

FRIPP ISLAND CLUB BY-LAWS

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FOREWORD

The Fripp Island Club (the Club) is owned and managed by Ocean Courses of Fripp LLC. (The Company) to provide an appealing social and recreational environment for members and guests. The Company's goal is to ensure that the facilities remain a source of pride and enjoyment for its members. The Company is devoted to improving the quality of all facilities continuously, as prudent business judgment dictate.

Consistent with these aims, the Company's executives officers, acting as the Club's Executive Board, may periodically change the by-laws set forth herein, as they deem necessary.

Proposed changes will be presented to the elected Club Advisory Board. Changes will be given to Club members in writing at the Fripp Island Club Annual Meeting.

The Club strives to keep by-laws to a minimum. The by-laws are intended to clarify Club members' privileges and responsibilities and to ensure the facilities are used in a fashion that safeguards the Company's physical assets and enhances all members' enjoyment. Carefully selected and trained staff members, are asked to enforce the Club by-laws, house rules and regulations. Their primary role is to ensure that members and guests receive the courtesies, comforts and services to which they are entitled.

Members are expected to know the Club by-laws, and to cooperate with the Company's officers and staff in their enforcement. Members are responsible for making sure their guests understand and follow the Club bylaws and rules.

DEFINITION OF TERMS

FRIPP ISLAND CLUB includes all recreational and social facilities owned and/or operated by Ocean Courses of Fripp, LLC and identified as a Fripp Island Resort facility. The Company gives the privilege for use of these facilities to members and their guests through payments of dues and fees from the Club members. Members pay Club dues and fees according to the level of privileges received.

OCEAN COURSES OF FRIPP, LLC, (the Company), owns, manages and operates all facilities.

FRIPP ISLAND CLUB EXECUTIVE BOARD (Executive Board) consists of the Company executive officers.

FRIPP ISLAND CLUB MEMBERSHIP COMMITTEE (Membership Committee) will consist of the Executive Committee, the Chairperson of the Fripp Island Club Advisory Board and one Advisory Board Member appointed by the Chairperson.

FRIPP ISLAND CLUB ADVISORY BOARD (elected by the membership) consists of Club members, the Director/Administrator or an officer of the Company. Please see ARTICLE VII. Advisory Board.

CLUB MEMBERS (Members) are individuals who have submitted a membership application, paid appropriate fees and been approved by the Membership Committee. A member has use of the Facilities with privileges specified in the designated membership category. Only Fripp Island property owners and invited individuals are eligible to join the Club. All members are issued a photo-ID membership card. This card is property of the Club and must be presented for identification purposes for access to all Fripp Island Resort facilities. The membership card is non-transferable and is for the exclusive use of the person named on the card. Misuse of the membership card may result in a fine for member and user.

GUESTS are individuals or groups, not included in the membership, who have been granted Club privileges for a specific time or individuals accompanied by a Club member. Individuals who are not with a Club member are unaccompanied guests. Guests are the responsibility of the sponsor member. Beaufort County property owners who are not members are restricted to one day a year use of the Club as a guest. Guest privileges may be denied, withdrawn or revoked at any time for reasons considered sufficient by the Company, in its sole and absolute discretion.

An Amenity Card grants the individual named, access to the facilities for the dates indicated on the card. This card must be presented when requested by staff for access to facilities and restaurants.

FACILITIES are locations and buildings identified as amenities. See ARTICLE II Facilities and Amenities.

ARTICLE I NAME AND PURPOSE

The name of this private Club shall be the Fripp Island Club. The Club is managed and operated by The Company its officers, directors, or other assigns. Subject to the provisions of these by-laws, members shall be entitled to use of the Facilities but shall have no vested interest or ownership therein.

ARTICLE II FACILITIES AND AMENITIES

Facilities and amenities are locations owned and/or operated by the Company, which are reserved for the right of use by members and guests.

1. **GOLF:** Ocean Point Golf Links complex includes an 18-hole golf course. The Ocean Creek Golf Course is an 18-hole course. (Limited membership privileges exclude the Ocean Creek Golf Course. However Limited members pay non-discounted green fees, but may not use their own carts if on the trail fee program).

2. **POOLS:** Pools include Ocean Point Pool, The Beach Club Adult Pool, Olympic Pool Village Pool, Marina Pool and Cabana Club Pool Complex, Ocean Point, Olympic Pool Village, and Cabana Club which includes pools for small children. (Limited membership privileges does not include the Cabana Club Pool Complex).

3. **TENNIS:** The Racquet Club includes eight fast-dry courts, and pro shop.

4. **RESTAURANTS:** The Beach Club, Sandbar, Hugo’s Tavern on the Tee is located at Ocean Point. The Bonito Boat House Restaurant is located at the Fripp Island Marina. Limited membership privileges exclude Cabana Club dining.

5. **MARINA:** In accordance with marine law the Fripp Island Marina and ships store are open to all travelers by boat. This does not include Bonito Boat House Restaurant and Lounge. All members will receive a discount on rates for boat storage and dockage. Full members, upon showing their Club membership card before self-launching, will not be charged for launching. All members are charged if staff is asked to launch a watercraft.

ARTICLE III. MEMBERSHIPS

Horizon membership entitles members and their guests to use all of the amenities based on their membership category. Dues for Horizon members will be no higher than dues for Limited members. All members joining the Club after September 15, 1995 are Horizon members.

Limited membership (grandfathered in 1995) entitles members and their guests to all of

the Club amenity privileges that existed prior to September 15, 1995. While limited members do have access to the Ocean Creek Golf Course, they will pay non-discounted green and cart fees. Limited member trail fee participants will not be allowed to use their carts on the Ocean Creek course. The Cabana Club Pool Complex and the Members Lounge, and any future facilities at Ocean Creek are not available to Limited members or their guests.

Section 1. ELIGIBLE PERSONS

1. **OWNERS** of a lot, house, villa, or unit on Fripp Island are eligible to be considered for membership in the Club.

2. A **NON-PROPERTY OWNER** who has been grandfathered may continue the membership. This is a member who owned Fripp Island property and did not close the Club membership at the time his/her property was sold.

3. **LONG-TERM OR YEAR-ROUND RENTER** is a non-property owner who lives on Fripp Island for a minimum of 6 months. The property owner must maintain a Club membership for the long-term renter to be eligible for this membership category.

4. A **COMPLIMENTARY** member may be any individual who is determined by the Company a friend of the Company or Fripp Island. Such an individual may be given a complimentary membership of any category. The Company reviews complimentary memberships annually. 5. **EMPLOYEES** of the Company are eligible for membership of any category.

6. **OTHER** individuals approved by the Company, who pays the appropriate initiation fee, dues and fees.

Section 2. CLASSIFICATIONS

Classification, Type, and Category all appear on the membership card as a letter code. Classification of a member is generally Resident or Non-resident. Long-term rental guests are not members, but pay for the same privileges as members. They are classified as Resident Guests.

1. **RESIDENTS** are Fripp Island Club members who reside or live in Beaufort County more than three (3) months of the calendar year. Members in this classification pay a higher dues rate than non-resident members. Only Fripp Island property owners and invited individuals are eligible to join the Club.

2. **NON-RESIDENTS** are Fripp Island Club members who reside or live in Beaufort County less that three- (3) months of the calendar year. Non-resident members pay a dues rate less than that of residents. When use of

Club amenities exceeds three months of the year, the membership automatically upgrades to the

resident classification, and the member is responsible for the difference in dues. Only Fripp Island property owners and invited individuals are eligible to join the Club.

3. GUESTS (long-term or year round renters on Fripp Island) pay a minimum of six months' dues and fees under the resident rate. The privileges extended to this classification are the same as for members except that these guests may not vote. This classification is reviewed on an annual basis for renewal eligibility. After two full years in this classification, an initiation fee will be required for continued privileges.

Section 3. TYPES

Types of memberships include Single, or Family. The type of membership is coded on the membership card.

1. SINGLE is an unmarried individual without dependents. Once a single member marries the membership must be upgraded to a family membership.

2. FAMILIES are husband and/or wife, and/or dependent, unmarried children twenty-five (25) years of age or under living in the same domicile as the parents.

Section 4. CATEGORIES

The category of a membership is based on the amount of annual dues paid by the member and determines the privileges of the member as set forth below.

1. FULL membership includes use of all the facilities, dining, pools, golf and tennis. A member with full printed on his/her membership card has the following additional privileges included in their annual dues:

- . Court fees to play tennis
- . Green fees to play golf
- . Fitness center
- . Such other benefits as may be

included as determined by the Club

2. LIMITED FULL membership privileges exclude free use of the Ocean Creek Golf Course and use of other Ocean Creek amenities. The limited member pays the non-discounted green and carts fees to play golf at the Ocean Creek Golf Course.

3. GOLF is a grandfathered category of membership and no longer available. Current Golf members may remain in this category for *life or until they resign or request to change categories*. The Golf single member will continue to pay at least \$78 less in annual dues than a Full member of the same classification and type. The Golf couple/family member will

pay at least \$198 less in annual dues than a Full member in the same classification and type. A GOLF HORIZON membership includes use of all facilities, including dining, pools, golf (Ocean Creek and Ocean Point), and tennis. The green fees at both golf courses are included in the Golf Horizon membership. If an annual trail fee is paid it applies to both golf courses for the Horizon member. The Golf member pays to play tennis. LIMITED GOLF membership privileges excludes complimentary use of the Ocean Creek Golf Course and use of other Ocean Creek amenities. The LIMITED GOLF member pays the non-discounted green and cart fees to play golf at the Ocean Creek Golf Course.

4. RACQUET memberships are grandfathered and no longer available. Current Golf members may remain in this category for *life or until they resign or request to change categories* RACQUET membership includes use of all facilities, including dining, pools, golf, and tennis. This member pays to play golf. RACQUET printed on his/her card exempts the member from court fees to play tennis.

5. LIMITED RACQUET membership privileges excludes the Cabana Club Pool Complex, the Lounge at Ocean Creek and any future Ocean Creek amenities.

6. SOCIAL membership includes use of all facilities, including dining, pools, golf, and tennis. A member with SOCIAL printed on his/her membership card pays the member rate to play golf and tennis.

7. LIMITED SOCIAL membership privileges exclude the Cabana Club Pool Complex, the Lounge at Ocean Creek and any future Ocean Creek amenities.

8. INACTIVE members, who own unimproved lots, may pay an initiation fee and be eligible to use all facilities as a guest for 14 days per calendar year. An Inactive member will pay the same rates for the use of the amenities as a Social Member. Inactive member may not have unaccompanied guests. Inactive status is also available for one year to a member who sells Fripp Island property but plans to purchase another Fripp Island property within one year. Dues will be charged, to retain the initiation credit. Limited Inactive membership privileges exclude the Cabana Club Pool Complex, the Lounge at Ocean Creek and any future Ocean Creek amenities.

9. DINING members and accompanied guests may utilize only the designated dining facilities.

10. PATRON memberships are available to individuals who do not own property on Fripp Island. This category has a cap of 200

members. An initiation fee is required. Patron members and accompanied guests have full access to amenities. Patron members may not have unaccompanied guests. All Patron members are guaranteed membership eligibility for a minimum of three years.

11. RESERVATION CERTIFICATE

(Per November 2002 agreement)

For individual property owners who have paid a fee of \$5,000 to reserve the ability to pay the initiation fee and become a member of the Fripp Island Club in the future ("Certificate Holders"), commencing on January 1, 2003 each shall receive 5 1/2% per annum accruing on the \$5,000 for payments towards the then applicable fee to become a member of the Fripp Island Club, up to a maximum interest accrual of \$5,000. In the event Certificate Holder fails to purchase a membership prior to sale of his/her property, then and in that event, he/she may assign the rights of the Certificate Holder to the next subsequent owner of that particular property who would then have the right to pay the then applicable initiation fee for a club membership, and receive the Certificate Holder's credit toward the purchase price of \$5,000 plus 5 1/2% at any time, so long as he/she owns the property at the time of payment to become a member. Fripp Island Club may return the reservation fee, together with accrued interest at any time without any further obligation to the Certificate Holder.

12. OTHER membership categories may be developed, as the Company deems necessary. The Advisory Board will review any additions before being implemented.

13. OTHER PRIVILEGES may be given to members throughout the Club year.

Section 5. MEMBERSHIP CAP

Each Fripp Island Property Owner shall forever have the right to join the Fripp Island Club or its successor upon completion of the standard application for membership and payment of the then applicable initiation fee, provided they agree to abide by the terms and conditions of membership then prevailing. For purposes of this provision, Fripp Island Property Owner means any individual who owns property, either a home site or a condominium on Fripp Island, Beaufort, South Carolina.

Section 6. CORPORATE

A corporate membership is not available. Only individuals may be members. Owners of companies, partnerships, LLC's or PC's may join the Club as individuals, and each membership will be billed for annual dues and appropriate fees.

Section 7. MULTIPLE CO-OWNERSHIP

Effective November 1, 2002, where a Fripp Island Property is owned by more than one person in the form of a co-ownership, such as a partnership, LLC, P.A. or P.C., up to five (5) separate memberships will be permitted, but each owner must pay a separate initiation fee and dues. In the event a Fripp Island property is owned by more than five individuals, then an agreement must be jointly signed by all owners, designating which five (5) owners will be allowed to apply for membership. Copies of such instruments and documents of ownership must accompany applications submitted.

Section 8. CHANGES IN MEMBERSHIP

Members shall notify the Club office and return all cards issued for the current year when there is a change in membership status.

1. UPGRADES: Upgrading is the change from one category of membership to a category requiring higher annual dues.

a.. A member who moves down to a lower membership category and then back to their previous level of membership may do so without penalty or additional initiation fee. Any difference in the 1995 HORIZON program fees will be required at the time of an upgrade.

b. The member makes a prorated payment of the current dues for the new membership category and receives immediate (within 24 hours of receipt) privileges of such membership.

c. Upgrades are allowed as determined by the Club.

d. Member must maintain new category of membership for one full Club year (should the member wish to upgrade at anytime during the year, the member must maintain the new higher membership level until the second new year).

2. DOWNGRADES: Downgrading is a change from one category of membership to a category requiring lower annual dues.

a. The member assumes payment of the current dues for the change in membership status and only receives privileges included in such membership. There is no refund of initiation fees.

b. Downgrades will be allowed only at time of annual renewal. The Club may determine it that downgrades be limited.

c. Member must maintain new category of membership for one full Club year (should the member wish to upgrade at anytime during the year, the member must maintain the new higher membership level until the second new year).

3. DIVORCE OR SEPARATION:

Should a member and spouse become legally divorced, the party legally retaining or acquiring title to the Fripp Island Property, upon when the membership was based, shall be recognized as the Club member. In the event the Fripp Island Property is held in co-tenancy following the decree of divorce, then the parties both may retain membership. The co-tenant will have to complete an Application for membership and will be issued a new account and membership card, paying separate dues and fees. No additional initiation fee will be charged.

4. DEATH:

Death of a spouse will automatically change the status of membership from family to single if no dependents are included on the membership. A pro-rated refund of dues paid in advance will be made. Members are asked to notify the Club office.

5. CHILDREN OF MEMBERS

a. When a child within the

current family membership reaches the age of 25 or leaves the family domicile, that child is no longer eligible to be included in the family membership. At that time the adult child is eligible to join the Club under the parent's initiation by submitting an Application for Membership with appropriate dues and fees. No additional initiation fee will be charged. This is offered during the first year only; thereafter, if the adult child decides to join the Club he or she is required to submit an Application for Membership and submit the appropriate initiation fee, such Application is subject to the provisions of Article IV, Section 1. It is the member's responsibility to notify the Club office.

b. When a child in the family

membership marries, the adult child is no longer eligible to be included in the family membership. At that time the adult child is eligible to join the Club under the parent's initiation by submitting an Application for Membership with appropriate dues and fees. No additional initiation fee will be charged. This is offered during the first year only; thereafter, if the adult child decides to join the Club he or she is required to submit an Application for Membership and submit the appropriate initiation fee, such application are subject to the provisions of Article IV, Section 1. It is the member's responsibility to notify the Club office.

ARTICLE IV. APPLICATIONS, INITIATION FEE, PAYMENTS AND OTHER FEES

Section 1 APPLICATIONS

1. Applications for Membership shall

be listed in chronological order and acted upon

accordingly and shall be approved or rejected in that order.

2. Applications for Membership shall

be made on the proper form supplied by the Club. Each application shall include the name of the applicant, address, and required family and business information, and must be signed by the applicant.

3. Initiation fee, appropriate dues, tax,

and fees and all appropriate paperwork must accompany applications for Membership. If the applicant is not accepted for Club membership, all fees, dues, and tax will be refunded.

Section 2. BILLING NOTICE

At least 30 days notice prior to the due

date, notice will be given to all members for club dues, fees, taxes, dining minimum, and initiation fees if applicable.

Section 3 INITIATION FEES AND PAYMENTS

1. Cash or check payment for full

payment of the initiation fee must accompany the Application for Membership.

2. The initiation fee is neither

refundable nor transferable. The only exception applies to an Application for Membership that is not accepted, in which case a full refund is made.

Section 4. DUES AND PAYMENTS

Appropriate dues, plus the South

Carolina admission tax must accompany the Application for Membership.

1. Dues and tax become

payable on or before November 1 for the upcoming year. Dues are based on an annual rate. A member may not choose to be an active member for only a portion of the year. Dues and tax may or may not be divided into payments, as determined by the Company.

2. All dues rates, taxes, and

fee schedules are to be reviewed by the Advisory Board.

Section 5. REFUNDS

Refunds will be on a limited basis. A

member who has paid yearly dues and fees in full may be eligible for a pro-rata refund of dues. The member is responsible to return the current membership card(s) to the Club office before a refund is processed. If a refund is applicable, calculation begins on the next full quarter of the dues year. No refunds are given after the start of the final quarter. However, initiation fees, dining minimum's and amenity card fee are not refundable.

Section 6. LATE FEES

A late fee of 10% will be charged if

payment is not received by the due date. A monthly finance fee of not to exceed the legal rate allowed by South Carolina, will be applied

to the entire outstanding bill if any payment is delinquent by 30 days. This finance fee is in addition to the late fee of 10%.

Section 7. TAXES

South Carolina admission tax is calculated and added to the dues and guest card fees. Other taxes will be added if applicable.

Section 8. PENALTIES

A fine or suspension of Club membership will be charged to any member giving his/her membership card(s) to another individual to gain use of the Club. The member will be charged for any golf, tennis or other expense determined by the Club. The user may also be charged a \$100 fine.

ARTICLE V. GUESTS

Guest are not members, but individuals who may use the facilities as designated by the Company for which the sponsoring member has the privilege to use. Guests pay the appropriate fees to play golf and tennis.

Section 1. MEMBER GUEST

Privileges for guests of a LIMITED member exclude Cabana Club Pool Complex, Members Lounge at Ocean Creek and future amenities at Ocean Creek. Privileges of a guest sponsored by a HORIZON member include use of all facilities. Fripp Island property owners or residents of Beaufort County property owners who are not members of the Fripp Island Club are not eligible to be a guest more often than one day a year.

Section 2. ACCOMPANIED GUESTS

Club members may have an unlimited number of accompanied guests throughout the Club year. Guest cards are not required. Non-Club members who reside in Beaufort County or own property in Beaufort County may utilize the facilities no more than one day a year as a guest may may.

Section 3. UNACCOMPANIED GUESTS

Club members must request guest cards for unaccompanied guests to use the facilities. An unaccompanied guest is anyone who is not physically with the member. Members are responsible for the actions of their guests.

1. Each eligible member must purchase "Master Guest Cards" (MGC). Each MGC will allow the purchase of one weekly amenity card for each week during the year. Patron and Dining members may not have unaccompanied guests.

Section 4. RESORT GUESTS

Resort guests are individuals or groups who rent property through the Company. Owners of all rental properties in the Company rental program are required to be Full Club members. For members who utilize the

Company's rental program, the amenity card fee is incorporated in the management fee.

Section 5. RENTAL GUESTS (Other than FRIPP ISLAND RESORT)

Club members who rent through other rental agencies or on their own and wish their rental guests to utilize the Resort amenities are required to purchase MGC. Each MGC will allow the purchase of one weekly amenity card, for each week during the year for their rental guests to use the appropriate amenities as designated by the members' membership category. Members who are real estate agents, are affiliated with other property management companies, or act as individual managers may not purchase MGC to distribute to clients' or friends' rental guests. The MGC are for the use of the member's designated property and are not interchangeable with any other property.

Section 6. LONG-TERM RENTAL GUESTS

Individuals who are living on Fripp Island for three or more months during a calendar year may purchase a guest card package with Club privilege by paying a minimum of 6 months' dues of the membership category for the privileges desired. No initiation fee is required. After two full years in this classification, an initiation fee will be required. Should the long-term rental guests purchase property, they are required to pay an initiation fee and join the Club at the time of closing to continue privileges.

ARTICLE VI. AMENITY CARDS

Amenity cards are required for all individual guests who are not accompanied by a member in order to use the facilities. Each guest card identifies the unit the MGC and amenity cards are issued. The authorized guest is entitled to use amenities during the date(s) validated. A limited amenity card excludes the Ocean Creek privileges other than golf. The guest card issued under a limited member will be identified as a limited guest card.

Section 1. AMENITY CARD REQUEST

A written request is to be given to the Club office at least one week prior to guest's arrival. Only members may request guest cards for unaccompanied guests.

Section 2. THIS SECTION

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Section 3. ISSUANCE

All amenity cards are to be picked up at the designated times & location identified by the Resort office. The cards are issued only to the Club member and/or the specified guest, upon payment and to Company rental guests on the date of arrival. Proper identification may be required

Resort rental amenity cards will be issued at the Resort desk at time of check-in.

ARTICLE VII. ADVISORY BOARD

The Advisory Board serves not only as a sounding board for the Club/Company on new ideas, services, and improvements but to represent the membership as a whole. The Board members are charged with the task of understanding the position of each category of membership and having a working knowledge of the Company's view and to serve as liaison in a manner that creates an atmosphere of understanding between the membership, Company and management. Club members are encouraged to contact a Board member to relate views for discussion.

The Club Director/Administrator is the liaison between the individual members, the Advisory Board, and the Executive Board.

Section 1. COMPOSITION

The Advisory Board consists of a maximum of nine members. One of the nine is an employee or Director/Administrator of the Club. Up to eight other members are elected by the active Club membership. The Vice President of the FIPOA BOARD will serve as an ex-officio member of the Advisory Board. This representative will attend all meetings of the Advisory Board and report information between the FIPOA Board and Club Advisory Board when appropriate. The FIPOA ex-officio member does not have a vote. An ex-officio member receives copies (including By-Laws) of information given to the Advisory Board for review and suggestions. All organizations or associations with use of the amenities and services may appoint an ex-officio member, who upon approval by the Advisory Board will be recognized to attend the regular meetings. This Advisory Board represents the membership. Ex-officio members do not have a vote on the Club Advisory Board.

Section 2. ELECTION OF BOARD MEMBERS

The nomination and election process will be determined by the existing Advisory Board and the Company.

1. The membership will be notified in writing of the method of nomination and election of Club Advisory Board members.

2. The Advisory Board will present nominations for election in writing. Nominees are required to be active members in good standing and agree to serve on the Advisory Board by attending meetings and being available to the membership.

3. Members will be elected for a two-year term. At least 2 new members will be elected each year. Elected Board members may

serve up to two consecutive terms, not to exceed four consecutive years.

4. Voting privileges are given to all active members in good standing within the memberships, except Inactive and Patron. ("In good standing" is a member with all dues, fees and accounts current). All memberships receive one vote.

Section 3. MEETINGS

1. The Advisory Board will meet on a schedule determined by the Board. The Club management will meet at least once each quarter with the Board to review the Club's programs and activities. The Club/Company is open to receive proposals and recommendations on ways in which the Club can better serve its members.

2. Regular scheduled meetings are open to all members. The meeting dates for the current term will be published to the membership after the first meeting of the newly elected Advisory Board. A twenty-four hour notice to the Club office is required for an individual or group to appear on the agenda.

3. The Advisory Board will elect a Chairperson to preside at the meetings. The Chairperson will appoint an acting Chairperson whenever he/she is unable to attend.

4. An appointed secretary will record minutes. The minutes will be distributed to the Advisory Board members in writing for approval.

5. The Chairperson, with advice and consent of the Advisory Board, will make appointments to fill vacancies occurring on the Advisory Board. Recommendations may be submitted by other Board members for approval by majority vote of the current Advisory Board. Substitutes are not designated in the absence of Board members at meetings.

6. Members of the Advisory Board are required to attend all meetings. Absence from 3 consecutive meetings or 4 meetings in a 12-month period may constitute removal from the Board.

7. There will be a Fripp Island Club Membership Annual Meeting. The Chairperson will preside. All Club members will receive written notice of the meeting 30 days in advance. The Club Administration financial report may be given at the time, as well as membership information.

Section 4. SPECIAL COMMITTEES AND APPOINTMENTS

The Chairperson or the Club/Company member may appoint special committees or project chairmen.

1. The special committee or chairperson will not be required to attend regular meetings of the Advisory Board unless requested

by the Advisory Board, but will submit reports as needed.

2. Such appointed persons will not have a vote on Advisory Board decisions unless they are elected or appointed members of the Advisory Board.

ARTICLE VIII. SUSPENSION, TERMINATION, OR RESIGNATION OF MEMBERSHIP

Section 1 SUSPENSION AND/OR TERMINATION

1. Temporary (by suspension) or permanent (by termination of membership) loss of a Club member's privilege to use the facilities may result from delinquency in paying all outstanding obligations, accounts, fees and dues to the Company. Membership privileges may be suspended if the member is over fifteen- (15) day's delinquent, and terminated if over thirty- (30) day's delinquent, in paying dues, fees and accounts. No other process is needed. All dues, fees, accounts and late charges must be paid in full, prior to reinstatement. The terminated member may request reinstatement as a member in the Club. However, the qualifications for membership in effect on the date of Application for Membership reinstatement must be met, and advance payment of a reinstatement fee and an initiation fee must be tendered with the application for membership. 2. Temporary (by suspension) or permanent (by termination of membership) loss of a Club member's privilege to use the facilities may occur in the event: (a) of misconduct of a Club member or the guest of a Club member at a facility; or (b) the Club member or the guest of a Club member violates the Club by laws, policies, house rules or regulations; or (c) the Club member or the guest of a Club member exhibits conduct deemed to be contrary to the best interest of the Company or the Club.

3. In the event the Club member or the guest of a Club member has engaged in what is described in (a), (b), or (c) in paragraph 2, above, a written notice will be sent to the member, stating the known facts and circumstances. A copy of such notice will be sent to each member of the Advisory Board. (a) The notice may request from the member a statement of corrective action to be taken by the member within thirty (30) days of the written notice. Should satisfactory corrective action not be made known to the Advisory Board or having been made known, was not taken by the member within the thirty (30) day period, a date, time and location of a meeting with the Advisory Board will be set for the purpose of reviewing the events with the member. Or, (b) The notice may give a date, time and location of a meeting with the Advisory

Board for the purpose of reviewing with the member the events giving rise to the cause for review.

4. The meetings referred to in paragraphs (a) and (b) of paragraph 3, above, will be held in Executive Session and will be conducted in as informal a manner as possible with the object to hear all the facts from the parties involved. Following the review by the Advisory Board, the Advisory Board shall make to the Executive Board one of the following recommendations: (i) that the membership of the member may be sustained; (ii) that the membership of the member be suspended for a period of time not to exceed sixty (60) days; or (iii) that the membership of the member be terminated. Such recommendation must be by an affirmative majority vote of those members of the Advisory Board in attendance at such meeting.

In the event the Advisory Board fails to reach a decision, within sixty (60) days after its written notice to the member of the meeting with the Advisory Board, the Executive Board may take action. The Executive Board shall act upon the recommendation of the Advisory Board within twenty (20) days following receipt of the recommendation from the Advisory Board. The Executive Board may or may not take the advice of the Advisory Board. Failure of the Executive Board to render its decision on the recommendation of the Advisory Board within the twenty (20) day period shall be deemed an affirmation by the Executive Board of the recommendation of the Advisory Board.

5. Should the membership of a member be terminated for misconduct by the Executive Board, the member shall be refunded the amount of the initiation fee paid by the member or the amount of the initiation fee in existence when the member purchased real estate which included the cost of a membership in the Club. A pro-rata portion of the current unused annual dues and the amount of remaining dining deposit shall be returned to such terminated member. The terminated member may request reinstatement as a member in the Club. However, the qualifications for membership in effect on the date of application for membership reinstatement must be met, and advance payment of a reinstatement fee and an initiation fee must be tendered with the Application for Membership.

6. When the Club member's membership is terminated, it is the terminated member's responsibility to return the current membership card(s).

Section 2 RESIGNATION OF MEMBERSHIP

Members may resign from the Club at any time upon written notice to the Club. They are responsible to pay all dues through the month

of resignation and any charges prior to the resignation date for which they are liable.

ARTICLE IX. BY-LAW AMENDMENT AND CHANGES

The Executive Board reserves the right to amend the Club By-Laws at its discretion within the following guidelines:

1. The Club Advisory Board will review all amendments proposed.

2. Amendments made throughout the year shall be distributed to the membership at the Annual Meeting.

NOTES