

**BYLAWS
OF
CAROLINA COAST SURF CLUB, INC.**

**ARTICLE I
ORGANIZATION**

1.1 Name; Existence. The name of the corporation is Carolina Coast Surf Club, Inc. (the "Club"). It is organized and exists under the laws of the State of South Carolina as a mutual benefit nonprofit corporation pursuant to the South Carolina Nonprofit Corporation Act of 1994 (Section 33-31-101, et. seq., South Carolina Code of Laws (1976), as amended) (the "Act"). The Articles of Incorporation of the Club (the "Articles") were filed with the South Carolina Secretary of State on August 12, 2004.

1.2 Principal Office. The principal office of the Club shall be located in the County of Charleston, State of South Carolina, as selected by the Board of Directors (the "Board") from time to time, but meetings of Members or Directors may be held at such place within the County of Charleston as is designated by the Board.

1.3 Fiscal Year. The fiscal year of the Club shall be on a calendar year basis.

1.4 Members. Membership is open to any person interested in furthering the purposes of the Club. New Members must complete a membership application and pay the required membership fees and dues as established by the Board from time to time.

1.5 Purposes. The purposes of the Club are to:

- 1.5.1 Promote surfing as a family oriented, recreational activity.
- 1.5.2 Promote surfing as a method of staying physically and mentally fit.
- 1.5.3 Promote safe surfing.
- 1.5.4 Promote surfing as a sport.
- 1.5.5 Promote the rights of surfers.

**ARTICLE II
MEMBERS**

2.1 Annual Meetings. Annual meetings of Members shall be held in August or September of each year, on such day and time and at such place in Charleston County, S.C. as is set by the Board each year.

2.2 Special Meetings. Special meetings of the Members shall be held upon request of a majority of the Board. A special meeting of the Members also shall be called upon written demand delivered to the Secretary by five (5.0%) percent or more of the Members, notice of which shall be delivered in writing to all Members within thirty (30) days of the Secretary's receipt of the demand. For purposes of determining the five percent (5%), the record date shall be thirty (30) days before delivery of the written demand. Upon the failure of the Board to send notice of a

special meeting within thirty (30) days following delivery of written demand as aforesaid, any Member signing the demand may set the time and place of the special meeting and give notice thereof to all Members in accordance with the Act.

2.3 Notice and Place of Meetings.

2.3.1 Unless otherwise provided in the Articles, these Bylaws, or the Act, written notice of each meeting of the Members, annual or special, shall be given by or at the direction of the Secretary by mailing a copy of such notice, first class mail, postage prepaid, at least thirty (30) days but not more than sixty (60) days before such meeting to each Member, addressed to the Member's address last appearing on the books of the Club, or supplied by such Member to the Club for the purpose of notice. In the case of written demand of Members representing five (5%) percent of the total voting power of the Club, written notice of such meeting shall be given not more than thirty (30) days after written demand is delivered to the Club. Such notice shall specify the date, time and place of the meeting, and, in the case of a special meeting, the purpose of the meeting. All meetings shall provide for voting by proxy.

2.3.2 Notice of a meeting of the Members need not be given to any Member who signs a waiver of notice, in person or by proxy, either before or after the meeting. The waiver must be delivered to the Club for inclusion in the minutes or filing with the corporate records. Attendance of a Member at a meeting, in person or by proxy, shall of itself constitute waiver of notice, except when the Member attends a meeting solely for the purpose of stating his objection, at the beginning of the meeting, to the transaction of any business on the ground that the meeting is not lawfully called or convened. Objection by a Member shall be effective only if written objection to the holding of the meeting or to any specific action so taken is filed with the Secretary of the Club.

2.4 Quorum. Unless otherwise provided in these Bylaws, the Articles, or the Act, a quorum is composed of those Members who are in attendance at the meeting. Provided, however that a quorum of two-thirds of the Members is required to take any action regarding the amendment of these Bylaws.

2.5 Voting. Each Member is entitled to cast one vote on any matter properly before a Member meeting.

2.6 Eligibility to Vote: Only Members in good standing shall be entitled to vote on any issue or matter presented to the Members for approval. In order to be in good standing, a Member must be current in the payment of all dues and may not subject to any suspension of voting privileges as a result of disciplinary action by the Board.

2.7 Action Without Meeting: Any action that may be taken at any annual or special meeting of Members may be taken without a meeting in accordance with the provisions of the Act. Any form of written ballot distributed by any person to the membership of the Club shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of

matters to be acted upon, except it shall not be mandatory that a candidate for election to the Board be named in the written ballot. The written ballot shall provide that, where the Member specifies a choice, the vote shall be cast in accordance with that choice.

2.8 Conduct of Meetings: Meetings of the membership of the Club shall be conducted in accordance with a recognized systems of parliamentary procedure or such parliamentary procedures as the Board may adopt. Notwithstanding any other provision of law, notice of meetings of the Members shall specify those matters the Board intends to present for action by the Members, but except as otherwise provided by law, any proper matter may be presented at the meeting for action. Members of the Club shall have access to Club records in accordance with the Act.

2.9 Expulsion or Suspension of Members. A Member may be expelled or suspended by the Board for: non-payment of dues; violation of any rules adopted by the Board governing the conduct of Members; any conduct which materially and adversely affects the purposes of the Club; or any conduct which discredits the reputation or the public's perception of the Club.

ARTICLE III **BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE**

3.1 Number. The Board shall manage the affairs of the Club. The initial Board shall consist of five (5) Directors. The Board may be increased to not more than nine (9) Directors or decreased to not less than three (3) directors by the unanimous consent of the Board. All Directors must be Members of the Club.

3.2 Term. The terms of Directors shall be staggered. Of the initial Board of Directors, one director shall be appointed for a term to include one full calendar year, two directors shall be appointed for a term to include two full calendar years, and two directors shall be appointed for a term to include three full calendar years. At the expiration of the initial term of each Director, his successor shall be elected to serve for a term of three (3) calendar years. Unless vacated sooner, each Director shall hold office until the Director's term expires and a successor is elected.

3.3 Selection. Directors shall be elected by a majority vote of Directors at the last regular meeting of the calendar year for terms commencing on January first of the following calendar year.

3.4 Resignation and Removal. Any Director may resign at any time. Such resignation shall be made by written notice delivered to the Secretary of the Club, effective as of the time stated in the notice. Any Director may be removed from office, with or without cause, by the affirmative vote of two-thirds (2/3) of the Directors then in office.

3.5 Vacancy. Any vacancy occurring on the Board shall be filled by a majority vote of Directors present at any meeting at which a quorum is present. If the remaining Directors in office constitute less than a quorum, they may fill any vacancy by the affirmative vote of a majority of the remaining Directors. A Director elected to fill a vacancy shall be elected for the

unexpired term of the vacancy.

ARTICLE IV **MEETINGS OF DIRECTORS**

4.1 **Regular Meetings.** The Board shall hold regular semi-annual meetings, the exact dates, times and places of which shall be set by the Board.

4.2 **Special Meetings.** Special Meetings of the Board may be called at any time by the President, the Vice- President, or any two (2) Directors.

4.3 **Notice.** Notice of the time and place of a regular meeting shall be given to each Director either verbally or in writing not less than ten (10) days nor more than forty (40) days prior to the meeting. Notice of a special meeting must state the date, time, place thereof and shall be given to each Director either verbally or in writing not less than forty-eight (48) hours before such meeting.

4.4 **Quorum; Voting.** At any meeting of the Board, the presence of a majority of Directors shall constitute a quorum for all purposes and the action of a majority of the Directors present at any such meeting shall be the act of the Board except as may be otherwise expressly provided by law, the Articles or the Bylaws. In the absence of a quorum or when a quorum is present, a meeting may be adjourned from time to time by vote of a majority of the Directors present without notice other than by announcement at the meeting and without further notice to any absent Director.

4.5 **Written Consent.** Action required or permitted to be taken at a meeting of Directors may be taken without a meeting if the action is taken by the written consent of all Directors. Any such consents shall be included in the minutes filed in the Club records.

4.6 **Compensation.** No Director shall receive compensation for any service rendered to the Club. However, any Director may be reimbursed for actual, reasonable expenses that are incurred in the performance of his or her duties and which are approved by the Board in advance.

ARTICLE V **AUTHORITY OF BOARD**

In addition to any and all other powers and authority granted by law to nonprofit corporations generally, the Board shall have the following powers and authority:

5.1 To fix Membership dues and registration fees from time to time.

5.2 To expel or suspend a Member pursuant to Section 2.9 of these Bylaws.

5.3 To solicit, receive and acquire property of every kind, nature and description by gift,

devise, bequest, purchase, or otherwise, and to hold title to such property in the Club's name, in trust or otherwise, and to invest and reinvest in real and personal property or any interest therein, wherever situated, and without limitation as to amount.

5.4 To enter into contracts, incur liabilities, borrow money; issue or endorse bonds, notes and other evidences of indebtedness; to execute and deliver deeds, leases, mortgages, pledges and other agreements; to apply for and hold any and all franchises, permits, patents, licenses, consents, grants, rights or interests whatsoever which the Board may deem necessary or appropriate for the accomplishment of its purposes; and to sell, convey, lease, exchange, transfer or otherwise dispose of all or any of the Club's assets except as limited by the Articles or the Act.

5.5 To have and exercise all other power and authority necessary to carry out its purposes and to perform all other acts permitted by law by nonprofit corporations under the law of the State of South Carolina.

5.6 To maintain an Internet website for the Club; publish a newsletter, either electronically or in print; and adopt Member application forms.

5.7 To engage in promotional activities to increase Club membership or to further the purposes of the Club.

5.8 To promulgate rules regarding the proper conduct of Members.

5.9 To represent the Club in the protection or advocacy of surfers' rights.

ARTICLE VI OFFICERS AND THEIR DUTIES

6.1 Enumeration of Officers. The officers of the Club shall be a President, one or more Vice-Presidents, a Secretary, a Treasurer, and such other officers as the Board may time to time create by resolution. All officers must be Directors of the Club.

6.2 Election of Officers. All officers shall be appointed by the Board.

6.3 Term. The Board shall elect the officers of the Club annually and each officer shall hold office for a term of one calendar year unless he or she sooner resigns, is removed, or otherwise becomes disqualified to serve.

6.4 Resignation and Removal. Any officer may be removed by the Board at any time, with or without cause. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

6.6 Vacancies. A vacancy in any office shall be filled by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

6.7 Duties. The duties of the officers are as follows:

6.7.1 President. The President shall: preside at all meetings of the Board; see that all resolutions of the Board are carried out; and sign all written instruments. The President shall have the general powers and duties of management usually vested in the office of the President of a South Carolina nonprofit mutual benefit corporation, and shall have such other powers and duties as may be prescribed by the Board or by these Bylaws.

6.7.2 Vice President. A Vice-President shall act in the place of the President in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

6.7.3 Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Club together with the addresses, and shall perform such other duties as required by the Board. The ministerial functions of the Secretary in recording votes, keeping minutes, sending notices, and keeping the records of names and addresses of Members may be delegated to another Club Member.

6.7.4 Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Club and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all promissory notes of the Club; shall keep proper books of account; and shall prepare and shall distribute budgets and statements. The ministerial functions of the Treasurer in sending Assessment notices, receiving and depositing Assessments, keeping books and ledgers of account, and preparing and distributing budgets and statements may be delegated to a bookkeeper with the consent of the Board.

ARTICLE VII BOOKS AND RECORDS

7.1 Inspection by Members. The Membership register (including names, mailing addresses, telephone numbers and voting rights), books of account and minutes of meetings of the Members, of the Board and of any committees appointed by the Board shall be made available for inspection and copying by any Member of the Club, or by his duly appointed representative, as any reasonable time and for a purpose reasonably related to his interest as a Member, at the office of the Club or at such other place as the Board may reasonably require.

ARTICLE VIII INDEMNIFICATION

8.1 Each Director and Officer of the Club now, hereafter, or heretofore serving as such, shall be indemnified by the Club against any and all claims and liabilities to which such person has or shall become subject by reason of serving or having served as such Director or Officer, or by

reason of any action alleged to have taken, omitted, or neglected by such person as such Director or Officer; and the Club shall either advance or reimburse each such person for all legal expenses reasonably incurred by such person in connection with any such claim or liability, to the fullest extent allowed by the Act; Provided, however, that no such person shall be indemnified against, or be reimbursed for, any expense incurred in connection with any claim or liability unless the same is allowed by the Act.

**ARTICLE IX
MISCELLANEOUS**

9.1 Amendments. These Bylaws may be amended in whole or in part by the affirmative vote of at least two-thirds (2/3) of the Members at any regular or special meeting of the Members at which the required quorum is present, subject to such prior notice as is required by the Act.

These Bylaws were presented and adopted at the organizational meeting of the Incorporator of the Club held on August 22, 2004.

A handwritten signature in blue ink, reading "Nicholas C. Sottile", is written over a horizontal line.

Nicholas C. Sottile, Incorporator