

EXHIBIT C

BY-LAWS
OF
RIVER TOWNE
PROPERTY OWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the Corporation is River Towne Property Owners Association, hereinafter referred to as the "Association". The principal office of the Association shall be located at 5757 Palm Boulevard, Isle of Palms, South Carolina 29451, but meetings of Members and Directors may be held at such places within the State of South Carolina as may be designated by the Board of Directors.

ARTICLE II

GENERAL

As supplemented herein, the regulation of the business and affairs of the Association shall be governed by certain provisions of the Declaration of Covenants, Conditions and Restrictions for River Towne ("Declaration"), as amended from time to time, which are incorporated herein by reference as if set forth verbatim. The applicable provisions of the Declaration are Sections 2.2.2, 2.2.3, all Sections of Article 6, Sections 8.1.1 through 8.1.4, 8.2, 9.1, 9.1.1, all Sections of Article 10, except Section 10.5, all Sections of Article 11 except Sections 11.2, 11.5.3, 11.7 and 11.11.1, all Sections of Article 12, and Sections 13.1.1, 13.1.2, 13.3 and 13.5.

ARTICLE III

DEFINITIONS

To the extent applicable, the Definitions set forth in the Declaration are hereby incorporated herein as if set forth verbatim.

ARTICLE IV

MEMBERSHIP

Section 1. General. Membership in the Association shall be as set forth in the Declaration.

EXHIBIT "B"

All those certain pieces, parcels and tracts of land lying and being in Charleston County, containing approximately 180.10 acres, composed of approximately 140.47 acres of high land and 39.63 acres of marsh, and shown and designated on the tax map records of Charleston County, South Carolina as TMS # 540-00-00-019.

Section 2. Suspension Of Rights. The membership rights of any person whose interest in the Property is subject to Assessments under the Declaration whether or not he be personally obligated to pay such Assessments, may be suspended by action of the Directors during the period when the Assessments remain unpaid; but, upon payment of such Assessments, his rights and privileges shall be automatically restored. If the Directors have adopted and published rules and regulations governing the use of the Common Areas and facilities, and the personal conduct of any person thereon, as provided in the Declaration, they may, in their discretion, suspend the rights of any such person for violation of such rules and regulations as set forth therein.

ARTICLE V

VOTING RIGHTS

Voting rights in the Association shall be as provided in the Declaration.

ARTICLE VI

PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF COMMON AREAS

Section 1. Use of Common Areas. Each Member shall be entitled to the use and enjoyment of the Common Areas as provided in the Declaration.

Section 2. Delegation of Rights. Except as otherwise provided in the Declaration, any Member may delegate his rights of enjoyment in the Common Areas and, with respect to an Owner of a Lot or Dwelling, Recreational Amenities, to the members of his Family who reside upon the Property or to any of his tenants or renters who lease or rent from him. Such Member shall notify the Secretary in writing of the name of any such person or persons and of the relationship of the Member to such person or person. The rights and privileges of such person or persons are subject to suspension under Article IV hereof to the same extent as those of the Member.

ARTICLE VII

ASSOCIATION PURPOSES AND POWERS

Section 1. Association's Purposes. The Association has been organized for the purposes set forth in the Declaration including, without limitation, the following:

(a) to own, acquire, build, operate and maintain the Common Areas, including but not limited to Recreational Amenities, parking areas, buildings, structures and personal property incident thereto;

(b) to clean, clear, trim, remove weeds, limbs, and debris from, and to provide general grounds maintenance for both the Property and the Common Areas;

- (c) to fix Assessments (or charges) to be levied against the Property in the subdivision;
- (d) to enforce any and all covenants and restrictions and agreements applicable to the Property; and
- (e) to pay taxes and insurance, if any, on the Common Areas.

Section 2. Additions to Property and Membership. Additions to the Property may be made as provided in the Declaration. Such additions, when properly made under a Supplemental Declaration, shall extend the jurisdiction, functions, duties and membership of the Association to such Property.

Section 3. Mergers and Consolidations. Subject to the provisions of the Declaration, and to the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall be approved by the Members pursuant to the Declaration.

Section 4. Mortgages; Other Indebtedness. The Association shall have the power to mortgage the Common Areas as set forth in the Declaration.

Section 5. Dedication of Property or Transfer of Function to Public Agency or Utility. The Association shall have the power to dispose of its real property or dedicate same only as authorized under the Declaration.

ARTICLE VIII

BOARD OF DIRECTORS

Section 1. Board of Directors; Selection; Terms of Office. The affairs of the Association shall be managed by a Board of Directors. The initial Board of Directors shall consist of three (3) Directors who shall be selected by the Declarant. The Declarant shall have the sole right to appoint and remove any member or members of the Board of Directors of the Association pursuant to Sections 10.1 and 13.1 of the Declaration until the first of the following dates: (i) December 31, 2010; (ii) the date on which Declarant has conveyed to Owners other than Declarant property representing ninety percent (90%) of the total number of Lots, Dwellings and Commercial Units Intended for Use on all of the Property as set forth in a Supplemental Declaration; or (iii) the date the Declarant surrenders the authority to appoint and remove Directors of the Association by an express amendment to the Declaration executed and filed Of Record by Declarant. At the first annual meeting of Members after the occurrence of the first of such events, the Members shall elect five (5) Directors, one of whom must be the President. The Members shall elect two (2) Directors for a term of one (1) year, two (2) Directors for a term of two (2) years and one (1) Director for a term of three (3) years. Notwithstanding the foregoing, in the event that the President is removed from such office pursuant to Article XII below, his term as a Director shall expire upon the effective date of such removal.

Section 2. Vacancies in the Board of Directors. Vacancies in the Board of Directors shall be filled by Declarant until Declarant has no authority to appoint Directors and thereafter by the majority of the remaining Directors, or by a sole remaining Director, and any such appointed Director shall serve for the remaining term of his predecessor. In the event that any member of the Board of Directors of this Association shall be absent from three (3) consecutive regular meetings of the Board of Directors without excuse, the Board may, by action taken at the meeting during which said third absence occurs, declare the office of said Director to be vacant.

ARTICLE IX

ELECTION OF DIRECTORS

Election to the Board of Directors shall be as provided in Article VIII above. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration applicable to the Property. The names receiving the largest number of votes shall be elected.

ARTICLE X

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Board of Directors' Powers. The Board of Directors shall have power:

- (a) to call special meetings of the Members;
- (b) subject to Article XII herein, to appoint and remove at its pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these Bylaws shall be construed to prohibit the employment of any Member, Officer or Director of the Association in any capacity whatsoever;
- (c) to establish, levy and assess, and collect the Assessments or charges;
- (d) to adopt and publish rules and regulations governing the use of the Common Areas and Recreational Amenities, and the personal conduct of the Members and their guests thereon;
- (e) To exercise for the Association all powers, duties and authority vested in or delegated to this Association, except those reserved to the members in the Charter of the Corporation, these Bylaws or the Declaration;
- (f) to fill vacancies on the Board of Directors pursuant to Article VIII above;

(g) to appoint an Executive Committee of three (3) Directors and delegate all or any portion of the powers of the Board of Directors to this Executive Committee, subject to the limitations on the authority of the Executive Committee imposed by law; and

(h) to take such other action as provided in the Declaration.

Section 2. Board of Directors' Duties. It shall be the duty of the Board of Directors:

(a) to cause to be kept a complete record of all its acts and corporate affairs;

(b) to supervise all officers, agents and employees of this Association and to see that their duties are properly performed;

(c) to fix the amount of Assessments in accordance with the Declaration;

(d) to prepare a roster of the Property and Assessments applicable thereto which shall be kept in the Office of the Association and shall be open to inspection by any Member;

(e) to send written notice of each Assessment to each Property Owner subject thereto; and

(f) to issue upon demand by any Owner or mortgage lender a certificate setting forth whether any Assessment has been paid. Such certificate shall be conclusive evidence of any Assessment therein stated to have been paid.

Section 3. Resignation. A Director of the Association may resign at any time by giving a written notice to the Board of Directors or the President of the Association. The resignation of any Director shall take effect upon delivery of the notice thereof or at such later time as shall be specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4. Removal. Except as otherwise provided in the Declaration and in Article VIII herein, any Director may be removed, with or without cause, by a vote of the holders of a majority of the votes of the Members present, in person or by proxy, and entitled to vote at a special meeting of the Members called for that purpose.

ARTICLE XI

DIRECTORS' MEETINGS

Section 1. Directors' Annual Meeting. The annual meeting of the Board of Directors shall be held at the discretion of the Board of Directors with ample notice given to each member.

Section 2. Notice. Ten (10) days' written notice of such annual meeting shall be given to each Director.

Section 3. Special Meetings. Special meetings of the Board of Directors shall be held when called by any officer of the Association or by any two (2) Directors after not less than three (3) days' notice to each Director.

Section 4. Waiver of Notice; Action Without a Meeting. A Director may waive notice of a meeting of the Directors before or after the date and time stated in the notice. Except as otherwise provided in this Section 4, the waiver must be in writing, signed by the Director entitled to the notice and filed with the minutes or corporate records.

Attendance of a Director at any meeting shall constitute waiver of notice of such meeting, except where the Director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened and does not thereafter vote for or assent to action taken at the meeting.

If a meeting otherwise valid of the Board of Directors is held without notice where such is required, any action taken at such meeting shall be deemed ratified by a Director who did not attend, unless after learning of the action taken and of the impropriety of the meeting, he makes prompt objection thereto.

Objection by a Director 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 Association.

Action taken without a meeting shall be deemed the action of the Board of Directors if all Directors execute, either before or after the action is taken, a written consent thereto and the consent is filed with the records of the Corporation.

Section 5. Board Quorum. The Majority of the Board of Directors shall constitute a quorum thereof.

ARTICLE XII

OFFICERS

Section 1. Association Officers. The Officers shall be a President, a Vice-President, a Secretary and a Treasurer. The President shall be a member of the Board of Directors; all other officers may be, but shall not be required to be, members of the Board of Directors.

Section 2. Election of Officers. The Declarant shall have the sole right to appoint and remove any officer of the Association pursuant to Sections 10.1 and 13.1 of the Declaration until the first of the following dates: (i) December 31, 2010; (ii) the date on which Declarant has conveyed to Owners other than Declarant property representing ninety percent (90%) of the total number of Lots, Dwelling and Commercial Units Intended for Use on all of the Property as set forth in a Supplemental Declaration; or (iii) the date the Declarant surrenders the authority to appoint and remove Directors of the Association by an express amendment to the Declaration executed and filed Of Record by Declarant. Thereafter, all officers shall hold office at the pleasure of the Board of Directors.

Section 3. President. The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out and shall sign all notes, checks, leases, mortgages, deeds and all other written instruments.

Section 4. Vice President. The Vice President shall perform all the duties in the absence of the President.

Section 5. Secretary. The Secretary shall be the ex officio Secretary of the Board of Directors, shall record the votes and keep the minutes of all proceedings in a book to be kept for such purpose. He shall sign all certificates of membership. He shall keep the record of the Association. He shall record in a book kept for that purpose the names of all Members of the Association, together with their addresses as registered by such Members.

Section 6. Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business. The Treasurer shall sign all checks and notes of the Association, provided that such notes and checks shall also be signed by the President or Vice President.

ARTICLE XIII

LIABILITY AND INDEMNIFICATION

Section 1. Liability of Board Member. No Board Member or Officer of the Association shall be liable to any Property Owner for any decision, action or omission made or performed by such Board Member or Officer in the course of his duties unless such Board Member 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.

Section 2. Indemnification. The Association shall, to the full extent permitted by Sections 33-31-850 through 33-31-858 inclusive, Code of Laws of South Carolina 1976, as amended, indemnify all persons specifically designated from time to time by the Board of Directors whom it may indemnify pursuant to law. In this connection, the Association is authorized to take out such insurance as it may deem necessary or desirable consistent with the indemnification provisions of 33-31-850 through 33-31-858 inclusive, Code of Laws of South Carolina 1976, as amended.

ARTICLE XIV

MEETINGS OF MEMBERS

Section 1. Membership Annual Meeting. Meetings of the Members shall be held at River Towne, Mount Pleasant, Charleston County, South Carolina, or at such other location within the State of South Carolina as the Board of Directors shall determine, and shall occur at least once a year. An annual meeting of the Members shall be held on a day and time to be designated in the notice of the meeting.

Section 2. Membership Special Meetings. Special Meetings of the Members for any purpose may be called at any time by the President, Vice President, Secretary or Treasurer, or by a majority of the Board of Directors, or upon written request of one-fourth (1/4) of the total vote of the Members.

Section 3. Notice. Notice of any meetings shall be given to the Members by the Secretary in accordance with the Declaration.

Section 4. Voting Requirements. Any action which may be taken by a vote of the Members may also be taken by written consent to such action signed by all Members in person or by proxy.

Section 5. Waiver of Notice. Notice of a meeting of 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 Association 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 Association.

Section 6. Quorum. The quorum required for any meeting of Members shall be as set forth in the Declaration.

ARTICLE XV

PROXIES

Section 1. Voting by Proxy. Each Member entitled to vote may vote in person or by proxy at all meetings of the Association.

Section 2. Proxies. All of the provisions of this Section 2 are subject to Section 13.1.1 of the Declaration. To the extent that a provision set forth in this Section is inconsistent with Section 13.1.1 of the Declaration, the provisions of Section 13.1.1 of the Declaration shall control. All proxies shall be executed in writing by the Member or by his duly authorized attorney-in-fact and filed with the Secretary. Unless a proxy otherwise states, it shall be deemed to confer the authority to execute consents and waivers and to exercise the right to examine the books and records of the Association. A proxy may be revocable or irrevocable but shall be deemed revocable at will unless otherwise specified therein. No proxy shall extend beyond the date of the meeting for which it is given unless such meeting is adjourned to a subsequent date; and no proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Any proxy shall automatically cease upon sale by the Member of the Member's property.

ARTICLE XVI

INSURANCE

The Board of Directors or its duly authorized agent shall obtain hazard insurance for its improvements and Common Area and a broad form public liability policy covering all common area and all damage or injury caused by negligence of the Association or any of its agents as more fully described in the Declaration.

ARTICLE XVII

CORPORATE SEAL

The Secretary may have a seal in circular form having within its circumference the name of the Association, the year of its organization and the words "Corporate Seal, South Carolina".

ARTICLE XVIII

AMENDMENTS

These Bylaws may be amended or repealed and new Bylaws adopted by the Directors so long as Declarant has the authority to appoint the Directors and thereafter by a two-thirds (2/3) vote of the Members present, in person or by proxy, and entitled to vote at a regular or special meeting of the Members; provided that any matter which is in fact governed by the Declaration may not be amended except as provided in the Declaration.

ARTICLE XIX

FISCAL YEAR

The fiscal year of the Association shall be determined by the Board of Directors.

ARTICLE XX

GENERAL

Section 1. Conflicts. It is intended that the provisions of the Declaration which apply to the governance of the Association, as supplemented by the provisions in these Bylaws which are not contained in the Declaration, shall operate as the Bylaws of the Association. In the case of any conflict between such provisions set forth in the Declaration and these Bylaws, the Declaration shall control.

Section 2. Waiver. No provision of these Bylaws or any regulation promulgated by the Board of Directors pursuant hereto shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.

Section 3. Severability. The provisions of these By-laws are severable, and the invalidity of one or more provisions hereof shall not be deemed to impair or affect in any manner the enforceability or effect of the remainder.

Section 4. Captions. Captions are inserted herein only as a matter of convenience and for reference and in no way define, limit, or describe the scope of these By-laws or the intent of any provision.

Section 5. Gender and Number. All nouns and pronouns used herein shall be deemed to include the masculine, the feminine, and the neuter, and the singular shall include the plural and vice versa, whenever the context requires or permits.

Section 6. Roberts Rules. All meetings of the membership of the Board of Directors shall be conducted in accordance with Roberts Rules of Orders Revised.

_____, President,
River Towne Property Owners
Association

_____, 1995

