

**BYLAWS OF
RIVER OAKS RECREATION ASSOCIATION, INC.**

ARTICLE 1 NAME AND LOCATION

Section 1.1. Name. The name of the Corporation is RIVER OAKS RECREATION ASSOCIATION, INC., hereinafter referred to as the "Association."

Section 1.2. Location. The principal office of the Association shall be located as designated in the Association's Articles of Incorporation or amendments thereto or ancillary filings in the Office of the Secretary for the State for South Carolina.

Section 1.3. Registered Agent. The Registered Agent for the Association shall be the Secretary as from time to time elected, unless otherwise agreed upon by the Board of Directors. The registered office of the Association must be located in South Carolina and may be, but need not be, identical with the principal office of the Association.

Section 1.4. Purpose. The purpose for which the Association is organized is to provide services to the Owners of Residences in the River Oaks Subdivision located near the City of Greer in Greenville County, South Carolina, to promote the pleasure and general recreation of such Owners, manage and maintain the Common Areas therein and administer to and enforce all covenants and restrictions pertaining to the said Subdivision and any other purposes allowed by law. The Association is a not-for-profit corporation and except as otherwise expressly set forth herein, shall have such powers as are now or may hereafter be granted under the South Carolina Nonprofit Corporation Act promulgated under the rules and regulations of the State of South Carolina.

ARTICLE 2 DEFINITIONS

"Common Area" shall mean and refer to all real property located within the Subdivision that is owned or maintained by the Association, including but not limited to the recreational facilities described in Article VI of the Declaration.

"Declaration" shall mean, collectively, the several sets of Restrictive and Protective Covenants for River Oaks Subdivision, a residential subdivision (the "Subdivision"), executed by M. Graham Proffitt, III and Ellis L. Darby, Jr. (the "Developers"), and duly recorded in the Register of Deeds Office for Greenville County, South Carolina, in (a) Book 1360, Page 257, (b) Book 1367, Page 185, (c) Book 1414, Page 403, (d) Book 1598, Page 545, (e) Book 1765, Page 96, (f) Book 1792, Page 855, (g) Book 1863, Page 291, and (h) Book 1908, Page 894, as the same may be supplemented and amended from time to time.

"Lot" shall mean and refer to any contiguous, numbered parcel of real property located within the Subdivision, with the exception of Common Areas and dedicated streets and roads.

"Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, or any portion thereof, which is a part of the Subdivision, but excluding those having such interest merely as security for the performance of an obligation.

“Member” shall mean and refer to every person or entity who holds membership with voting rights in the Association, pursuant to Article 3 of these Bylaws.

“Residence” shall mean and refer to any permanent single-family residential unit built or to be built in the Subdivision.

ARTICLE 3 MEMBERS AND MEMBERSHIP MEETINGS

Section 3.1. Membership. The Members of the Association, hereinafter referred to as "Members," shall at all times be limited to the Owners of Lots in the Subdivision. However, voting rights, as set forth below, shall be governed by ownership of a Residence in the Subdivision, regardless of how many Lots may have be used in connection with a single Residence. Active Members are those who own a Residence in the Subdivision, have paid all annual and special assessments, and who are not otherwise in default of any of the provisions of these Bylaws, the Declaration or such other rules and regulations established by the Association.

Section 3.2. Annual Meetings. Annual meetings of the Members shall be held on January 15th of each year or such other date as may be determined by the Board of Directors. Each subsequent annual meeting of the Members shall be held on the day of the same month of each year thereafter, at the hour of 7:00 o'clock P.M. or on such other date and time as determined by the Board of Directors. If the day for the annual meetings of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 3.3. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of at least fifteen percent (15%) of the active Members entitled to vote.

Section 3.4. Place of Meetings. All meeting places of the Members shall be held at such place within Greenville County, South Carolina, as shall be determined by the Board of Directors of the Association.

Section 3.5. Notice of Meetings. Written notice of each meeting of the Members shall be given by mailing a copy of such notice by first class mail, postage prepaid, not less than ten (10) days nor more than thirty (30) days before the date of such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member of the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, the proposed budget for the ensuing year, the prior year's expenditures, proposed dues and other assessments necessary to meet the budget, any other proper business. In the case of a special meeting, the notice shall state the time, place and the purpose of the meeting.

Section 3.6. Membership List. An alphabetical list of the names of all Members who are entitled to vote and their addresses shall be prepared and maintained by the Secretary and shall be available for inspection by any Member beginning on the next business day after notice of any meeting is given and continuing through the meeting at the Association's principal office, at a place identified in the meeting notice in the city where the meeting will be held, at an internet address, or available by email.

Section 3.7. Classes of Members and Voting Rights. The voting rights of Membership shall be appurtenant to ownership of a Lot or Lots and shall be governed by ownership of a Residence or proposed Residence in the Subdivision. There shall be only one class of Membership for purposes of defining voting rights. Cumulative voting shall not be allowed.

Each active Membership shall be entitled to only one (1) vote for each Residence owned. When more than one person holds an ownership interest in any Residence or proposed Residence, all such persons shall be Members. In such event, the vote for such Residence shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any single Residence. In the event more than one Lot is used in connection with a single Residence, said lots shall together constitute one "Lot" for purposes of voting rights in the Association. Individuals who purchase a Lot or Lots with the expectation of later erecting a Residence shall be entitled to voting rights based upon the Residence, and not upon the number of Lots.

Section 3.8. Quorum. The presence, at a duly-called meeting, of active Members entitled to cast at least thirty-five percent (35%) of the total number of votes available to be cast by Members of the Association, or of their proxies, shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, subsequent meetings may be called, subject to the same notice requirement, until the required quorum is present. No such subsequent meeting shall be held more than thirty (30) days following the preceding meeting.

Section 3.9. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing dated within eleven (11) months prior to the meeting and filed with the Secretary. Every proxy shall be revocable by (i) appearing at the meeting and voting in person, (ii) filing a valid substitute proxy or cancellation of proxy with the Secretary prior to the call to order of the Meeting, or (iii) conveyance by the Member of his Lot(s).

Section 3.10. Action by Members. Except as provided otherwise in the Articles of Incorporation, the Declaration or these Bylaws, any act or decision approved by a vote of no less than a majority of those present (in person or by proxy) and entitled to vote, at a duly called or held meeting at which a quorum is present, shall be regarded as the act of the Members.

The Members present, in person or by proxy, at a duly called or held meeting at which a quorum is present may continue to do business at the meeting or any adjournment thereof notwithstanding the withdrawal of enough Members to leave less than a quorum.

Section 3.11. Waiver of Notice. Any Member may, at any time, waive notice of any meeting of the Members in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member at any meeting of the Members shall constitute a waiver of notice by him of the time and place thereof except where a Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the Members are present at any meeting of the Members, no notice shall be required and any business may be transacted at such meeting.

Section 3.12. Action by Written Consent or Mailed Ballot. Any action which may be taken at a meeting of the Members may also be taken without a meeting if: (i) a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting and filed with the Secretary of the Association to be kept in the Association's minute book; or (ii) such action is approved by written ballot as authorized by South Carolina Section 33-31-708. For purposes hereof, a written ballot may be distributed electronically, by fax, email or otherwise and may be voted upon electronically as well, by fax, email or otherwise.

Section 3.13. Use of Association Facilities by Members.

(a) Use Rights. All active Members and their households shall be entitled to use of the Common Areas of the Association pursuant to these Bylaws, the Declaration and any rules and regulations now or hereafter established by the Association.

(b) Assignment of Use Rights. Upon written notice to and approval by the Board of Directors, active Members may temporarily assign their membership to renters of their Residences, thereby relinquishing such Members' own use rights hereunder during the period of assignment. Any such assignment shall be for purposes of the use of Association facilities only; such approved assignees shall be considered active Members for all purposes except voting on Association business during the period of assignment and may use Association facilities accordingly.

(c) No Liability. The Association assumes no responsibility or liability, and no Members or their guests shall have any claim against the Association, for accidents or injuries to persons or to property of any said party which may be brought into or left on premises belonging to the Association. Use of Association facilities shall at all times be at such Members' and guests' own risk.

(d) Clubhouse. The Association clubhouse shall be rented only to active Members whose membership has not been suspended or revoked for any reason; no other Association property shall be available for rent.

(e) Suspension or Revocation of Use Rights.

(i) The Board of Directors may deny any individual the use of Association facilities upon finding that said individual has violated these Bylaws, the Declaration, or the rules and regulations of the Association, or has otherwise abused Association property.

(ii) Any individual against whom action is taken under this Section shall be given at least ten (10) days advance notice of the proposed action and shall be provided an opportunity to be heard at a special meeting of the Board of Directors.

(iii) Anything in this Section notwithstanding, the Board of Directors may suspend, or may delegate to an appropriate officer or committee the power to suspend, for periods not exceeding one week, any person found violating the rules and regulations established by the Association. Should the occasion warrant, such suspension may be

made immediately and without hearing; provided, however, that if such suspension is made without hearing, then it shall be the obligation of the Board of Directors or such officer or committee making the suspension to contact the individual accused of the offense or such individual's parent or guardian and provide them with the opportunity for a hearing at a later date.

ARTICLE 4 BOARD OF DIRECTORS

Section 4.1. Number. The business and affairs of the Association shall be managed by a Board of seven (7) directors. No more than one representative of any single, distinct Membership, as defined by Article 3 above, may serve as a Director at one time.

Section 4.2. Term of Office. The term of all directors elected by the Members shall be three (3) years; provided, however, the Directors shall continue to serve until their successors are elected and qualified or until their earlier resignation, removal from office, incapacity, or death.

Section 4.3. Election. The Members shall elect the appropriate number of Directors at each annual meeting of the Members by written ballot, as well as such additional Directors as may be required to serve out the unexpired term of any vacancy then existing on the Board. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise according to Residence ownership. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. So as to provide for staggered term expirations, Directors shall be elected each succeeding year at the annual meeting of the Members in sequential groups of three (3), three (3) and one (1). (Unless these Bylaws are otherwise amended, in 2009, only one Director shall be elected, so as to reduce the total number of Directors from nine to seven; thereafter, three Director positions shall be up for election in 2010, three more Director positions shall be up for election in 2011, one Director position shall be up for election in 2012, and so on.)

Section 4.4. Removal. Any Director may be removed from the Board of Directors, (a) with or without cause, by a majority vote of the active Members of the Association entitled to cast votes, (b) by a majority vote of the Board of Directors at such time as any Director shall have three (3) consecutive unexplained absences from regularly scheduled meetings of the Board of Directors or (c) immediately in the event such Director shall cease to be an active Member of the Association. In the event of death, resignation, or removal of a director, his/her successor shall be selected by the remaining members of the Board of Directors and shall serve until the next annual meeting of the Members.

Section 4.5. Compensation. No Director shall receive compensation for any services (s)he may render to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of his/her duties.

ARTICLE 5 MEETINGS OF DIRECTORS

Section 5.1. Regular Meetings. Meetings of the Board of Directors shall be held on a regular basis as often as the Board of Directors sees fit, on such days and at such place and hour as may be fixed by the Board from time to time. Notwithstanding the foregoing, the Board of

Directors shall meet not less than annually and shall hold its regular annual meeting each year following the annual meeting of the Members.

Section 5.2. Special Meetings. Special Meetings of the Board of Directors shall be held (a) when called by the President of the Association, or (b) upon the request of a majority of the Board after not less than five (5) days notice to each Director.

Section 5.3. Notice of Meetings. Notice of each special meeting of the Board of Directors, stating the time, manner and place of the meeting, shall be given by mailing or emailing the same to each Director at his/her residence or business address not fewer than five (5) days before each such meeting, or by giving the same to each personally, or by telephoning or e-mailing the same to each at his/her residence or business address not later than the day before the day on which the meeting is to be held.

Any and all requirements for call and notice of meetings may be dispensed with if all Directors are present at the meeting or if those not present at the meeting shall at anytime waive or have waived notice thereof.

Section 5.4. Quorum. Two thirds (2/3) of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors.

Section 5.5. Informal Action by Directors. Action taken by a majority of the Directors without a meeting is nevertheless a Board of Directors action if written consent to the action in question is signed by all of the Directors and filed with the minutes of the proceedings of the Board of Directors, whether done before or after the action so taken.

Section 5.6. Chairman. The President of the Association shall serve as Chairman of the Board of Directors and shall preside over all meetings. In the event there is a vacancy in the office of the Presidency, a Chairman shall be elected by the Board of Directors and shall serve until a new President is elected.

Section 5.7. Liability of the Board of Directors. The Members of the Board of Directors shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Owners shall indemnify and hold harmless each of the Members of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or these Bylaws. It is intended that the Members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association, except to the extent that they are Owners.

ARTICLE 6 POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 6.1. Powers. The Board of Directors shall have power to:

(a) transact Association business according to the provisions of these Bylaws, adopt and publish rules and regulations governing the use of the Association's property and facilities and to establish penalties for the infraction thereof, and to dispose of Association property as set forth in these Bylaws;

(b) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to any Committee, the Membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;

(c) employ a manager and such other employees as they deem necessary and prescribe their duties, and to employ attorneys, accountants, engineers or other professionals to represent or service the Association when deemed necessary;

(d) grant easements upon, over, under and across the Common Area without the assent of the Membership when such easements are requisite for the convenient use and enjoyment of the Property;

(e) appoint and remove all officers, clerks, agents, servants 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;

(f) enforce the provisions of these Bylaws, the Declaration, and any rules or regulations made hereunder or thereunder, fix and remit penalties for violations thereof, and to enjoin and/or, at its discretion, seek damages or other relief for violation thereof;

(g) levy assessments as more particularly set forth in the Declaration and suspend the voting rights during any period in which a Member shall be in default in the payment thereof (which right may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for an infraction of published rules and regulations); and

(h) elect from the Board of Directors a President, Vice President, Secretary and Treasurer as set forth herein.

Section 6.2. Duties. It shall be the duty of the Board of Directors 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 at least one third (1/3) of the active Members;

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

(c) as enabled by the Declaration:

(1) fix the amount of the assessments;

(2) send written notice of each assessment to every Owner subject thereto before its due date; and

(3) foreclose the lien against any property for which assessments are not paid within one hundred twenty (120) days after due date or bring an action at law against the Owner personally obligated to pay the same;

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

(e) procure and maintain adequate liability insurance covering the Association and the Directors and Officers thereof and procure and maintain adequate hazard insurance on the property owned by the Association or required to be insured using Assessment funds under the Declaration;

(f) cause the Common Areas to be maintained;

(g) select one or more banks to act as depositories of the funds of the Association, and determine the manner of receiving, depositing and disbursing the funds of the Association; and

(h) obtain the specific approval of a majority of the active Members in attendance and eligible to vote at a duly called meeting at which a quorum is present before borrowing or pledging the credit of the Association.

ARTICLE 7 OFFICERS AND THEIR DUTIES

Section 7.1. Officers. The Officers of the Association shall be a President, Vice-President, Secretary, and Treasurer, who shall at all times be members of the Board of Directors, and such other Officers as the Board of Directors may from time to time by resolution create.

Section 7.2. Election of Officers. The election of Officers shall take place at the annual meeting of the Board of Directors following each annual meeting of the Members.

Section 7.3 Term. Each Officer of the Association shall hold office for one (1) year or until his/her death, resignation, retirement, removal, disqualification, or his/her successor is elected and qualifies.

Section 7.4. Special Appointments. The Board of Directors may appoint such other Officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board of Directors may, from time to time, determine.

Section 7.5. Resignation, Removal and Vacancies. Any Officer may be removed from office with or without cause by the Board of Directors. Any Officer may resign at any time by giving written notice to the Board of Directors, the President or Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. A vacancy in any office may be filled by appointment by the Board of Directors. The

Officer appointed to such vacancy shall serve for the remainder of the term of the Officer replaced.

Section 7.6. Compensation. No Officer shall receive any compensation from the Association for acting as such.

Section 7.7. Duties. The duties of the Officers are as follows:

President

(a) The President shall be the principal executive Officer of the Association and subject to the control of the Board of Directors; shall supervise and control the management of the Association. The President shall preside at all meetings of the Board of Directors; shall see that the orders and resolutions of the Board of Directors are carried out; shall appoint, subject to the confirmation of the Board of Directors, all standing committees, designating the chairmen thereof and all special committees as may be directed by the Board of Directors; shall sign all leases, mortgages, deeds and other written instruments; and shall approve, by fax, letter or email, all checks and promissory notes. The President shall be, ex-officio, a member of all committees.

(b) The President shall establish an Audit Committee and shall appoint, from the Members of the Association, an Audit Committee Chairman whose function will be to review the accounts and records of the corporation and report the results of this review to the Members at the annual meeting of the Members.

Vice-President

(c) The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by him by the Board of Directors. The Vice President shall be, ex officio, a member of all committees.

Secretary

(d) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members, shall keep the corporate seal of the Association and affix it on all papers requiring said seal, shall serve notice of meetings of the Board of Directors and of the Members, shall keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board of Directors.

Treasurer

(e) The Treasurer may 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, shall sign all checks and promissory notes of the Association, shall keep proper books of account, may cause an annual audit of the Association books to be made by public accountant at the completion of each fiscal year or as directed by the Board of Directors, and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members. The Treasurer may be bonded and the bond fee shall be paid by the Association as a regular business expense of the Association.

ARTICLE 8 COMMITTEES

Section 8.1. Committees. The Board of Directors may create such committees as the Board of Directors may from time to time appoint.

Section 8.2. Compensation. Members of Committees, as such, shall not receive any salary or compensation for their services; provided, however, that a committee member may serve the Association in another capacity and receive compensation therefore, and a committee member may be reimbursed for actual expenses incurred in the performance of his/her duties.

ARTICLE 9 SUPPLEMENTAL PROVISIONS

Section 9.1. Additional governing provisions which have been adopted and imposed by the Members pursuant to the Declaration and these Bylaws are set forth in a Schedule 1 to these Bylaws, which schedule is attached hereto and incorporated herein by reference. The provisions set forth therein continue to be binding upon all Members and shall continue to be in addition to, and not in lieu of, any other rules and regulations which may be imposed by the Association and/or the Board of Directors pursuant to the Declaration and these Bylaws from time to time.

ARTICLE 10 DISPOSITION OF ASSOCIATION PROPERTY

Section 10.1. Upon Resolution of the Board of Directors, which shall set forth the terms of any proposed sale of Association property, whether real or personal, a Special Meeting of the Members shall be called in accordance with the terms of these Bylaws, and a vote shall be taken through ballots which may be delivered in absentia or in person, identifying the Lot number (or in the case of a Residence using more than one Lot, all Lot numbers associated with such Residence) of the voting Member or Members (which, as set forth elsewhere in these Bylaws, shall be counted only as one vote for each Residence), and upon receipt of two-thirds' vote in favor of the terms of such proposed sale, such Association property may be sold under the strict terms and conditions set forth in such Resolution of the Board of Directors and no others, except that so long as the sales price and exact description of such Association Property is identified, the Board may determine itself how to handle further details of the sale and the sales proceeds shall be deposited in the general operating or reserve funds of the Association as determined by the Board. This procedure shall not apply to the sale of real property to authorities taking under eminent domain or condemnation proceedings and in these dealings, the Board shall be vested

with complete authority to bargain, settle or otherwise litigate such matters as in the normal course of handling the Association's affairs and conducting its business.

ARTICLE 11 BOOKS AND RECORDS

Section 11.1. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE 12 ASSESSMENTS

Section 12.1. As more fully provided in the Declaration, each Member is obligated to pay to the Association annual assessments and special assessments. The annual dues and budget shall be approved by the Members as the duly-called annual meeting of the Members at which a quorum is present, and must be paid by March 1st of each year.

Section 12.2. If an assessment is not paid by its due date, as established by the Board of Directors, a late charge as may be established by the Board of Directors with respect to such delinquent amount, and the Association may bring an action at law against the Member personally obligated to pay the same. The late charges, costs of collection and reasonable attorneys' fees related to any such action shall be added to the amount of such assessment.

Section 12.3. Nonpayment of assessments as specified shall bar a Member and his/her family and guests from the use of the Common Areas and such Member's voting rights shall be suspended for any period during which any assessment remains unpaid. Before reinstating a Member who has been suspended for nonpayment of assessments, the Board of Directors may establish an additional reinstatement charge for such delinquency. No Member may waive or otherwise escape liability for the assessments provided for herein by non-use of the property.

Section 12.4. The annual dues assessment shall be based upon a Member's Lot, and in the event of nonpayment, shall become a lien upon such Lot; in the event more than one Lot is used in connection with a Member's Residence or proposed Residence, the lien for nonpayment shall be a lien upon all Lots or portions of Lots used in connection with such Residence. In the event more than one Lot is used in connection with a Member's Residence or proposed Residences, the annual assessment shall be for one lot.

ARTICLE 13 CORPORATE SEAL

Section 13.1. The Association shall have a seal in circular form having within its circumference the words: River Oaks Recreation Association, Inc.

ARTICLE 14 AMENDMENTS

Section 14.1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of at least two thirds (2/3) of all votes present at a duly called meeting of the Members at which a quorum is present in person or by proxy, provided that notice of any meeting called for this purpose shall contain the Bylaws and all proposed amendments. No amendment shall be voted upon unless notice of such amendment has been sent to the Members and all Members have had opportunity to vote upon such proposed amendment in person or by proxy at a duly-held meeting.

ARTICLE 15 MISCELLANEOUS

Section 15.1. The fiscal year of the Association shall be the calendar year and shall begin on the first day of January and the end on the 31st day of December of every year.

ARTICLE 16 INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 16.1. To the extent permitted by law, the Association shall indemnify any Director, Officer, Committee Member, or former Director or Officer of the Association, or any other person who may have served at the request of the Association as a director or officer of another corporation, whether for profit or not for profit, against expenses (including attorneys' fees) or liabilities actually or reasonably incurred in connection with the defense of or as a consequence of any threatened, pending or completed action, suit or proceeding (whether civil or criminal) in which (s)he is made a party or was (or is threatened to be made) a party by reason of being or having been such Director, Officer or Committee Member, except in relation to matters as to which (s)he shall be adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of a duty, or in relation to a proceeding by or for the right of the Association in which a Director, Officer or Committee Member was adjudged liable to the Association or in relation to a proceeding where a Director, Officer or Committee Member was adjudged liable on the basis that personal benefit was improperly received by that Director, Officer or Committee Member.

The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, bylaw, agreement, vote of Members or disinterested Directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, Officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person. Nothing contained in this Article 16, or elsewhere in these Bylaws, shall operate to indemnify any Director or Officer if such indemnification is for any reason contrary to any applicable state or federal law.

NOW THEREFORE, these Bylaws are ratified and adopted by the Association, this ____ day of _____, 2008 as evidenced by the signature of the Association President.

RIVER OAKS RECREATION ASSOCIATION, INC.

By: _____
_____, President

SCHEDULE 1
SUPPLEMENTAL PROVISIONS

ARTICLE I
ARCHITECTURAL ENFORCEMENT

Section A. Architectural Committee. The Declaration contains provisions for an Architectural Committee which has architectural control over structures, fences, outbuildings and other improvements.

Section B. Penalties.

(1) If an Owner does not seek from the Architectural Committee approval of a structure or improvement in the manner provided for in the Declaration, and such Owner proceeds to construct the improvement without such approval, or if such member fails to comply with the plan that was submitted to and approved by the Architectural Committee, the Board of Directors may assess a penalty against such member for each such nonconforming structure or improvement, up to a maximum amount of Five Thousand and No/100s Dollars (\$5,000.00).

(2) Any penalty assessed for architectural nonconformance shall become part of the annual assessments described in the Declaration and may be collected by any means permitted for the collection of annual assessments, including suspension of voting rights and the rights to use Association property. Like annual assessments, the penalty for architectural nonconformance shall bear the legal rate of interest during any period such penalty remains unpaid, and shall be subject to the right of the Association to sue for payment, together with interest, costs and attorney's fees.

(3) Any such penalties collected shall become part of the regular Association budget and shall be applied by the Board of Directors to meet regular expenses of the Association.

(4) The penalty for architectural nonconformance as set forth herein may not be changed by the Board of Directors. Any revision necessary due to fluctuations in the value of money, or for any other reason, shall be brought before the Members for consideration as an amendment to these Bylaws.

Section C. Notice of Action. Any person against whom action is taken under this Schedule 1, Article I shall be given at least fifteen (15) days advance notice of the proposed action and shall be provided an opportunity to be heard at a special meeting of the Board of Directors.

Section D. Approval Period. Notwithstanding the above, no person shall be held to have violated the architectural provisions of the Declaration if such person applied to the Architectural Committee in writing for approval of plans and did not receive a response within thirty (30) days. A request for additional information or more detailed plans shall be considered a response. However, no request for approval shall be allowed to "languish" in the Architectural Committee for more than sixty (60) days. If no final decision has been made within sixty (60) days after the

initial written request, such approval is deemed made and the structure, as applied for, may built without penalty.

ARTICLE II COMMON PROPERTY GUIDELINES

Section A. Common Property Guidelines. These Bylaws contain provisions permitting the Board of Directors to make rules and regulations governing the use of the Common Areas. These rules and regulations include “Common Property Guidelines” dealing with the natural areas of the Subdivision.

Section B. Penalties.

(1) If an Owner violates any provision of the Common Property Guidelines which has been officially promulgated and distributed to the Members at such Members’ last known addresses, the Board of Directors may assess a penalty against such Owner for each such violation, up to the amount of One Thousand Five Hundred and No/100s Dollars (\$1,500.00).

(2) Any penalty assessed hereunder shall become part of the annual assessments described in the Declaration and may be collected by any means permitted for the collection of annual assessments, including suspension of voting rights and the rights to use Association property. Like annual assessments, the penalty for violation of the Common Property Guidelines shall bear the legal rate of interest during any period such penalty remains unpaid, and shall be subject to the right of the Association to sue for payment, together with interest, costs and attorney’s fees.

(3) Any such penalties collected shall become part of the regular Association budget and shall be applied by the Board of Directors to meet regular expenses of the Association.

(4) The penalty for violation of the Common Property Guidelines as set forth herein may not be changed by the Board of Directors. Any revision necessary due to fluctuations in the value of money, or for any other reason, shall be brought before the Members for consideration as an amendment to these Bylaws.

Section C. Notice of Action. Any person against whom action is taken under this Schedule 1, Article II shall be given at least fifteen (15) days advance notice of the proposed action and shall be provided an opportunity to be heard at a special meeting of the Board of Directors.

ARTICLE III RVs AND TRAILERS

Section A. RV and Trailer Guidelines.

(1) The Declaration contains provisions against placing a “house trailer” on any lot temporarily or permanently, and requiring that other equipment used for personal enjoyment be “inconspicuous.” It has come to the attention of the Members that there are some questions about the meaning of these provisions, and that there is no remedy for nonconforming

parking in the Declaration short of injunctive litigation, and the Members which to provide such a remedy, as a deterrent against future nonconformance.

(2) The provisions of Paragraph 3 of the “Uses Permitted and Prohibited” section of the Declaration shall hereafter be understood to include the parking and or/placement of motor homes, RVs, large camping equipment, boats, boat trailers, tents and other similar vehicles and equipment. The Members have decided that a trailer, boat, motor home or RV cannot, by definition, be placed “inconspicuously” unless it is stored in a closed, permanent structure, such as a garage. The Board of Directors or its designated Property Manager may make an exception for guests of a Member, provided such guest’s visit does not exceed ten (10) days.

Section B. Penalties.

(1) If an Owner violates Paragraph 3 of the “Uses Permitted and Prohibited” section of the Declaration as explained in Article III, Section A above, the Board of Directors may assess a penalty against such Owner for each such nonconforming parking or placement, up to the amount of Five Thousand and No/100s Dollars (\$5,000.00) per week that such nonconforming parking or placement continues, if legal action becomes necessary.

(2) Any penalty assessed for parking nonconformance shall become part of the annual assessments described in the Declaration and may be collected by any means permitted for the collection of annual assessments, including suspension of voting rights and the rights to use Association property. Like annual assessments, the penalty for parking nonconformance shall bear the legal rate of interest during any period such penalty remains unpaid, and shall be subject to the right of the Association to sue for payment, together with interest, costs and attorney’s fees.

(3) Any such penalties collected shall become part of the regular Association budget and shall be applied by the Board of Directors to meet regular expenses of the Association.

(4) The penalty for parking nonconformance as set forth herein may not be changed by the Board of Directors. Any revision necessary due to fluctuations in the value of money, or for any other reason, shall be brought before the Members for consideration as an amendment to these Bylaws.

Section C. Notice of Action. Any person against whom action is taken under this Schedule 1, Article III shall be given at least fifteen (15) days advance notice of the proposed action and shall be provided an opportunity to be heard at a special meeting of the Board of Directors. If the violation can be corrected within fifteen (15) days of notification of the violation, no penalty shall be assessed.