Final
11/12/02

EXHIBIT "B"
****

BY-LAWS OFTHE RESERVE AT WANDO LAKES ASSOCIATION, INC.

ARTICLE 1
MEMBERS

1.1 Membership in the Association. The Members of The Reserve at Wando Lakes Association, Inc. (the "Association") shall be the Owners, as a matter of public record, of every parcel ("Lot") within the property ("Property") as those terms are defined in the Declaration of Covenants, Conditions, and Restrictions for The Reserve at Wando Lakes (the "Declaration"). At the time of creation and organization of this Association, the Property and any Lots within it are owned by Wando Reserve, LLC ("Declarant"). These By-Laws and the Declaration were created by the Declarant.

The Board of Directors (the "Board") of the Association may, after notice and hearing as provided in the Rules and Regulations, suspend any person from membership in the Association during any period of time when such person is in default of any of his obligations under the By-Laws (including, without limitation, the failure to pay any assessment), provided that such default has continued uncured for a period of ten (10) days after written notice thereof to such Member.

1.2 Membership Classes. The Association shall have two classes of voting Members.

(1) Class A. Class A Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned.

(2) Class B. The Class B Member(s) shall be the Declarant and shall be entitled to ten (10) votes for each Lot owned. The Class B membership shall cease and be converted to a Class A membership as described in the Declaration.

1.3 Inspection Rights. The books, records, and papers of the Association shall at all times be subject to inspection by any Member during reasonable business hours. The Declaration, the Articles of Incorporation, and the By-Laws of the Association shall be available for inspection and purchase by any Member at the principal office of the Association. The Association may make a reasonable charge for copies of documents made for Members.

1.4 Voting Rights in the Association. 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 determine, but in no event shall more than one vote be cast with respect to any Lot. If the owners cannot agree on how the vote is to be cast, then the owners of the Lot must abstain from voting on the particular matter; provided, however, if an instrument or order is filed with the Association's Secretary showing that any such tenancy is held in unequal interest, an owner or owners holding at least a 50.1% majority interest in the Lot shall constitute a majority interest in the Lot to which the vote(s) are attributable and shall be allowed to cast a vote for the Lot as they so desire.

A Member may assign his voting rights to his lessee; provided, however, that the Member may not assign to such lessee any vote or votes not attributable to the Lot actually leased by such lessee.

The Members shall have the right to vote for the election and removal of directors and upon such other matters with respect to which a vote of Members is required under the Declaration. Each Class A Member shall be entitled to one (1) vote for each Lot owned. The Class B Members shall be entitled to ten (10) votes for each Lot owned. Members may cast all of such votes for any one director or may distribute them among the number to be elected, or any two or more of them, as a Member sees fit; provided, however, that all votes must be cast in whole numbers and not fractions thereof.

ARTICLE II
MEETING OF MEMBERS

2.1 **Annual Meeting.** The annual meeting of the Members shall be held during the month of November on a date set by the Board, or such other time as the Board may determine. Such annual meetings shall be held for the purpose of electing directors and for the transaction of such other business as may come before the meeting.

2.2 **Special Meeting.** Special meetings of the Members may be called by the President, the Board, or Class A Members representing not less than five percent (5%) of the Class A votes. The request for the special meeting shall be signed, dated and delivered to a corporate officer and shall describe the purpose for which the meeting is to be held.

2.3 **Place of Meeting.** The Board may designate any location within the Town of Mount Pleasant, South Carolina as the place for any annual meeting or special meeting called by the Board, and the President may designate any location in the Town of Mount Pleasant as the place for any special meeting called by him. If no designation is made or if the Members of the Association call a special meeting, the place of meeting shall be the principal office of the Association within Charleston County, South Carolina.

2.4 **Notice of Meeting.** Written notice stating the place, day, and hour of the meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be mailed or delivered not less than fifteen (15) days nor more than sixty (60) days before the date of the meeting. Notices shall be delivered by or at the direction of the President or the Secretary or the person calling the meeting, to each Member of the Association at his/her address as shown on the records of the Association and shall be delivered either personally or by first class mail with postage prepaid. A Member may waive notice of any meeting before or after the date of the meeting stated herein; provided such waiver is in writing and signed and dated by the Member.

2.5 **Informal Action by Members.** Any action required or permitted by law to be taken at a meeting of the Members of the Association may be taken without a meeting if a written consent setting forth the action so taken shall be signed and dated by those Members representing eighty percent (80%) of the voting power of each class of membership, which consent shall be filed with the Secretary of the Association as part of the corporate records.

2.6 **Quorum Required for any Action Authorized at Regular or Special Meetings of the Association.** The quorum required for any action which is subject to a vote of the Members at an open meeting of the Association shall be ten percent (10%) of the total votes entitled to be cast within each class of membership, whether such percentage appears in person or by proxy.

2.7 **Conduct of Meetings.** The directors may make such regulations as they deem advisable for any meeting of the Members, including proof of membership in the Association, evidence of the right to vote, and the appointment and duties of inspectors of votes. Such regulation shall be binding upon the Association and its Members.

2.8 **Ballots by Mail.** When required by the Board, the notices of regular or special meetings shall be accompanied by a statement of certain motions to be introduced for vote of the Members and a ballot on which each Member may vote for or against the motion. Each ballot, which is represented at such meetings, shall be counted in calculating the quorum requirements set out in Section 6 of this Article II. Provided, however, such ballots shall not be counted in determining whether a quorum is present to vote upon motions not appearing on the ballot.

2.9 **Proxies.** Each Member entitled to vote may vote in person or by proxy at all meetings of the Association. All proxies shall be executed in writing by the Member or by his duly authorized attorney-in-fact and filed with the Secretary-Treasurer. 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 his Lot.

ARTICLE III
DIRECTORS

3.1 **General Powers.** Its Board shall manage the affairs of the Association. The directors comprising the Board need not be Members.

3.2 **Number and Tenure.** The initial number of directors shall be three (3). At the first annual meeting, the Members shall elect two (2) directors for a term of two (2) years and one (1) director for a term of one (1) year. At each annual meeting thereafter, the Members shall elect director(s) for a term of two (2) years. Any vacancy occurring in the initial or any subsequent Board may be filled at any meeting of the Board by the affirmative vote of a majority of the remaining directors, even if less than a quorum of the Board, or by a sole remaining director. If vacancies on the Board are not previously filled in this manner, then such vacancies shall be filled at the next succeeding meeting of the Members. Any director elected to fill a vacancy shall serve as such until the expiration of the term of the director(s) whose position he was elected to fill. Election of directors may be conducted by mail ballot if the Board so determines.

3.3 **Annual Meeting.** Annual meetings of the Board shall be held immediately following the annual meeting of the Members. The Board may provide by resolution the time and place for the holding of additional regular meetings of the Board without notice.

3.4 **Special Meetings.** Special meetings of the Board may be called by or at the request of the President or any two (2) directors by giving notice thereof as provided in Section 5 of Article III. Such persons calling a special meeting of the Board may fix any location within the Town of Mount Pleasant as the place for holding such special meeting.

3.5 **Notice.** When notice of any meeting of the Board is required, such notice shall be given at least seven (7) days prior to such meeting by written notice delivered personally or sent by mail to each director at his address as shown on the records of the Association. If the notice is mailed, when it is deposited with postage prepaid in the United States Mail in a properly addressed sealed envelope it will be deemed delivered. Any director may waive notice of any meeting before or after the time of the meeting stated therein and attendance of a director at any meeting shall constitute a waiver of notice of such meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law, the Articles of Incorporation, these By-Laws, or the Declaration.

3.6 **Quorum.** A majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the directors are present at said meeting, no business may be transacted and the directors present may adjourn the meeting without further notice. If a quorum of the Board cannot be attained within sixty (60) days after any such adjournment, then any one of the directors may issue notice of a special meeting of the Members for the purpose of deliberating and transacting any business of the Association, including business which would have come before the Board but for the Board's failure to attain a quorum.

3.7 **Manner of Acting.** The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board.

3.8 **Compensation.** Directors as such shall not receive any stated salaries for their services, but by resolution of the Board, 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 therefore.

3.9 **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 filed with the Secretary of the Association as part of the corporate records.

3.10 Removal of Directors. Any director may be removed from the Board, with or without cause, by a majority vote of the Members. The vacancy thus created by such removal shall be filled as provided in Section 2 of this Article III.

ARTICLE IV
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

4.1 Powers. The Board shall have the power to:

(a) Adopt and publish Rules and Regulations governing the use of the Common Area, and the personal conduct of the Members and their employees, clients, visitors, tenants, and invitees thereon, and to establish penalties for the infraction thereof.

(b) Administer, manage, repair, and maintain the Common Area; provided, however, if the Board of Directors does not repair or maintain the Common Area, the Declarant shall have the right (but not the obligation) to do so at the expense of the Association;

(c) Exercise for the Association all powers provided in the Association's Charter Documents, as amended from time to time, including without limitation the power to suspend the voting rights and the rights to use of the Common Area of the Member during any period in which such Members shall be in default in the payment of any assessment levied by the Association. Prior to any suspension or assessment and fine, the Member will be entitled to a hearing procedure to be adopted by the Board which provides (i) not less than fifteen (15) days prior written notice of the expulsion, suspension, or termination and the reasons therefore; (ii) an opportunity for the Member to be heard, orally or in writing, not less than five (5) days before the effective date of the expulsion, suspension, or termination by a person or persons authorized to decide that the proposed expulsion, termination, or suspension not take place; (iii) such lesser notice or greater notice depending on the nature of the infraction so long as such notice and hearing process is fair and reasonable, taking into consideration all of the relevant facts and circumstances; (iv) written notice must be given by first class or certified mail sent to the last address of the Member shown on the Association's records; (v) any proceeding challenging an expulsion, suspension, or termination, including a proceeding in which defective notice is alleged, must be commenced within one (1) year after the effective date of the expulsion, suspension, or termination; and (vi) that any Member who has been expelled or suspended shall remain liable to the Association for dues, assessments, or fees as a result of obligations incurred or commitments made before expulsion or suspension or arising thereafter so long as the Member is a lot owner at The Reserve at Wando Lakes. Such voting rights or rights to use Common Area may also be suspended, after notice and hearing, for a period not to exceed ninety (90) days for infraction of published rules and regulations. Unless, however, such infraction is ongoing, in which case the rights may be suspended during the period of the infraction and for up to ninety (90) days thereafter.

(d) Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of the Association's Charter Documents;

(e) Grant permits, licenses, and easements over the Common Area for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance or operation of the Property; and

(f) To the extent allowed by law, the Board shall have the power and authority to mortgage the property of the Association and to pledge the revenues of the Association as security for loans made to the Association, which loans shall be used by the Association in performing its authorized functions. Notwithstanding anything in the Declaration to the contrary, the Association shall not be allowed to reduce the amount of the annual assessment at any time there any such loans with an outstanding balance due.

(g) Employ a manager, an independent contractor, an accountant, attorney, or such other employees as they deem necessary, and to prescribe their duties;

(h) Acquire additional areas for the Common Area, mortgage the Common Area and sign notes and mortgages and other loan closing documents in order to make improvements to The Reserve at Wando Lakes, so long as such acquisition or mortgage and loan shall have the approval of two thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose.

(i) Exercise for the Association all powers, duties, and authority as set forth in the South Carolina Non-Profit Corporation Act of 1994.

(j) Publish a notice and hearing process to be used before a Member can be fined or suspended.

(k) The Board may provide for the issuance of certificates evidencing membership in the Association, which shall be in such form as may be determined by the Board and the Board shall authorize the Association's President, or Secretary-Treasurer, or an Assistant Secretary to sign such certificates. Any such certificates authorized by the Board shall be consecutively numbered and the name and address of each Member and the date of issuance of the certificate shall be

entered on the records of the Association. Further, the Board may determine the terms and conditions for issuance of a new certificate if any certificate shall become lost, mutilated, or destroyed.

4.2 **Duties.** It shall be the duty of the Board to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by a one-fourth (1/4) vote of the Members who are entitled to vote;

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

(c) As more fully provided in the Declaration, to:

[1] fix the amounts of all assessments;

[2] send written notice of all assessments to every owner subject thereto;

[3] foreclose the lien against any Lot for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the owner personally obligated to pay the same; and

[4] provide for an Architectural Review Board, including such guidelines as the Board may determine.

(d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. The Board may assess a reasonable charge for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

(e) Procure and maintain adequate liability and hazard insurance on property owned or leased by the Association.

(f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

(g) Cause The Reserve at Wando Lakes Common Areas, and the other authorized areas to be maintained or improved.

ARTICLE V
OFFICERS

5.1 **Officers.** The officers of the Association shall be a President, Vice President, and Secretary-Treasurer. The Board may elect such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary. The President shall be a director of the Association. Other officers may be, but need not be, directors of the Association.

5.2 **Election, Term of Office, and Vacancies.** The officers of the Association shall be elected annually by the Board at its annual meeting following each annual meeting of the Members. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board for the unexpired portion of the term.

5.3 **Removal.** Any officer may be removed by the Board whenever, in its judgment, the best interest of the Association will be served thereby.

5.4 **Powers and Duties.** The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time be specifically conferred or imposed by the Board, except as otherwise determined by the Board. The President shall be chief executive officer of the Association.

5.5 **Resignation.** 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 the 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.

ARTICLE VI
COMMITTEES

6.1 **Committees of Directors.** The Board may designate one or more committees to have and exercise the authority of the Board in the management of the affairs of the Association; provided, however, each such committee must consist of one (1) or more directors and the Board's resolution enabling the committee sets forth the extent to which the committee may exercise the Board's authority. It is specifically provided, however, that no such committee shall have the authority of the Board as to the following matters:

(a) the dissolution, merger or consolidation of the Association;

(b) the amendment of the Articles of Incorporation or the sale, lease or exchange of all or substantially all of the property of the Association;

(c) the designation of any such committee or the filling of the vacancies in the Board or in any such committee;

(d) the amendment or repeal of these By-Laws or the adoption of new By-Laws; and

(e) the amendment or repeal of any resolution of the Board which by its terms shall not be so amendable or repealable.

6.2 **Other Committees.** Other committees not having and exercising the authority of the Board in the management of the affairs of the Association may also be designated by a Board resolution. Such committees shall perform such duties and have such powers as may be provided in the resolution.

6.3 **Rules.** Each committee may adopt rules for its own government not inconsistent with the terms of the resolution of the Board designating the committee or with rules adopted by the Board.

ARTICLE VII
MERGER OR CONSOLIDATION

To the extent and in the manner provided by law, the Association may participate in mergers and consolidation with other non-profit associations organized for the same purpose, provided, however, that any such merger or consolidation shall require approval by the vote of two-thirds (2/3) of the Members at a meeting duly called for such purpose.

Upon merger or consolidation of the Association with another association or associations, its property rights and obligations may, by operation of law, be transferred to another surviving or consolidated association, or in the alternative, the properties, rights and obligations of another association may, by operation of law, be added to the properties of the Association as a surviving Association pursuant to merger. The surviving or consolidated association may administer the existing property, together with the covenants, including without limitation, the maximum limits on assessments and dues of the Association, or any other matter subsequently affecting the interest of Members of the Association.

ARTICLE VIII
MISCELLANEOUS PROVISIONS

8.1 **Construction.** In the event of a conflict between the Declaration and the Articles of Incorporation or the By-Laws, the Declaration shall control. In any conflict between the Articles of Incorporation and the By-Laws that the Declaration does not resolve, the Articles of Incorporation shall control. Definitions set forth in the Declaration shall have the same meaning in these By-Laws. The Association, its Directors, and its Officers shall have all powers as set forth in the South Carolina Nonprofit Corporation Act of 1994 (the "Act"). In the event of a conflict between the Act and the By-Laws, the By-Laws shall prevail if such conflicted action is not prohibited by terms of the Act. If there is a conflict in the By-Laws which is not permitted by the Act, then the terms of the Act shall prevail.

8.2 **Amendment.** These By-Laws may be amended, changed, added to, derogated, or deleted at any time and from time to time upon the execution and recordation of any instrument executed by Members holding at least fifty-one (51%) percent of the Lots in the Subdivision; provided, however, that so long as the Declarant is the Owner of any Lot affected by this Declaration, the Declarant's consent must be obtained. Upon approval of any such amendment in the manner stated above, the Association's President and Secretary prepare a recordable instrument which sets forth the duly approved amendment and shall record such instrument with the Office of the Charleston County R.M.C.

Adopted this _____ day of November, 2002, by The Reserve at Wando Lakes Association, Inc. by:

_____ Director

_____ Director

THE RESERVE AT WANDO LAKE
ARCHITECTURAL MODIFICATION REQUEST

DATE:_____

NAME:_____

ADDRESS:_____

_____

DAY TIME PHONE:_____EVENING PHONE_____

WORK TO BE COMPLETED BY:_____

ESTIMATED COST OF THE PROJECT:_____

DESCRIPTION OF WORK TO BE COMPLETED (ATTACH DRAWING/SKETCH SHOWING SCOPE OF WORK AND LOCATION):

I have reviewed the covenants and restrictions and agree to adhere to them. I understand there is a $100 deposit that is refundable upon final inspection and approval from the ARB Committee.

_____
Signature of Owner

Submit to:

The Reserve at Wando Lake HOA
C/O Odessa Management
P. O. Box 2614
Mt. Pleasant, S. C. 29465