale by an Owner or successors in title to the Owner, the Association shall have the option to purchase such Lot and/or Dwelling at the price and on the terms of any bona fide offer for such property made in writing to the Owner at such time and submitted to the Association for verification. The Association shall have thirty (30) days after presentation of such offer to the Association to exercise this purchase option. If the Association declines to exercise this option, it shall execute a Waiver of Repurchase Option, said Waiver to be an instrument prepared by the Association, its successors or assigns, which shall also be executed by the Owner and prospective purchaser and be in recordable form, Should, however, such sale to a third party not be consummated within six (6) months of the date of the offer transmitted to the Association, the terms and limitations of this Section shall again be imposed upon any sale by the Owner. If the Association shall elect to purchase such property, the transaction shall be consummated within sixty (60) days following delivery of notice by Association to the Owner of its decision to purchase.

(f) The Association further reserves to itself, its successors, assigns and licensees, the right to locate wells, pumping stations, siltation basins and tanks. These reservations shall not be considered an obligation of the Association to provide or maintain any such utility or service. Such rights may be exercised by a licensee of Association, but this reservation shall impose no responsibility upon Association to construct or maintain any such utility or service. The Association expressly reserves the right to transfer said utilities and utility easements, in whole or in part, to another entity, whether public or private, which undertakes to provide such utility service.

Section 11.02: Ingress and Egress: Roadways. The Owner, in accepting title to a Lot conveyed subject to these Covenants, waives all rights of uncontrolled and unlimited egress and ingress to such Lot (and waives such rights for any person claiming entry rights by virtue of any relationship or permission of such Owner and successors in title) and agrees that such ingress and egress to its Lot may be limited to roads built by the Declarant. No implied reciprocal equitable servitude or easement shall arise with respect to any lands retained by the Association.

Section 11.03: Duration of Covenants. All covenants, restrictions and affirmative obligations set forth herein shall run with the land and shall be binding on all parties and persons claiming under them to specifically include but not be limited to, the successors and assigns, if any, of Declarant for a period of forty (40) years from the date of execution of the initial covenants, which was April 19, 1999, subject to the right of the Association to amend these Covenants herein contained. After the initial forty (40) year period of duration, all said Covenants shall be automatically extended for successive periods of ten (10) years, unless an instrument, signed by a majority of the then Owners of Lots substantially affected by such change of Covenants, has been recorded, agreeing to change said Covenants in whole or part.

Section 11.04: Severability and Rule Against Perpetuities. The invalidation by any court of any restrictions of these Covenants shall in no way affect any of the other restrictions, but they shall remain in full force and effect. If any provisions of this Declaration would violate the rule against perpetuities or any other limitation on the duration of the provisions contained herein and imposed by law, then such provision shall be deemed to remain in effect only for the maximum period

permitted by law, liberally applying the reformation provisions of S. C. Code Ann. §27-6-10 so as to cure any problem that might otherwise exist, within the ninety (90) year period.

**ARTICLE XII:  
AMENDMENTS**

Section 12.1. Amendments. The Association may amend these Covenants for any purpose whatsoever; provided however, that the voting power of existing Owners is not diluted thereby. The procedure for amendment shall be as follows: all proposed amendments shall be submitted to the vote of the Owners at a duly called meeting of the Association for which Notice of the proposed amendment has been given to the Owners in the official Notice for the meeting, subject to the quorum requirements set forth in the Bylaws of the Association. Any such proposed amendment shall be deemed approved if three-fourths (3/4) of the votes cast at such meeting at which such proposed amendment is to be considered are in favor of the amendment. Alternatively, an amendment may be approved by mail-referendum if three-fourths (3/4) of the Owners responding to such mail referendum approve the amendment. If any proposed amendment to this Declaration is approved by the Owners as set forth above, the President and Secretary of the Association shall execute an addendum to this Declaration which shall set forth the amendment, the effective date of the amendment, the date of the meeting of the Association at which such amendment was adopted, the date that notice of such meeting was given, the total number of votes necessary to adopt the amendment, and the total number of votes cast against the amendment.

**ARTICLE XIII:  
NOTICE**

Section 13.1: How Notice Given. Any notice required to be sent to any Owner under the provisions of the Declaration shall be deemed to have been properly sent, and notice thereby given when emailed to an Owner at an email address provided to the Association for such purpose, or mailed, with the proper postage affixed, to the last known 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.

Section 13.2: Notice of Co-Owners. Notice to one (1) of two (2) or more co-owners of a Lot shall constitute notice to all co-owners.

Section 13.3: Notice of Address or Ownership Change. 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.

**ARTICLE XIV:  
ENFORCEMENT, SEVERABILITY AND INTERPRETATION**

Section 14.1: Who May Enforce Generally. In the event of a violation or breach of any of the affirmative obligations or restrictions contained in this Declaration by any Owner or agent of such Owner, any other Owners, or any of them jointly or severally, shall have the right to proceed at

law or in equity to compel a compliance to the terms hereof or to prevent the violation or breach in any event.

Section 14.2: No Waiver. No failure of the Association to exercise or enforce and no delay in exercising or enforcing any right, power or privilege under the Covenants shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof, or the exercise of any other right, power, or privilege.

Section 14.3: Against Whom May the Covenants Be Enforced. The obligations and benefits prescribed by the Covenants shall run with the Property and shall be enforceable against the Association and against any Owner or other person whose activities bear a relation to the Property when the aforesaid parties engage in activities (including omissions and failures to act) which constitute violations or attempts to violate or circumvent the covenants and restrictions set forth in this Declaration.

Section 14.4: Litigation. Notwithstanding the provisions of Section 14.9, no judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of not less than fifty-one (51%) percent of the votes eligible to be cast by the Owners. In the case of such vote, and notwithstanding anything contained in this Declaration or the Articles or the By-Laws to the contrary, the Association shall not bring or prosecute any such proceeding unless authorized to do so by a vote of not less than fifty-one (51%) percent of all Members of the Association. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of assessments as provided, herein, (c) actions brought by the Association to enforce the provisions of any contract of the Association, provided that such contract contains an attorneys' fee provision, (d) proceedings involving challenges to ad valorem taxation, or (e) counterclaims, cross claims, or third-party claims brought by the Association in proceedings instituted against it. In the event any claim is made against Association, or any litigation is instituted against Association, the Association shall assess all Owners for the costs of claim or litigation, including, without limitation, attorneys' fees incurred.

Section 14.5: Means of Enforcement. Enforcement of these Covenants shall be by a proceeding at law or in equity, whether it be to restrain violation or to recover damages or to enforce any lien created by these Covenants.

Section 14.6: Severability. Should any covenant or restriction herein contained, or any Part, Article, Section, paragraph, sentence, clause, phrase. or term in this Declaration be declared to be void, invalid, illegal, or unenforceable for any reason by the adjudication of the highest court or other tribunal which considers such matters and has jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable.

Section 14.7: Interpretation. In all cases, the provisions of this Declaration shall be given that reasonable interpretation or construction which win best effect consummation of the general plan of land use restrictions and affirmative obligations of the Property, which will carry out the intent of the Declarant as expressed in the recitals of these Covenants, and which will preserve the

Property as a site for an attractive, well maintained and privately-governed residential community.

The provisions of these Covenants shall be given full force and effect notwithstanding the existence of any zoning ordinance which allows a less restrictive use of the Property.

Section 14.8: Authorized Action. All actions which the Association is allowed to take under this instrument shall be authorized actions of the Association if approved by the Board of Directors of the Association in the manner provided for in the By-Laws of the Association unless the terms of this instrument provide otherwise.

Section 14.9: Gender Tense and Number. When necessary for proper construction, the masculine form of any word used in this Declaration shall include the feminine or neuter gender, and the singular, the plural and vice versa, and words used in the present tense shall include the future tense.

Section 14.10: Captions. The captions and headings in this instrument are for convenience only and shall not be considered in construing any provisions of this Declaration.

Section 14.11: No implied Liabilities or Duties. ANY RULES OR REGULATIONS ESTABLISHED BY THE ASSOCIATION PURSUANT TO THESE COVENANTS SHALL NOT EXPRESSLY OR IMPLIEDLY CREATE ANY DUTY OF CARE TO ANY OWNER.

IN WITNESS WHEREOF, the Association has caused these Presents to be executed in its name by its duly authorized officers, as of this 4<sup>th</sup> day of August, 2022.

Elaine Montgomery  
Witness

Stacey S. Collins  
Witness

**CROSSWINDS PROPERTY OWNERS' ASSOCIATION, INC., A South Carolina Non-Profit Corporation,**

By: [Signature] (L.S.)  
President/Director

By: [Signature] (L.S.)  
Secretary/Director

[ACKNOWLEDGMENT PAGE FOLLOWS]

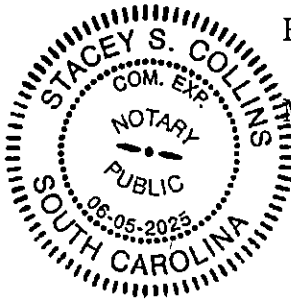
STATE OF SOUTH CAROLINA )  
COUNTY OF BEAUFORT )      ACKNOWLEDGMENT

I, Stacey S Collins, do hereby certify that Marshall Grimes and Peter Foss, President and Secretary (respectively) of Crosswinds Property Owners' Association, Inc., appeared before me the date below written, and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this 4<sup>th</sup> day of August, 2022.

Stacey S. Collins  
Notary Public of South Carolina

Print Name: Stacey S. Collins



My Commission Expires: 6-5-25



**EXHIBIT "A"**  
**PHASE I**

**ALL** that certain piece, parcel or tract of land, situate, lying and being on Hilton Head Island, Beaufort County, South Carolina containing 25.23 acres, more or less, as shown on that certain plat entitled "**CROSSWINDS PHASE I PARCEL C-2, MARSHLAND ROAD, HILTON HEAD ISLAND, BEAUFORT COUNTY, SOUTH CAROLINA PREPARED FOR B&A CROSSWINDS**" dated December 19, 1998, prepared by Connor & Associates, Inc. by Matthew M. Crawford, S.C.R.L.S. No.: 9756 and recorded in the Office of the Register of Deeds for Beaufort County South Carolina in Plat Book 69 at Page 135 on April 13, 1999.

**TOGETHER WITH:**

**PHASE II**

**ALL** that certain piece, parcel or tract of land, situate, lying and being on Hilton Head Island, Beaufort County, South Carolina containing 6.77 acres, more or less as shown on that certain plat entitled "**CROSSWINDS, PHASE II, 6.77 ACRES, MARSHLAND ROAD, HILTON HEAD ISLAND, BEAUFORT COUNTY, SOUTH CAROLINA**" dated March 3, 1999, prepared by Connor & Associates, Inc. by Matthew M. Crawford, S.C.R.L.S. No.: 9756 and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 75 at Page 16 on June 22, 2000.

**TOGETHER WITH:**

**ALL** that certain piece, parcel or trace of land, situate, lying and being on Hilton Head Island shown and described on that plat entitled **CROSSWIND LOT ANNEXATION TERRY DALE, Lot 1,2,3 Pinefield Road, A Section of the Wright Subdivision on Marshland Road, Hilton Head Island, Beaufort County, Hilton Head, South Carolina** prepared by Coastal Surveying co., Inc. recorded in the Office of the Register of Deeds in Plat Book 117 at Page 108.



tenants, occupants, or other persons occupying or using the Common Property, Lots, Dwellings, and facilities of the Property in any manner. The mere acquisition, rental, use, or other act of occupancy of any Lot, Dwelling, or Common Property will signify that these By-Laws are accepted and ratified. These By-Laws are established pursuant to and subject to the provisions of the statutory common laws relating to nonprofit corporations and that certain Declaration of Covenants and Provisions for Membership in Crosswinds Property Owners' Association, Inc. (hereinafter referred to as the "Declaration"). For purposes of these By-Laws, words defined in the Declaration, such as "Common Property", "Common Expenses", "Declarant", "Dwelling", "Lot", "Member", "Mortgage", and "Owner", shall have the same meaning as set forth in the Declaration unless the context shall otherwise require or prohibit.

## ARTICLE II MEMBERSHIP AND VOTING RIGHTS

Section 2.01 Membership. Declarant and every Owner of a Lot or Dwelling in the Property (including any Lot or Dwelling in any additions to or expansions of the Property) shall be a Member of the Association, excluding persons who hold such title or interest merely as a security for performance of an obligation shall not be a Member of the Association. The weight of each vote regardless of whether appurtenant to a Lot or Dwelling is equal. Each Lot and Dwelling shall have a total of one (1) vote. The rights and privileges of membership in the Association, including the right to vote and hold an office in the Association, may be exercised by a member but in no event shall more than one (1) vote be cast nor more than one (1) office held for each Lot or Dwelling. Notwithstanding any of the foregoing to the contrary, no Owner, whether one or more persons, shall have more than one (1) membership or vote per Lot or Dwelling. Further, a member casting a vote or holding an office with respect to his Lot or Dwelling shall not be entitled to cast an additional vote or to hold an additional office for the Lot upon which his residential unit is located. In the event of multiple Owners of a Lot or Dwelling, the vote appertaining thereto shall be exercised as those Owners of such Lot or Dwelling themselves determine and notify the Secretary or an Assistant Secretary of the Association prior to any meeting. In the absence of such notice, the vote appurtenant to such Lot or Dwelling shall be suspended in the event more than one (1) person seeks to exercise such vote(s). Such suspended vote shall be counted for the purpose of calculating a quorum, but such a suspended vote shall not be cast with regard to voting matters of the Association until the persons owning such Lot or Dwelling determine how such vote shall be cast and so advise the Secretary or Assistant Secretary of the Association. The vote appertaining to any Lot or Dwelling may and shall in the case of any Owner not being a natural person or persons, be cast pursuant to a proxy or proxies duly executed by or on behalf of the Owner and delivered to the Secretary or an Assistant Secretary of the Association.

Section 2.02 Voting Rights. In recognition of the fact that the Declarant has affirmatively assigned all of its Declarant Rights to the Association, there shall be one class of membership, that of the Owners, and there shall be one vote per Lot.

Section 2.03 Suspension of Voting Rights. During any period in which the Owner of a Lot or Dwelling shall be in default in the payment of any Assessment or other charge levied by the Association, the voting rights of such Lot or Dwelling may be suspended by the Board of Directors until such assessment or charge has been paid. Such rights may also be suspended, after notice and

a hearing as provided for in the Declaration, for a violation of any provisions of the Declaration, these By-Laws, or any of the published Rules of the Association.

**ARTICLE III**  
**MEETINGS, QUORUM, VOTING, PROXIES**

Section 3.01 Place of Meeting. Membership meetings of the Association shall be held at a suitable place, convenient to the members as may be designated by the Board of Directors. Any meeting may, at the discretion of the Board, be held through the use of virtual technology provided that the Members identities may be verified for purposes of counting quorum and casting votes and that the participants may hear and see each other simultaneously. Should the Board elect to hold a virtual meeting, the notice shall provide such information as may be necessary to allow the Members to access same and shall include a telephone number to call in the event they are unable to connect. A Member attending virtually shall be deemed present for all purposes. Voting at any virtual meeting may be accomplished through such technology as the Board may approve in advance, provided that a record of the votes cast shall be preserved for a period of at least three (3) years after the date of the meeting. At the Board's discretion, Members may designate a proxy agent to attend and vote at a virtual meeting in the same manner as allowed for in person meetings.

Section 3.02 Annual Meeting. The Association shall meet not less frequently than annually, and the first annual meeting shall be called by the Board of Directors at least thirty (30) days prior to the close of the fiscal year of the Association as established by Section 6.08 of these By-Laws. After the first annual meeting is called by the Board of Directors, the succeeding annual meetings shall be held on any day as may be set by the Board of Directors which is within three (3) weeks prior to or three (3) weeks following the anniversary date of the first annual meeting. At the annual meetings, comprehensive reports of the affairs, finances, and budget projections of the Association shall be made available to the owners.

Section 3.03 Special Meetings. The Secretary of the Association shall be required to call a special meeting of the Members (i) when directed by the President of the Association, (ii) upon the resolution of a majority of the Board of Directors, or (iii) upon the presentation to the Secretary of the Association of a petition signed by Members entitled to cast at least one-half (1/2) of the votes of the Association. The call of the special meeting shall be by notice from the Secretary of the Association given at least fifteen (15) days and not more than forty-five (45) days in advance of the meeting, and such notice shall state the date, the time, the place, and the purpose of such special meeting. Unless by consent of at least two-thirds (2/3) of the votes of the Members present in person or by proxy, only the business stated in the notice may be transacted at such a special meeting. Notwithstanding anything to the contrary herein, the Declarant may call a special meeting at any time during the Declarant Control Period.

Section 3.04 Notice of Meetings. It shall be the duty of the Secretary of the Association to mail a notice of each annual or special membership meeting, stating the purpose thereof, as well as the date, time, and place where it is to be held. Such notice shall be delivered personally, emailed to the Member at an email address supplied to the Association for such purpose, or sent by United States Mail, postage prepaid, to all Owners of record at such address or addresses as any of them may have designated, or if no address has been so designated, at the address of their respective Lot

or Dwellings. Except as may be otherwise required by law, notice shall be given to each Owner at least fifteen (15) days and not more than forty-five (45) days in advance of any meeting. The mailing of a notice in the manner provided in this Section 3.04 shall be considered to be the giving of such notice. Any Owner may waive the notice of a meeting by doing so in writing before or after such meeting. Attendance at a meeting, either in person or by proxy, shall of itself constitute a waiver of notice and waiver of any and all objections to the place or time of such meeting or the manner in which it has been called or convened, unless a member or other person entitled to notice attends such meeting solely for the purpose of stating, at the beginning of such meeting, any such objection or objections relating to such meeting. A recitation in the minutes of any membership meeting that notice of such meeting was properly given shall be prima facie evidence that such notice was so given.

Section 3.05 Conduction of Meetings. The President, or the Vice-President in the absence of the President, shall preside over all meetings of the Association and the Secretary, or an Assistant Secretary in the absence of the Secretary, shall keep the minutes of all such meetings and shall record in a minute book all resolutions adopted at such meetings, as well as all transactions and proceedings occurring at such meetings.

Section 3.06 Order of Business. The following matters shall be addressed at the annual meeting in such order as the Board may determine:

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

Section 3.07 Quorum. Except as otherwise provided in the Declaration or in these By-Laws, the presence in person or by proxy at the beginning of any meeting of the Members entitled to cast fifty (50%) percent of the total vote of the Ownership of the Association shall constitute a quorum for a meeting of the Association. If the required quorum is not present, the meeting may be adjourned and rescheduled. The required quorum at the subsequent meeting shall be the presence in person or by proxy of members having twenty-five (25%) percent of the total vote of the Ownership. No such subsequent meeting shall be held less than ten (10) days or more than

thirty (30) days following the preceding meeting. Any provision in the Declaration concerning quorums is specifically incorporated herein.

Section 3.08 Adjourned Meetings. Any meeting of the Association which cannot be organized because a quorum has not attended may be adjourned from time to time by the President or by the vote of a majority of the Members present in person or represented by proxy. When any membership meeting, either annual or special, is adjourned, and notice of the time, place, and location of the adjourned meeting shall be announced prior to adjournment thereof, no additional notice shall be required. .

Section 3.09 Proxy. The vote(s) appertaining to any Lot or Dwelling may be cast pursuant to a proxy or proxies duly executed by or on behalf of the Member and delivered to the Secretary or an Assistant Secretary of the Association. No such proxy shall be revocable except by written notice delivered to the Secretary or an Assistant Secretary of the Association by the Member. Any proxy shall be void if it is not dated or if it purports to be revocable without notice as aforesaid. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. The transfer of title to any Lot or Dwelling shall void any outstanding proxy pertaining to the voting rights appurtenant to such Lot or Dwelling.

Section 3.10 Action Taken by Association. Except as otherwise provided by the Declaration or these By-Laws, any action taken at any meeting of Members shall be effective and valid if taken or authorized by not less than a majority of all the votes to which all the Members present in person or by proxy at a duly constituted meeting shall be entitled. In the event of any tie vote at any regular, special, or adjourned meeting of the Association, the President, or the Vice-President in the absence of the President, shall cast a separate vote to break the tie. For purposes of these By-Laws, "majority" shall mean more than fifty (50%) percent; provided, however, the foregoing provisions of this By-Law to the contrary notwithstanding, any action which by law or pursuant to the provisions of the Declaration or these By-Laws requires the assent of a specified number or percentage of the votes of the Members greater than that herein specified, shall not be considered the act of the Members unless such requisite number or percentage so prescribed by law or by the Declaration or these By-Laws is obtained.

Section 3.11 Voting. Except as otherwise provided in the Declaration or these By-Laws, voting on all matters shall be by written ballot stating the name of the Member voting, the Lots or Dwellings owned by such Member, and the number of votes voted by such Member, and if such ballot shall be cast by proxy, it shall also state the name of such proxy.

Section 3.12 Action by Association Without Meeting. Any action which may be taken at a meeting of the Members may be taken without a meeting by mail referendum if written approval and consent, setting forth the action authorized, shall be signed by a majority of Members responding to said mail referendum. Any action which by law or provisions of this Declaration or these By-Laws requires assent of a specified number or percentage of the votes of the Members greater than herein specified, shall not be considered an act of the Members unless such requisite number or percentage is obtained. Such approval and consent so filed shall have the same effect as a vote of the Members at a special meeting called for the purpose of considering the action authorized.

Section 3.13 Record Date. The record date for determining the Members entitled to notice of a Members' meeting shall be three (3) business days before the mailing of the Notice ("Record Date"). Notices shall be deemed to have been received three (3) days after sending in accordance with the notice provisions set forth herein. Any person who becomes a Member after the Record Date shall be deemed to have been given notice if sent to such Member's predecessor in title, regardless of address. If a meeting of the Members is adjourned to a different date, time, or place, notice need not be given of the new date, time, or place, if the new date, time, and place is announced at the meeting before adjournment. After the Record Date has been fixed, a complete list of Members shall be prepared and shall be maintained in the office of the Association in advance of the meeting for which notice is being given. It shall be up to any Member who is not on the list to provide adequate evidence to the Secretary of the Association that such person is the Member entitled to vote.

#### ARTICLE IV BOARD OF DIRECTORS, NUMBER, POWERS, MEETINGS

Section 4.01 Number and Initial Board of Directors. At the first regular meeting of the Association, a Board of Directors consisting of five (5) directors shall be elected by the Members. For each year thereafter until the termination of the Declarant's right to appoint and remove directors, the Members shall elect the Board of Directors consisting of at least three (3) but no more than five (5) individuals at each annual meeting of the Association. Directors must be Owners at all times during their service as directors; provided, however, the term "Owners," for purposes of this Section 4.01 and Section 5.01 hereof, shall be deemed to include, without limitation, any shareholder, director, officer, partner in, or trustee of any entity or person which is, either alone or in conjunction with any other person or persons, an Owner. Any individual who would not be eligible to serve as a member of the Board of Directors were he not a shareholder, director, officer, partner, member in, or trustee of such an entity or person, shall be deemed to have disqualified himself from continuing as a director if he ceases to have any such affiliation with that entity or person.

Section 4.02 Powers and Duties. The Board of Directors shall have the powers and duties necessary to administer the affairs of the Association, including, but not necessarily limited to, those powers and duties specifically assigned to the Board of Directors by law, the Declaration, the Articles of Incorporation, and these By-Laws. Consistent therewith, the Board of Directors shall have the power to adopt Rules which it deems necessary for the administration of the affairs of the Association and to impose sanctions for violations of the Declaration, these By-Laws and the published rules and regulations of the Association, subject to the provisions of the Declaration.

Section 4.03 Other Duties. The Board of Directors shall exercise such duties and responsibilities as shall be incumbent upon it by law and the Declaration, together with such other duties and responsibilities as it may deem necessary or appropriate in the exercise of its powers. In addition to other duties which the Board of Directors may have, it shall be responsible for the following matters:

- (a) Maintenance, repair, renovation, restoration, replacement, care, and upkeep of the Common Property and other portions of the Property maintained by the Association;
- (b) Collection of assessments levied by the Association;
- (c) Designation and dismissal of the personnel necessary for the maintenance and operation of the Common Property and other portions of the Property which are the responsibility of the Association; and
- (d) Subject to the provisions of the Declaration, the promulgation of Rules governing the access to and use and enjoyment of the Common Property and the administration of the Association.

Section 4.04 Management. The Board of Directors may employ for the Association a management agent under such terms, compensation, and duties as the Board may, in its sole discretion, authorize.

Section 4.05 Election of Directors by Members and Term of Office. At the annual meeting, the members shall, in accordance with the procedures hereinafter set forth, elect directors to succeed to the offices of those directors whose terms have expired at the time of such meeting. Such directors so elected shall each serve for a term of three (3) years. Persons may be nominated for election to the Board of Directors by a nominating committee appointed by the incumbent Board of Directors prior to the annual meeting and by nominations made from the floor at the meeting for such election. Election to the Board of Directors shall be by secret written ballot unless the candidate(s) are running unopposed and a vote by written ballot is dispensed with by the Board, and at the election, the members or their proxies may cast, with respect to each vacancy, the vote(s) of their respective Lots or Dwellings as provided in the Declaration. Cumulative voting shall not apply.

Section 4.06 Removal or Resignation. Removal or resignation of a director shall be subject to the following provisions.

- a) By Owners. Directors may be removed, with or without cause, by a majority vote of the of the Owners at any regular or special meeting of the Association, and a successor shall be elected by the Owners at such meeting in order to fill the unexpired portion of such director's term.
- b) By Board with Cause. In the event a director shall fail to timely pay Assessments as and when due or miss more than two (2) regularly scheduled meetings of the Board of Directors within any twelve (12) month period, without good cause shown, the Board may remove such director and appoint a successor to serve until the next annual meeting, whereupon the Owners shall elect a director to complete any remaining portion of the unexpired term.
- c) Opportunity to be Heard. Any director whose removal has been proposed by any Owner or Owners, or by the Board as set forth hereinabove, shall be given an opportunity to be heard at the meeting wherein the removal is to be voted upon.



- d) **Resignation or Sale.** Any director may resign at any time by giving written notice to the members of the Board of Directors. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The sale by a director of all of his Lots or Dwellings, or any other termination of his interest in such Lots or Dwellings shall automatically and coincidentally terminate his directorship. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the Owners shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum, and each person so elected shall serve until a successor is elected and qualified at the next annual meeting of the Owners, with such successor to serve the remainder of such terminated director's term of office.

**Section 4.07 Fees and Compensation.** No fee or other compensation shall be paid by the Association to directors for their services as directors unless such fee or compensation is first fixed by a resolution adopted by a majority vote of the total vote of the Members.

**Section 4.08 Regular Meetings.** The Board of Directors may provide, by resolution, the time and place for the holding of regular meetings, in addition to the organizational meeting, and such regular meetings shall be held without notice other than such resolution.

**Section 4.09 Special Meetings.** Special meetings of the Board of Directors may be called by the President on at least three (3) days' notice to each director, given personally or by email, mail, telephone, or other electronic means, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Board of Directors may also be called by the Secretary of the Association in like manner and on like notice on the written request of at least a majority of the directors.

**Section 4.10 Waiver of Notice.** Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at a meeting of the Board shall be deemed to be a waiver of notice of such meeting and waiver of any and all objections to the place or time of the meeting or the manner in which it has been called or convened, except when a director states, at the beginning of the meeting, any such objection or objections.

**Section 4.11 Entry of Notice.** Whenever any director has been absent from any special meeting of the Board of Directors, an entry in the minutes to the effect that notice has been duly given shall be prima facie evidence that due notice of such special meeting was given such director, as required by law and or the By-Laws of the Association.

**Section 4.12 Board of Directors Quorum.** At all meetings of the Board of Directors, a majority of the directors then in office shall constitute a quorum for the transaction of business.

Section 4.13 Conduct of Meetings. The President, or the Vice-President in the absence of the President, shall preside over all meetings of the Board of Directors and the Secretary or an Assistant Secretary in the absence of the Secretary, shall keep the minutes of such meetings and shall record in a minute book all resolutions adopted at such meetings, as well as all transactions and proceedings occurring at such meetings. Meetings of the Board of Directors may be held by telephone conference.

Section 4.14. Action Taken by Directors. Except as otherwise provided in the Declaration and these By-Laws or by law, every act or decision by a majority of the directors present in person or by proxy at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. In the event of any tie vote, the President, or the Vice-President in the absence of the President, shall cast a separate vote to break the tie.

Section 4.15. Action Without Formal Meeting. Any action required or permitted, to be taken at any meeting of the Board of Directors or of any committee appointed by the Board of Directors may be taken without a meeting if written consent, setting forth the action so taken, shall be signed by all members of the Board of Directors or of such committee, as case may be, and such written consent is filed with the minutes of the proceedings of the Board or committee. Such consent shall have the same force and effect as a unanimous vote by the Board of Directors or by such committee, as the case may be.

Section 4.16 Special Committees. The Board of Directors shall have the power and authority to create special committees, including but not necessarily limited to a recreational amenities committee, a maintenance committee, an insurance committee, and an audit committee. Any such committee shall advise the Board of Directors on matters pertaining to the purposes for which any such special committee shall have been created and shall have and exercise such powers as may be provided by resolution of the Board of Directors. Each such committee shall be comprised of at least two (2) or more members of the Board of Directors and shall act by a majority of its members unless otherwise ordered by the Board of Directors. The members, including the chairman, of any such special committee shall be appointed by and shall serve at the pleasure of the Board of Directors. A majority of the members of any such committee shall constitute a quorum.

Section 4.17 Executive Committee. In furtherance and not in limitation of the powers conferred by law, the Board of Directors may establish an Executive Committee consisting of three (3) directors. The Executive Committee shall be constituted and appointed by the Board of Directors from their number and shall meet when deemed necessary. The Executive Committee shall have the authority to exercise such powers are lawfully delegated to it by the Board and are not inconsistent with these By-Laws and the Declaration. All actions by the Executive Committee must be by unanimous consent and recorded in the minutes of the Association Notwithstanding the foregoing, any Board member may request that any matter delegated to the Executive Committee be brought before the Board, at a regularly scheduled meeting for consideration. Notice of meetings of the Executive Committee shall be the same as required for a special meeting of the Board of Directors as outlined above in this Article IV. The Board of Directors may designate one or more directors as alternate members of the Executive Committee, and such alternate members may act in the place and stead of any absent member or members at any meeting of the

Executive Committee. The designation of an Executive Committee shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed by law, the Declaration or these By-Laws.

## ARTICLE V OFFICERS

Section 5.01 Enumeration of Officers. The officers of the Association shall be a President, a Vice-President, and a Secretary who shall be members of the Board of Directors, and a Treasurer and such other officers (who need not be Members of the Board of Directors) as the Board may from time to time by resolution create. Any two (2) or more offices may be held by the same person, except for the offices of President and Vice-President and President and Secretary or Assistant Secretary. Except with respect to officers, appointed by Declarant and except as provided in Section 4.08 hereof, each officer must be an "Owner" as defined in Section 4.01 of these By-Laws.

Section 5.02 Election. The Board of Directors shall elect the officers of the Association at each organizational meeting thereof. The Board of Directors at any time and from time to time may appoint such other officers as it shall deem necessary, including one or more Assistant Secretaries or Assistant Treasurers, who shall hold their offices for such terms as shall be determined by the Board of Directors and shall exercise such powers and perform such duties as are specified by these By-Laws or as shall be determined from time to time by the Board of Directors.

Section 5.03 Compensation. No fee or compensation shall be paid by the Association to any officer for his services as an officer unless such fee or compensation is first fixed by a resolution adopted by a majority vote of the total vote of the Members.

Section 5.04 Term. Each officer of this Association shall be elected at the time of each organizational meeting of the Board of Directors, and each shall hold office until the next organizational meeting of the Board and until his successor is duly elected and qualified, or until his earlier resignation, death, removal, or other disqualification. Any officer may be removed by the Board of Directors whenever in its judgment the best interest of the Association will be served thereby. The sale by an officer of all of his Lots or Dwellings or a termination of his entire interest therein shall automatically and coincidentally terminate his term as an officer.

Section 5.05 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other reason prior to the end of the term of office, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5.06 President. The President shall be a director and the chief executive officer of the Association and, subject to the control of the Board of Directors, shall, in general, manage, supervise, and control all of the business and affairs of the Association and perform all duties incident to the office of the President and such other duties as may be prescribed by the Board of Directors from time to time. The President shall, when present, preside at all meetings of the

Association. The President may sign, with the Secretary or any other proper officer of the Association authorized by the Board of Directors, any contracts, deeds, notes, mortgages, bonds, policies of insurance, checks, or other instruments which the Board of Directors has authorized to be executed, except in cases where signing or execution thereof shall be expressly delegated by the Declaration or these By-Laws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed.

Section 5.07 Vice-Presidents. In the absence of the President, or in the event of his death or resignation, removal, disqualification, inability or refusal to act, the Vice-President (or in the event there is more than one Vice-President, the Vice-Presidents in the order designated at the time of their election, or in the absence of any designation, in the order of election) shall perform the duties of the President, and, when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice-President may perform such duties as are set forth in these By-Laws or as shall from time to time be assigned to him by the Board of Directors.

Section 5.08 Secretary. The Secretary shall: (a) attend and keep the minutes of meetings of the Association, of the Board of Directors, and of any committees having any of the authority of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the Declaration or the provisions of these By-Laws or as required by law; (c) be custodian of the Association records, and, (d) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Board of Directors.

Section 5.09 Treasurer. The Treasurer (or in the absence of the Treasurer, the President) shall:(a) have charge and custody of and be responsible for all funds and securities of the Association, receive and give receipt for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies, money market funds, or other depositories or accounts as shall be from time to time selected by the Board of Directors; (b) authorize vouchers and sign checks for monies due and payable by the Association; (c) promptly render to the President and to the Board of Directors an account of the financial condition of the Association whenever requested;(d) prepare and deliver, any certificate required by the Declaration; and (e) in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board of Directors. The duties of the Treasurer shall be performed subject to such restrictions or limitations as may be imposed from time to time by the Board of Directors or these By-laws.

Section 5.10 Assistant Secretaries and Assistant Treasurers. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties as shall be assigned by the Secretary or Treasurer, respectively, or by the Board of Directors.

## ARTICLE VI FISCAL MATTERS AND BOOKS AND RECORD

Section 6.01 Fidelity Bonds. The Board of Directors may require that any contractor or employee of the Association handling or responsible for Association funds shall furnish an

adequate fidelity bond. The premium for any such bond shall be paid by the Association as a Common Expense.

Section 6.02 Books and Records Kept by Association. The Association shall keep (i) detailed, complete and accurate financial records, including itemized records of all receipts and disbursements, (ii) detailed minutes of the proceedings of all meetings of the members and of the Board of Directors and committees having any of the authority of the Board of Directors, and (iii) such other books and records as may be necessary or required by law or to reflect accurately the affairs and activities of the Association.

Section 6.03 Inspection. Upon written request to the Board or its Property Manager by an Owner, the books, records, and papers of the Association shall, be made available for inspection and copying by appointment during regular business hours, provided the request is made for a proper purpose. Email addresses provided by Members to the Association for purposes of receiving notices mandated by law, these By-laws, the Covenants, or any other Rules or Regulations adopted by the Association shall not be considered part of the membership list and shall not be disclosed except on court order and, in such instance, the Association shall not be assessed attorneys' fees or costs for denying access to same.

Section 6.04 Contracts. The Board of Directors may authorize any officer or officers, or agent or agents (including the manager of the Association), of the Association, in addition to the officers so authorized by the Declaration and these By-Laws, to enter into any contract or execute and deliver any instrument in the name of, or on behalf of, the Association, and such authority may be general or confined to specific instances.

Section 6.05 Checks, Drafts, etc. All checks, drafts, or orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the Association shall be signed by such officer or officers, or agent or agents, of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer and countersigned by the President or a Vice-President of the Association.

Section 6.06 Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, money market funds, or other depositories or accounts as the Board of Directors may elect.

Section 6.07 Gifts and Conveyances. The Board of Directors may accept, on behalf of the Association, any contribution, gift, conveyance, bequest, or devise for the general purposes, or for any special purpose, of the Association.

Section 6.08 Fiscal Year. The fiscal year of the Association shall be the calendar year.

## ARTICLE VII MISCELLANEOUS

Section 7.01 Parliamentary Rules. Unless waived by a majority vote of the Owners in

attendance in person or by proxy at any duly called membership meeting, or unless waived by a majority of the directors present at any duly called meeting of the Board of Directors, Roberts' Rules of Order (latest edition) shall govern the conduct of the proceedings of such meeting when not in conflict with South Carolina law, the Declaration, or these By-Laws. Notwithstanding the foregoing, the failure to observe Roberts' Rules of Order at any meeting shall not give rise to a cause of action by any Owner as against the Board of Directors or the Association.

Section 7.02 Conflicts. If there are conflicts or inconsistencies between the provisions of South Carolina law or the Declaration and these By-Laws, the provisions of South Carolina law and the Declaration, in that order, shall prevail.

Section 7.03 Definitions. Unless the context shall otherwise require, words or phrases used herein which are defined in the Declaration shall have the same meaning as therein set forth.

Section 7.04 Amendment. The Articles of Incorporation of the Association and these By-Laws may be amended, at a regular or special meeting of the Members duly called and held for such purpose, pursuant to a resolution of the Board of Directors adopting a proposed amendment. Such resolution must be approved by the Members to which at least two-thirds (2/3) of the votes which the Members present at such meeting in person or by proxy are entitled to cast. In lieu of a meeting, these By-Laws may be amended by mail referendum upon the approval of at least two-thirds (2/3) vote of the Owners responding to the mail referendum.

Section 7.05 Agreements. Subject to the provisions of the Declaration and the obtaining of the consent and approval of Declarant, if such consent and approval is required by the Declaration or these By-Laws, all agreements and determinations duly authorized by the Board of Directors of the Association including any management agreement entered into on behalf of the Association, shall be binding upon all Owners, their heirs, legal representatives, successors, assigns, or others having an interest in the Property, and in performing its responsibilities hereunder, the Association, through the Board of Directors, shall have the authority to delegate to such persons of its choice such duties of the Association as may be determined by the Board of Directors.

Section 7.06 Liability. The officers and directors of the Association shall not be liable for any mistake of judgment, whether negligent or otherwise, except for their own individual willful misfeasance or malfeasance, misconduct, or bad faith. The officers and directors of the Association 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, as a Common Expense, shall indemnify and forever hold each such officer and director free and harmless against and from any and all liability to others on account of any such contract or commitment. In addition, each director and each officer of the Association shall be indemnified and held harmless by the Association, as a

Common Expense, from any expense, loss or liability by reason of having served as such director or as such officer and against all expense and liability, including court costs and reasonable attorneys' fees, incurred by or imposed upon such director or officer in connection with any proceeding to which he may be a party or have become involved by reason of being such director or such officer, whether or not he is a director or officer at the time such expenses are incurred, except in cases wherein the expenses and liability arise from a proceeding in which such director or such officer is adjudicated guilty of willful misfeasance or malfeasance, misconduct, or bad faith in the performance of his duties. In the event of a settlement of any such proceeding, the indemnification provided hereby shall apply only when the Board of Directors has been given written notice of such settlement, and provided such settlement and reimbursement is not then disapproved by resolution by the Board of Directors at its next regular meeting or special meeting called for that purpose, whichever meeting first occurs. 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. To the extent available, the Association shall maintain adequate general liability and officers and directors' liability insurance as a Common Expense to fund these obligations.

Section 7.07 Severability. Invalidation of any covenant, condition, restriction, provision, sentence, clause, phrase, or word of these By-Laws, or the application thereof in any circumstances, shall not affect the validity of the remaining portions thereof and of the application thereof, and such remaining portions shall remain in full force and effect.

Section 7.08 Gender and Grammar. The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men, or women, shall in all cases be assumed as though in each case fully expressed.

Section 7.09 Headings and Captions. The Article and Section headings and captions herein are for convenience and reference only and in no way either define or limit the scope and content of these By-Laws or in any way affect the provisions hereof.

Section 7.10 Notices. Any notice required to be sent to any Owner under the provisions of these Bylaws, or any Rules adopted by the Association, shall be deemed to have been properly sent, and notice thereby given when emailed to an Owner at an email address provided to the Association for such purpose, or mailed, with the proper postage affixed, to the last known 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.

IN WITNESS WHEREOF, the Association has caused these Presents to be executed in its name by its duly authorized officers, as of this 4<sup>th</sup> day of August, 2022.

Clairi Montgomery  
Witness

Stacey S. Collins  
Witness

**CROSSWINDS PROPERTY OWNERS' ASSOCIATION, INC., a South Carolina Non-Profit Corporation,**

By: [Signature] (L.S.)  
President/Director

By: [Signature] (L.S.)  
Secretary/Director

STATE OF SOUTH CAROLINA )  
COUNTY OF BEAUFORT )

ACKNOWLEDGMENT

I, Stacey S. Collins, do hereby certify that Marshall Grimes, as Secretary, and Peter Foss, as President of Crosswinds Property Owners' Association, Inc., appeared before me the date below written, and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this 4<sup>th</sup> day of August, 2022.

Stacey S. Collins  
Notary Public of South Carolina  
Print Name: Stacey S. Collins  
My Commission Expires: 6-5-25

