

~~about Board~~  
BOARD

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EXHIBIT B

STATE OF SOUTH CAROLINA )  
 )  
 ) BY-LAWS  
 ) RIVER STATION PROPERTY  
COUNTY OF CHARLESTON ) OWNERS ASSOCIATION, INC.

WHEREAS, By-Laws of Darrell Creek Plantation Homeowners Association, Inc. was filed with the RMC Office for Charleston County in Book G 193, at Page 787.

WHEREAS, the Darrell Creek Plantation Homeowners Association, Inc. was dissolved on May 11, 1990, the Articles of Dissolution being duly filed with the Secretary of State for the State of South Carolina on May 11, 1990.

WHEREAS, Darrell Creek Associates LP is in the process of establishing a new non-profit corporation in the name of River Station Property Owners Association, Inc. for the purposes set herein below.

NOW, THEREFORE, the By-Laws of River Station Property Owners Association, Inc. are as set forth below.

ARTICLE I

NAME, LOCATION, PURPOSE & FUTURE STAGES

SECTION 1: Name. The name of this Corporation shall be RIVER STATION PROPERTY OWNERS ASSOCIATION, INC. (hereinafter "Association".)

SECTION 2: Location. The principal office of the Association shall be located at P.O. Box 1078, Camden, South Carolina 29020, with branch offices at such other places within the State of South

~~Carolina as may be from time to time determined by the Board of~~  
Directors.

SECTION 3: Purpose. The object, purpose and business which the Association proposes to do shall be to preserve the values and amenities of River Station; to maintain the open spaces, drainage

areas, green areas located within the rights-of-way, and certain other common facilities; administering and enforcing the Amendment and Restatement of Declaration and Establishment of Conditions, Reservations, and Restrictions for River Station, f/k/a Darrell Creek Plantation; levying, collecting and disbursing assessments and charges; and to engage in such other activities as may be to the mutual benefit of the owners of property in River Station.

SECTION 4:        Future Stages.        These By-Laws are initially applicable to that property described in Exhibit A to the Amendment and Restatement of Declaration and Establishment of Conditions, Reservations, and Restrictions for River Station, f/k/a Darrell Creek Plantation as Exhibit A. However, the Declarant reserves the right, in its discretion to subject future phases of River Station to the Declaration and these By-Laws.

SECTION 5.        Declarant.        The Declarant is Darrell Creek Associates LP, a South Carolina limited partnership.

## ARTICLE II OFFICERS

SECTION 1:        The Executive Officers of the Association shall be a President, a Vice-President, a Secretary and a Treasurer. The officers shall be elected annually by the Board of Directors. They shall take office immediately after election.

SECTION 2:        Subject to the direction of the Board of Directors, the President shall be the chief executive officer of the Association and shall perform such other duties as from time to

time may be assigned to him by the Board. The President shall be ex officio a member of all committees.

SECTION 3: The Vice-President shall have such power and perform such duties as may be assigned to him by the Board of Directors or the President. In case of the absence or disability of the President, the duties of that officer shall be performed by the Vice-President.

SECTION 4: The Secretary shall keep the minutes of all proceedings of the Board of Directors and of all Committees and the minutes of the members' meetings in books provided for that purpose; he shall have custody of such books and papers as the Board may direct; and he shall in general perform all the duties incident to the office of Secretary, subject to the control of the Board of Directors and the President; and he shall also perform such other duties as may be assigned to him by the President or by the Board.

SECTION 5: The Treasurer shall have the custody of all the receipts, disbursements, funds, and securities of the Association and shall perform all duties incident to the office of Treasurer, subject to the control of the Board of Directors and the President.

~~If required by the Board, he shall give a bond for the faithful~~  
discharge of his duties in such form as he Board may require.

SECTION 6: The President, with the approval of the Board of Directors, may appoint such other officers and agents as the Board may deem necessary, who shall hold office during the pleasure of

the Board, and who shall have such authority and perform such duties as from time to time may be prescribed by the President or by the Board.

**ARTICLE III**  
**BOARD OF DIRECTORS**

**SECTION 1:**      **Number of Members.** The business and affairs of this Association shall be managed by the Board of Directors which shall initially consist of three (3) members. The Declarant shall have the right to appoint or remove any member or members of the Board of Directors until the expiration or earlier termination of Declarant's Class B membership. Beginning with the first annual or special meeting of the association following the expiration or termination of Declarant's Class B membership, the members (including the Declarant if Declarant then owns one (1) or more lots) shall elect one (1) director for a term of one (1) year, one (1) director for a term of two (2) years, and one (1) director for a term of three (3) years; and at each annual meeting thereafter, the members shall elect upon majority vote, one (1) director for a term of three (3) years. Each director shall hold office until his successor is elected or until his death or until he shall resign or be removed from office. Each director shall be a member of the Association. Should any lot be owned by a partnership or a corporation, in a fiduciary capacity or otherwise, any officer, partner or employee of such owner shall be eligible to serve as a director.

SECTION 2: Regular Meetings. The Board shall meet for the transaction of business at such time and place as may be designated from time to time.

SECTION 3: Special Meetings. Special meetings of the Board of Directors may be called by the President, or by two (2) members of the Board for any time and place, provided that reasonable notice of such meeting shall be given to each member of the Board of the time appointed for such meeting.

SECTION 4: Quorum. The Directors shall act only as a Board, and the individual Directors shall have no power as such. The majority of Directors for the time being in office shall constitute a quorum for the transaction of business, but a majority of those present at the time and place of any regular or special meeting, although less than a quorum, may adjourn the same from time to time without notice until a quorum be at hand. The act of a majority of Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise provided by law.

SECTION 5. Order of Business. The Board of Directors may from time to time determine the order of business at its meetings.

~~SECTION 6: Chairman. At all meetings of the Board of Directors, the President, or, in his absence, the Vice-President, or in the absence of both, a chairman chosen by the Directors present, shall preside.~~

SECTION 7: Annual Report. The Board of Directors, after the close of the fiscal year, shall submit to the members of the Association a report as to the condition of the Association and its property and shall submit also an account of the financial transactions of the past year.

SECTION 8. Informal Action by Directors. Any action required or permitted by law to be taken at a meeting of Directors may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by a majority of the Directors, which consent shall be filed with the Secretary of the Association, as part of the Association's records.

SECTION 9. Liability and Indemnification. No Director or Officer of the Association shall be liable to any Association member for any decision, action, or omission made or performed by such Director or Officer in the course of his duties unless the Director or Officer acted in bad faith or in reckless disregard of the rights of any person or of the terms of the Declaration or these By-Laws. The Association shall indemnify and defend each Director and Officer of the Association from any liability claimed or imposed against him by reason of his position or decision, ~~action or omission as a Director or Officer of the Association if~~ all of the following conditions are satisfied:

(a) Such Director or Officer has not acted in bad faith or in reckless disregard of the rights of any person or of the terms of the Declaration or these By-Laws;

(b) Such Director or Officer gives the Association adequate notice of the claim or imposition of liability to permit the Association reasonable opportunity to defend against the same; and

(c) Such Director or Officer cooperates with the Association defending against the liability.

SECTION 10. Vacancies on Board. Whenever a vacancy in the membership of the Board shall occur, the remaining members of the Board shall have the power, by majority vote, to select a Director to serve the unexpired term of the vacancy.

SECTION 11. Compensation. No Director shall receive any compensation from the Association for acting as such, but by resolution of the Board of Directors any Director may be reimbursed for his actual expenses incurred in the performance of his duties as Director. Nothing herein contained shall be construed to preclude any Director from serving the Association in any other capacity and receiving compensation therefor.

**ARTICLE IV**  
**POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

SECTION 1. Powers and Duties. The Board of Directors shall ~~have the powers and duties necessary for the administration of the~~ affairs of the Association. Such powers and duties of the Board of Directors shall include, but not be limited to, the following:

(a) Operation, care, surveillance, upkeep and maintenance of the common areas and services;

(b) Determination of the annual maintenance and special expenses required for the affairs of the Association;

(c) Assessment and collection of maintenance charges and annual, special, and emergency assessments and other charges from members of the Association;

(d) Employment and dismissal of the personnel necessary for the maintenance, operation, repair and replacement of the general services and the common areas and the real and personal property owned by the Association.

(e) Adoption and amendment of regulations concerning the details of the operation, use and maintenance of the common areas;

(f) Opening of bank accounts on behalf of the Association and designating the signatories required therefor;

(g) Suing to enforce or settling and compromising claims of members of the Association with respect to common areas and property which the Association has the duty to maintain, repair, replace or restore and other matters concerning the administration of the Association;

(h) Sue or be sued, and appear on behalf and for ~~the benefit of all members in the Association~~ in any manner of common concern including class actions in and before any court, office, agency, board, commission or department of the state or any political subdivision, and appeal from any judgments, orders, decisions or decrees rendered therein;

(1) Taking any and all actions as may be necessary to comply with applicable city, county, state, or federal regulations.

SECTION 2. Manager. The Board of Directors may employ for the Association a manager, at a compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize, and for such term as the Board may set.

**ARTICLE V**  
**MEMBERSHIP AND VOTING**

SECTION 1: Qualifications. Every owner of a lot in River Station and every owner of any lot in any additional property subjected to the Declaration of these By-Laws becomes a member of the Association. Where two or more owners hold title to one of the aforementioned lots, all such owners shall be members of the Association, but may vote only in accordance with ARTICLE V, SECTION 3, hereof. Whenever a member shall cease to be an owner of property in River Station, such member shall automatically be dropped from the membership roll of the Association.

SECTION 2. Members. A member shall have no vested right, interest, or privilege of or to the assets, functions, affairs, or franchises of the Association, or any right, interest, or privilege which may be transferrable or inheritable, or which shall continue after his membership ceases.

SECTION 3. Voting Rights and Proxy. Voting by members of the Association may be in person or by proxy as set forth herein. The

Association shall have two classes of voting membership:

(a) Class A. Class A members shall be owners with the exception of the Declarant, and shall be entitled to one (1) vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

(b) Class B. The Class B member(s) shall be the Declarant, its successors and assigns and shall be entitled to five (5) votes for each lot it owns. The Class B membership shall cease and be converted to Class A membership on the happening of the earlier of the following:

(1) when the Declarant executes and records an instrument forfeiting its Class B membership;

(2) when the Declarant has conveyed to others seventy-five (75%) percent of the lots in River Station (lots shall include those lots contained in or situate on any additional property which Declarant shall hereafter bring under the terms of this Declaration); or

(3) December 31, 2004.

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SECTION 4. Suspension of Membership Rights. The Board of Directors, by simple majority vote, may suspend the rights of any member who violates any of the provisions of these By-Laws, including but not limited to default in the payment of any

assessment or charge levied by the Association. In the event of such suspension, the voting rights and right of use of the Association's properties and facilities by such member may be suspended by the Board of Directors until such violation has been corrected. The rights of a member may also be suspended by the Board of Directors, for a period not exceeding thirty (30) days, for violation of any rules and regulations established by the Board of Directors governing the use of the properties and facilities of the Association.

**ARTICLE VI**  
**MEETINGS OF MEMBERS**

**SECTION 1:**     **Annual Meeting.** Meetings of the members of the Association shall be held at River Station or such other place as may be designated by the Board of Directors, and shall occur at least once a year. An annual meeting of the members shall be held on a day and time as determined by the Board of Directors, to be designated in the notice of the meeting.

**SECTION 2:**     **Special Meetings.** Special meeting of the members shall be held whenever called by the Board of Directors or by the holders of at least ten (10) memberships. Notice of each special meeting, stating the time, place, and in general terms the purpose or purposes thereof, shall be sent by mail to the last known address of all members at least ten (10) days but not more than fifty (50) days prior to the meeting. At the first such meeting called, the presence of members or of proxies entitled to at least

sixty (60%) percent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

**ARTICLE VII**  
**PROPERTY RIGHTS IN THE COMMON AREAS**

**SECTION 1:**     Member's Easement of Enjoyment. Subject to the provisions of Section 3 of this Article, every member shall have a right and easement of enjoyment in and to the Common Areas, and such easement shall be appurtenant to and shall pass with the title to the lot. Any member of the Association may delegate his rights of enjoyment in the Common Areas to the members of his family who reside upon the lot or to any of his tenants or renters who lease or rent the lot from him. Such members shall notify the Secretary in writing of the name of any person or persons and of the relationship of the member to such person or persons. The right and privileges of such person or persons are subject to suspension to the same extent of those of the member.

**SECTION 2:**     Title to Common Areas. Declarant, its successors or assigns, may retain the legal title to the Common Areas or exercise the powers enumerated in Section 3(3) below until such time as it has completed improvements thereon and until such time as, in the

opinion of Declarant, the Association is able to maintain the same.

SECTION 3: Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The rights of Declarant, and of the Association in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Areas and in aid thereof to mortgage said areas. In the event of default upon any such mortgage, the Lender's rights hereunder shall be limited to a right, after taking possession of such area, if necessary, to open the enjoyment of such areas to a wider public until the mortgage debt is satisfied, whereupon the possession of such areas shall be returned to the Association and all rights of the members hereunder shall be fully restored.

(b) The right of the Association to take such steps as are reasonably necessary to protect the above described areas against foreclosure;

(c) The right of the Association, as provided in these By-Laws, to suspend the enjoyment rights of any member for any period during which any assessment remains unpaid, and for any ~~period not to exceed thirty (30) days for an infraction of its~~ published rules and regulations;

(d) The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility for such purpose and subject to such

conditions as may be agreed to by the members, provided that no such dedication or transfer, or determination as to the purposes or as to the conditions thereof, shall be effective unless an instrument signed by members entitled to cast two-thirds (2/3) of the votes of the membership has been recorded, agreeing to such dedication, transfer, purpose or condition, and unless written notice of the proposed agreement and action hereunder is sent to every member at least thirty (30) days in advance of any action taken.

**ARTICLE VIII**  
**LOSS OF PROPERTY**

The Board of Directors shall not be liable or responsible for the destruction or the loss of, or damage to the property of, any member or the guest of any member, visitor, or other person in River Station.

**ARTICLE IX**  
**ASSESSMENTS**

**SECTION 1:**      **Assessments and Charges.** The Board of Directors of River Station Property Owners Association shall have the right and power to subject the property situated in River Station to maintenance and service fees, annual assessments, emergency assessments, special assessments, capital assessments and other charges determined by the Board of Directors.

**SECTION 2:**      **Purpose of Assessments.** The assessments levied by the Association shall be used exclusively to maintain the private

roads, easements, tennis courts, or other improvements in Common Areas (if any), to promote the recreation, health, safety, and welfare of the residents in the Properties and for the general improvement and maintenance of the Common Areas; to do all other things authorized or contemplated by the Declaration or these By-Laws.

SECTION 3: Information. Upon demand, the Association shall furnish to any owner or mortgagee or person interested a certificate showing the unpaid charges against any lot.

SECTION 4: Exempt Property. The following properties are exempt from the assessment and charges provided for in these By-Laws:

(a) Common Areas;

(b) All properties to the extent of any easement or other interest therein dedicated and accepted by a local public authority and devoted for public use.

SECTION 5: Lien and Permanent Charge. Each of the lots described in the Declaration and any additional property subjected to the Declaration and these By-Laws are hereby made subject to a lien and permanent charge in favor of the Association for ~~maintenance and services fees, annual assessments, emergency~~ assessments, special assessments, capital assessments, sewer service charges and tap-in fees and other charges determined by the Board of Directors; and each lot hereafter made subject to these By-Laws shall automatically be subjected to said liens and