

RIVER OAKS HOME OWNERS ASSOCIATION BY-LAWS

ARTICLE I

The name of this organization shall be the River Oaks Home Owners Association, (Hereinafter referred to as the "Association"). The official address of the corporation is:

**PO Box 40956
Charleston, SC 29423**

ARTICLE II

Purpose

The purposes for which the Association is organized are:

Section 1. To provide a venue for preservation and enhancement of the value of the property of members;

Section 2. To promote and protect the civic welfare of the River Oaks Community, and particularly of the members of the association;

Section 3. To carry out its purposes without engaging in any business activities or pursuits, and without taking any action for pecuniary profit.

Section 4. To provide for the enhancement and maintenance of entryways to the River Oaks community from Dorchester Road, the entryways to the individual subdivisions, the roadside areas along Park Forest Parkway and Appian Way, and of existing roadway islands, and the improvement of street lighting and other safety enhancing measures, and may enter into necessary agreements and obligations needed to address those concerns, upon approval of the membership, by majority vote, of a budget sufficient for the purposes.

Section 5. To assist subdivision organizations regarding violations of covenants and restrictions, providing it is feasible to do so.

ARTICLE III

Membership

Section 1(a). Owners of any improved residence lot with persons in residence, in the River Oaks, within the boundaries of the subdivisions known as Appian Landing I, II, and III; Woodington I, II, and III; Ansley Point; River Chase and Palmetto Plantation, are members of the River Oaks Home Owners Association. (b). In addition, owners of lots in adjoining properties who agree to be bound by the provisions of these By-Laws, and who are deemed eligible by the Board of Directors, upon a showing of commonality of interest, without regard or consideration for the race, color, religion, sex, handicap, age or national origin of the applicant, may be elected to membership by the Board of Directors. No person or corporation having a lien on title as security for payment of money or for the performance of any obligation shall thereby be eligible.

Section 2. Multiple Ownership interests: Whenever there is more than one person who has record title in an improved residence lot with a person or persons in residence, each such person is a member, however, all right of membership, including voting rights, shall be exercised only by joint action of all owners of record of such residence lot.

Section 3. Procedures: All persons who are not members by virtue of the provisions of section 1(a) of this Article who wish to become members may be considered for membership by:

(a) Applying to the Board of Directors to become members.

(b) Establishing to the satisfaction of the Board of Directors their eligibility for membership, and registering with the Secretary their name and address.

(c) Signing an agreement at the time of application for membership with the Board of Directors whereby such prospective member agrees:

(1) to pay required dues of this Association upon application, and in accordance with all requirements of the Association By-Laws.

(2) to be bound by all By-Laws of this Association, both current and as will be established subsequently;

(3) to be bound by all deed restrictions as recorded for the subdivision in which the residence is located.

ARTICLE IV

Voting Rights

Section 1. Number of votes: At any meeting of the Association, no more than (1) vote is to be cast for any residential property. No vote representing any residential property may be cast except by the owner in person or as represented by a holder of the owner's proxy.

Section 2. Exercise of voting rights: Any member may attend and vote at meetings in person, subject to the provisions of Section 1 of this Article, or by a proxy holder duly appointed by a written proxy signed by all owners of the property, and filed with the Secretary of the Association no later than two weeks before the opening of a meeting at which the proxy is to be exercised. All proxies shall state therein the issue for which the proxy vote is to be exercised, and shall not be valid for more than one meeting, unless specifically authorized therein. No proxy shall be valid for a term to exceed two months. Proxies may be revoked at any time by written notice to the Secretary. Proxies may not be exercised when the member granting the proxy is present at the meeting, has died, or has been judicially declared incompetent. No proxy may be exercised for any member's voting rights during a period when such member is not in good standing. Proxy designees must be members of the Association.

Section 3. All questions and motions shall be decided by a majority of the members present and voting.

Section 4. Members relinquish the right to vote on any matter when they are not in good standing for failure to pay dues or for other reasons. Voting rights are restored on the date when the member's status of good standing is restored.

ARTICLE V

Board of Directors

Section 1(a). Number, Manner of Election and Term of Office. The Board of Directors shall consist of two for each of the subdivisions as set forth in Article III. If any subdivision does not elect a director to represent it, a director at large shall be elected by the membership in accordance with the election procedures in Article IX herein.

Section 1(b). At the first election of directors, one director elected from each subdivision shall be elected for two years, and the other shall be elected for one year. Thereafter, directors shall be elected for two year terms to fill vacancies created by the expiration of terms of office.

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Section 2. Eligibility and payment of officers and directors: All members are eligible to be nominated to be directors, except those whose terms are expiring. No member shall be eligible to be a director who is not in good standing. No director shall act in the capacity of director who does not remain in good standing, and this office as director shall be vacant thirty (30) days after such director is no longer in good standing. The officers and directors of the Association shall not be paid for their services except the elected treasurer, whose dues may be refunded at the discretion of the Board upon satisfactory completion of the duties of the office.

Section 3. Vacancies: Any vacancy occurring in the Board of Directors may be filled until the next annual meeting by a majority vote of the remaining members of the Board, unless the subdivision represented by the vacated seat holds an election to fill the vacated seat on the Board. Any member absent from three consecutive regularly scheduled Board meetings without a valid reason shall be deemed not in good standing. The Board member who is deemed not in good standing, and the members in the subdivision represented by that director, or, in the case of a subdivision that has created an organization for the subdivision, that organization, shall be notified, in writing, of termination by the Secretary. Upon such notification, the residents of the subdivision so notified may elect a member to fill the unexpired term of the vacated directorship.

Section 4. Powers and Duties:

(a) The Board of Directors may not undertake any action on behalf of anyone who is not a member, or of a member who is not in good standing. The Board of Directors shall have full charge of the property and business of the Association, and shall have full authority to perform all acts and conduct all business necessary in the management of the Association and its affairs as long as such acts are not inconsistent with these By-Laws.

(b) The Board shall create such special committees as it may deem necessary and appoint the chairman and members thereof. The Board shall designate the time for which any such committee shall serve, to be limited to the year in which it is appointed. The Board shall report to the membership that such committee has been created, the reason for its creation, and the term of its appointment.

(c) A majority of the members of the Association present and voting at any regularly called meeting of the membership may direct the Board of Directors to take such action as they deem appropriate pursuant to a resolution enacted by a majority of those present. This provision of the By-Laws shall not apply to changes in the By-Laws, or to changes in the dues, and must be consistent with all applicable provisions of the By-Laws.

(d) All disbursements must be made by check, signed by the Treasurer and countersigned by the President or Vice President. In an emergency, when the Treasurer is not available, or the President and Vice President are not available to countersign a check, the Board may authorize a member or members of the Board to sign and countersign checks as necessary to deal with the emergency, and to make the necessary arrangements with the bank.

(e) All expenditures must be consistent with the annual budget. No expenditure may be made which is not authorized by the annual budget, except that expenditures required because of an emergency

such as those caused by natural disasters may be approved by the Board of Directors. Funds so expended may be replaced in treasury of the Association by assessment of a one time fee or by an increase in dues when the members approve pursuant to the provisions of Article VII, except that in an emergency the members may approve such replacement at other than an Annual meeting. Disbursements of all other funds must have prior approval of the membership.

(f) The board of directors shall levy no assessment for any purpose without the concurring vote of a majority of members present and voting at a properly called general meeting.

Section 5. Meetings: There shall be at least five(5) regular meetings of the Board of Directors, and the meetings shall be planned to meet the requirements of Article VII, sections 3 and 4. The President may call special meetings of the Board of Directors and shall call a special meeting upon the written request of five (5) members of the Board.

Section 6. Quorum: A majority of the members of the Board of Directors shall constitute a quorum for Board meetings.

ARTICLE VI Officers

Section 1. The officers of the Association shall not commit the association to any activity on behalf of anyone who is not a member of the Association, or of a member who is not in good standing. The officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer. Officers shall be elected by the Board of Directors from among the members of the Board, for a term of one year, immediately after the Annual Meeting. They shall take office and assume responsibility for the affairs of the Association immediately. The immediate Past President shall serve as an ex officio member of the Board of Directors for one year.

Section 2. President:

(a) The President shall preside at all meetings of the Association, the Board of Directors, the Executive Committee and the officers.

(b) the President shall be an ex officio member of all committees except the nominating committee.

(c) The President shall have such usual powers of supervision and management as may pertain to the office of President, and perform such other duties as may be designated by the Board.

(d) The Immediate Past President shall vote at a Board meeting in the case of a tie vote of the members of the Board.

Section 3. Vice President: The Vice President, in the event of the absence, disability or death of the President, shall possess all the powers and perform all the duties of that office. The Vice President shall prepare proposed updates to the By-Laws at the request of the Board and shall perform such other duties as the President and the Board may designate.

Section 4. Secretary:

The Secretary shall:

(a) keep minutes of all meetings of the Association and of the Board of Directors.

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- (b) countersign all contracts and other papers, except such as the Treasurer is authorized to countersign, as may be authorized by the Board of Directors.
- (c) notify all members of meetings
- (d) record amendments to the By-Laws and maintain files and records of the Association
- (e) will conduct correspondence as required
- (f) receive Association mail and make distribution to the proper officers
- (g) accept applications for membership and maintain a membership roll identifying members whose dues are current and whose dues are not current
- (h) in cooperation with the Treasurer determine eligibility of members to vote, and assure one vote per member lot.
- (i) in the absence of the Treasurer will assume the duties of the Treasurer.

Section 5. The Treasurer: The Treasurer shall:

- (a) receive, collect and be the custodian of all money due
- (b) only upon order of the Board, shall disburse all money for the Association
- (c) present a financial report to the Board at its regular meetings, and an annual report to the membership at the Annual Meeting
- (d) comply with the requirements of ARTICLE V, Section 4 as it pertains to disbursements
- (e) prepare and file any reports required by federal, state or local authorities regarding financial matters
- (f) maintain financial records in accordance with generally accepted accounting principles
- (g) in cooperation with the Secretary, determine eligibility of members to vote, and assure one vote per member lot.

ARTICLE VII Financial Administration

Section 1. The fiscal year of the Association shall be on a calendar year basis and shall commence on the first day of January each year.

Section 2. Dues: The Board of Directors of the Association shall establish regular dues which shall include automatic cost of living increases as determined by using the official consumer price index (cpi) as reported by the United States government to cover any and all regular expenses incurred by the organization in the performance of its business, capital expenses as approved by the membership, and emergency funds as approved by the membership. Such dues shall be recommended by the Board and shall become effective as approved by the membership. Proposed

dues are to be provided to the members, by category as necessary, in writing, one month before the Annual Meeting, and are to be voted upon at that meeting. Dues will be payable upon approval by the vote of the members at the Annual Meeting. When the Board of Directors determines that any member has failed to pay dues, having been given ample opportunity to do so, it shall (a) notify the member that he is no longer in good standing, (b) impose financial penalty not to exceed the amount due, and (c) take action to collect the amount due, including the penalty and collection costs. The member who has failed to pay dues shall also be liable for the penalty and all collection costs incurred by the Association.

Section 3. Budget: A budget for the ensuing year shall be submitted by the Board of Directors to the members in writing one month before the Annual Meeting, together with the recommended dues. The budget shall cover any and all expenses anticipated to be incurred by the Association for the next fiscal year.

Section 4. A proposed budget shall be prepared by the officers, acting in committee, for the next fiscal year no later than three months before the Annual Meeting, for presentation to the Board two months before the Annual Meeting.

Section 5. Notice of Dues: The Board shall present to each member an invoice for dues. The invoice may be sent by mail or be personally delivered, as the Board finds convenient. The invoice shall set out the amount due, the address to which payment is to be made, the due date, and the penalty to be imposed if timely payment is not made. If timely payment is not made, the Board shall send another invoice showing the penalty which has been added and specify a date by which payment must be made to avoid a formal collection action. If payment is not made by the date specified in the second invoice, the Board shall initiate a collection action, and from that point the member's liability includes all costs of collection, including without limitation, the fee of the Association's attorney, the court filing fee and other costs, and post-judgment interest.

Section 6. Penalties: Fines and penalties may be imposed on members who fail to pay amounts due to the Association and on members who violate restrictive covenants. The penalties shall be as follows: A late fee of \$50.00 will be added for each year that dues are delinquent. Delinquent is defined as dues not received prior to the end of the third month of billing for a given year. A violation of the restrictive covenants will be assessed a charge of \$25.00 per week for each and every week, after notice from the Board and sufficient time to correct the condition as appropriate, given the substance of the violation, regardless of the intentional or inadvertent nature of the member's action or failure to act, until the deficiency is corrected.

Section 7. Notice of Restrictive Covenants Violation: The Board shall review the restrictive covenants of the constituent subdivisions from time to time for reasonableness and relevance, encourage adherence to and enforce the covenants. The Board will respond to a complaint of a violation or undertake on its own initiative an investigation of a condition which may be a violation either with its full membership or with a lesser number as the President deems appropriate, but the Board member who resides in the subdivision where the violation or possible violation exist shall be among those involved in the response or

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investigation. Any formal enforcement action shall be undertaken only on the majority vote of the Board and after the member has been given notification to include the nature of the violation, corrective action required and the completion date. After said time, penalties will be imposed and from that point the member's liability includes all costs of collection, including without limitation, the fee of the Association's attorney, the court filing fee and other costs, and post-judgment interest.

ARTICLE VIII

Meetings

Section 1. Membership meetings: There shall be at least two(2) regular meetings of the membership each year. Persons who are not members may not participate in discussions or voting at meetings, and they may not be recognized for any purpose by the presiding officer, who, if they speak without permission, shall recess the meeting until they remove themselves, or until they have been removed from the meeting, by police if necessary. At all meetings, seating arrangements should be made so that guests, non-members and members not in good standing sit separately from members in good standing, in order to avoid any confusion about who has a right to speak, and to simplify the voting process.

Section 2. Annual Meeting: An Annual Meeting shall be held in the month of January, the date to be determined by the Board of Directors. The Annual Meeting shall:

- (a) adopt an adequate budget
- (b) vote on adoption of the proposed budget and dues recommended by the Board
- (c) elect directors for the ensuing year
- (d) transact such other business as may properly come before it.

Section 3. Special Meetings: Special meetings of the members may be called at any time for any purpose by a written notice signed by a majority of the Board of Directors or by members constituting no less than the (10%) percent of the total votes in the Association. Written notice shall be delivered to the members of the Association not less than seven (7) days nor more than thirty (30) days prior to the date fixed for said meeting. Said notice shall specify the time, date and place of the meeting and the matters to be considered.

Section 4. Quorum: At meetings of the Association a quorum shall be five (5) percent of the members in good standing.

ARTICLE IX

Nominations and Elections

Section 1. Nominating Committee: The nominating committee shall consist of the nine members of the Board of Directors whose term is expiring. If any such director cannot serve on the nominating committee, the Board shall elect a member of the Board to replace that member. Suggestions for nominations for directors may be sent to this committee by any member in good standing. The chairman of the committee shall be elected by the members of the committee.

Section 2. Report of the nominating committee, nominations from the floor and elections:

(a) The report of the nominating committee shall contain, if possible, at least two (2) candidates who are willing to serve for each position for the directors for the coming year.

(b) Nominations of the committee must be mailed to the members at a time which will give the members twenty days notice prior to the Annual Meeting.

(c) The chairman of the nominating committee shall present the slate of nominees for election to the membership at the Annual Meeting. Immediately following the presentation of this report by the chairman, nominations may be made from the floor by any in good standing, providing the consent of the nominee shall have been secured. No subdivision may be represented by more than two members on the Board of Directors, unless another subdivision has not elected two directors, and appointment of another director is necessary to complete the required membership on the board.

Section 3. Elections:

- (a) Elections shall be by secret ballot
- (b) Eligibility to vote will be monitored by the Secretary and Treasurer from their list of members who are in good standing, only one vote to be allowed per residence lot.

(c) A majority vote of those qualified to vote and voting shall constitute an election, together with secret absentee ballots obtained from the Secretary, and received by the Secretary either by mail or by personal delivery from the member in good standing who is voting by absentee ballot, at least three days prior to the day of election, and provided to the chairman of the Election Committee.

Section 4. Elections Committee: The President will appoint a member of the Board of Directors, who is not nominated for re-election, as Chairman of the Elections, and that chairman will select two members of the membership to assist in counting the ballots. The chairman will then inform the President of the results of the counting who in turn will announce the membership present. The entire membership will be informed of the results in writing.

ARTICLE X

Committees

Section 1. There shall be an Executive Committee, consisting of the officers, and the immediate past president acting ex officio. It shall have the authority to act on behalf of the Association, if an emergency arises between meetings and the Board of Directors cannot be assembled. In the case of a tie vote of the executive committee, the immediate past president shall vote and break the tie.

Section 2. There shall be a newsletter committee which shall publish a newsletter for general distribution to the membership at least quarterly. The newsletter will also publish when matters of general community concern dictate that a special edition is necessary.

Section 3. Auditing Committee: The financial records of the Association shall be audited annually by a three member audit committee. Preferably, the committee members will have accounting or bookkeeping experience. The committee shall be elected by the Board of Directors, none of whom shall serve on the committee. The

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audit shall be completed in the month preceding the Annual Meeting, and the report of the committee will be presented to the membership at the Annual Meeting by the committee chairman.

Section 4. There shall be a Long Range Planning Committee which shall study the needs of the River Oaks community and make recommendations of plans and actions which should be considered by the Association.

Section 5. There shall be a Social Committee which shall make plans for activities to encourage and develop a strong sense of community in the River Oaks area.

Section 6. The Board may designate such other committees as it deems necessary, and shall specify the time for which the committee so created shall serve.

ARTICLE XI

Parliamentary Authority

Section 1. The rules contained in Robert's Rules of Order. Newly Revised shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with these By-Laws.

ARTICLE XII

Amendment of By-Laws

These By-Laws are to be amended by the members in good standing voting at the Annual Meeting, a regularly called meeting, or at a special meeting called for that purpose only.

Written notice shall be mailed to each member at least two weeks prior to the meeting at which a proposed change in the by-laws is to be voted upon.

Such notice shall state that amendment of the By-Laws will be voted upon at one of the above mentioned meetings, giving the time date and place of meeting, and including the exact language of the proposed amendment, including the exact language of the section of the existing by-laws to be amended, or a statement that the proposal does not change or affect any existing provision of the by-laws.