

EXHIBIT B

BYLAWS OF CREEKSIDE COTTAGES OWNERS' ASSOCIATION, INC.

ARTICLE I NAME AND LOCATION

Section 1. Name: The name of the corporation is Creekside Cottages Owners' Association, Inc. (hereinafter referred to as the "Association") which was created and exists as a nonprofit corporation under the laws of the State of South Carolina.

Section 2. Office of Association: The office of the Association shall be at the offices of Creekside Cottages, LLC (hereinafter referred to as the "Declarant") or at such other place as may be subsequently designated by the Board of Directors of the Association.

ARTICLE II DEFINITIONS

Section 1. General: All terms used herein and not otherwise defined shall be deemed to have the same meaning as defined in that certain Declaration of Covenants, Conditions and Restrictions for Creekside Cottages Owners' Association, Inc. dated _____, 2003 and recorded in the ROD Office for Georgetown County, South Carolina, (the "Declaration") certain provisions of which Declaration may be repeated in full or in part and may be renumbered as they appear herein.

ARTICLE III MEMBERSHIP AND VOTING PROVISIONS

Section 1. Membership: Every Owner of a Lot which is subject to the Declaration shall be a Member of the Association. Membership shall be appurtenant to and shall not be separated from ownership of any Lot or Dwelling Unit which is subject to assessments.

Section 2. Membership Rights Subject to Assessment; Suspension of Membership: The rights of membership are subject to the payment of Annual and Special Assessments levied by the Association, the obligation of which assessments is imposed against each Owner of, and becomes a lien upon, the Lot against which such assessments are made as provided by Article V of the Declaration. The Board of Directors of the Association may suspend any Owner from membership in the Association during any period of time when such Owner is in default of any of his obligations under the Declaration (including without limitation, the failure to pay any assessments), provided that such default has continued uncured for a period of thirty (30) days after written notice thereof to such Member. The obligation for assessments is not abated by suspension of a Member and cannot be waived by non-use or abandonment of the Association or facilities or properties.

Section 3. Voting Rights: The Association shall have two classes of voting membership.

CLASS A. Class A Members shall be all Owners (excluding the Declarant). A Class A Member shall be entitled to one (1) vote for each Lot he owns. The Declarant may become a Class A Member upon the expiration of its Class B membership status as hereinafter set forth.

CLASS B. The Class B Member shall be the Declarant, its successors and assigns. The Class B Member shall be entitled to thirty (30) votes for each Lot in which it is an Owner, provided that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs later:

- (a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) on January 1, 2025.

ARTICLE IV MEETING OF MEMBERS

Section 1. Annual Meeting: Meetings of the Members shall be held at the Property, Murrells Inlet, South Carolina, or at such other place as may be designated by the Board of Directors, and shall occur at least once a year. An annual meeting of the Members shall be held on a day and time as determined by the Board of Directors, to be designated in the notice of the meeting.

Section 2. Membership Special Meetings: Special meetings of the Members for any purpose may be called at any time by the President, Secretary or Treasurer or by any two or more Members of the Board of Directors or upon written request of members holding one-fourth of the total votes of the Association.

Section 3. Notice: Notice of any meetings shall be given to the Members by the Secretary. Notice may be given to each Member either personally or by sending a copy of the notice through the mail, postage thereon fully prepaid to his address appearing on the books of the Association. Each Member shall register his address with the Secretary and notices of meetings shall be mailed to such address. Notice of any meeting, regular or special, shall be mailed not more than forty-five (45) days, and not less than in ten (10) days in advance of the meeting and shall set forth in general the nature of the business to be transacted; provided, however, that if the business of any meeting shall involve and be governed by the Declaration applicable to the properties, or any action for which other provision is made in these Bylaws, notice of such meeting shall be given or sent as therein or herein provided.

The Board of Directors of the Association shall have the power and the authority to grant temporary and permanent licenses for access and use of certain properties as the Association, including without limitation any and all boat ramps, landings and roadways within the Property.

Section 4. 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~~ consent in writing setting forth the action so taken shall be signed by all of the Members of the Association, which consent shall be filed with the Secretary of the Association as part of the Association records.

Section 5. 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 a meeting of the Association shall be as follows:

The first time a meeting of the Members of the Association is called to vote on a particular action, the presence at the meeting of Members or proxies entitled to cast fifty-one (51%) per cent of the total vote of the membership shall constitute a quorum. If the required quorum is not present at any such meeting, a second meeting may be called subject to the giving of proper notice and there shall be no quorum requirement for such second meeting.

Section 6. Manner of Acting: Unless otherwise provided herein or the Declaration, a majority of the total votes cast in person or by proxy at a duly called meeting of the Association shall be the vote required to adopt and make decisions.

ARTICLE V 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 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. No proxy shall extend beyond the date of the meeting for which it is given unless such meeting is adjourned to a subsequent date.

ARTICLE VI BOARD OF DIRECTORS

Section 1. General Powers: The Association shall be governed and the business and affairs of the Association shall be managed by a Board of Directors. The Directors need not be Members of the Association.

Section 2. Number and Tenure: The Board of Directors shall initially consist of three (3) members appointed by the Declarant and in subsequent years may be increased to such number as the Board of Directors deem appropriate. Beginning with the first annual meeting of the Association, the Declarant shall elect one director for a term of one year and two directors for a term of two years and at each annual meeting thereafter, the Members shall elect upon majority vote one director for a term of two years. Provided, however, the Board of Directors shall be selected by the Declarant, however, until the termination of its Class B voting rights.

The Directors selected by the Declarant need not be Members of the Association.

Section 3. Vacancies. Vacancies in the Board of Directors shall be filled by the majority of the remaining Directors, and any such appointed Director shall hold office until his successor is elected by the Members, who may make such election at the next annual meeting of the Members or at any special meeting duly called for that purpose; provided, however, such vacancy shall be filled by the Partnership until the termination of its Class B voting rights.

Section 4. Annual Meetings: Annual meetings of the Board of Directors shall be held immediately following the annual meeting of the Association. The Board of Directors may provide by resolution the time and place for the holding of additional regular meetings of the Board.

Section 5. Special Meetings: Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors by giving notice thereof to the members of the Board as provided herein.

Section 6. Notice: When notice of any meeting of the Board of Directors is required, such notice shall be given at least four (4) days previous 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. 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 Bylaws or the Declaration.

Section 7. Quorum: A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board.

Section 8. 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 of Directors.

Section 9. Compensation: Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors, any Director may be reimbursed for his actual expenses incurred in the performance of his duties as Director. Nothing herein contained shall be construed to preclude any Director from serving the Association in any other capacity and receiving compensation therefor.

Section 10. Informal Action by Directors: Any action required or permitted by law to be taken at a meeting of Directors may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by a majority of the Directors, which consent shall be filed with the Secretary of the Association as part of the Association's records.

Section 11. Removal of Directors: Any Director other than one selected by the Partnership may be removed from the Board of Directors, with or without cause, by a majority vote of the Members of the Association, and a successor may then and there be elected to fill the vacancy thus created or the vacancy may be filled by the Board of Directors.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

(a) adopt and publish rules and regulations governing the use of the Common Property and the conduct of the Members, their lessees or guests, and to establish penalties for the infraction of such rules and regulations;

(b) suspend the voting rights of a Member and his right to use the Common Property during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for infraction of published rules and regulations;

(c) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;

(d) to grant utility and ingress/egress easements on, over and across the Common Property of the Association as provided in the Declaration;

(e) to sell, transfer and convey portions of Common Property without a vote of the Members of the Association in order to (i) correct errors or mistakes in deeds or easements to or from the Association; or (ii) to divest the Association of properties which are not necessary for the functions and services which the Association is authorized to carry out and deliver.

(f) exercise on behalf of the Association all other powers, duties and authority vested in or delegated to the Association as set forth in the Declaration and not reserved to the membership by other provisions of these Bylaws, the Article of Incorporation, or the Declaration;

Section 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, have the same available for inspection at the offices of the Association, and present a statement thereof to the Members at the annual meeting of the Members or any special meeting when such statement is requested in writing by one-fourth (1/4th) vote of the Class A Members who are entitled to vote;

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

(c) perform all duties set forth in the Declaration, including without limitation:

otherwise;

(1) fix and levy the amounts of all assessments, annual, special or

thereto;

(2) to send written notice of all assessments to every Owner subject

(3) in the discretion of the Board, foreclosing the lien against any property for which assessments are not paid within thirty (30) days after the due date or bringing an action at law against the Owner personally obligated to pay the same;

(4) issuing or causing 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 of Directors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(5) causing the Common Property to be maintained or repaired; and

(d) procure and maintain adequate liability and hazard insurance on property owned or leased by the Association; and

(e) cause all officers or employees having fiscal responsibilities to be bonded, as the Board may deem appropriate; to provide directors and officers liability insurance, errors and omission insurance or similar insurance for officers and directors as it may deem appropriate;

(f) to cause the Common Property and facilities to be maintained, replaced or improved and properly landscaped;

(g) to prepare an annual budget for the Association outlining anticipated receipts and expenses for the following fiscal year;

(h) to carry out the reconstruction of Common Property improvements after casualty, and to carry out the further improvement of such Common Property;

(i) to acquire, operate, lease, manage and otherwise trade and deal with property, real and personal, including the Common Property as may be necessary or convenient in the operation and management of the Association;

(j) to enforce by legal means the provisions of the Articles of Incorporation, the Declaration, and the Bylaws of the Association and the regulations promulgated by the Board;

(k) to pay all taxes and assessments which are liens against any part of the Common Property or other property, real or personal, belonging to the Association;

(l) to pay all costs of power, water and sewer and other utility services rendered to the Association and not billed to the Owners;

(m) to borrow money on behalf of the Association and to pledge/mortgage the property of the Association as security for such loan(s);

(n) to exercise for the Association all powers, duties and authority vested in or delegated to the Association by the Declaration and not reserved to the membership by other provisions of these Bylaws or the Articles of Incorporation.

ARTICLE VIII OFFICERS

Section 1. Officers: The officers of the Association shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary and a Treasurer. The Board of Directors 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 to perform the duties prescribed from time to time by the Board of Directors. 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.

Section 2. Election, Term of Office and Vacancies: The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors 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 of Directors for an unexpired portion of the term.

Section 3. Removal: Any officer may be removed by the Board of Directors whenever, in its judgment, the best interest of the Association will be served thereby.

Section 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 of Directors. The President shall be the chief executive officer of the Association.

Section 5. Resignation: Any officer may resign at any time by giving written notice to the Board of Directors. 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.

Section 6. President. The President shall be the chief executive officer of the Association. He shall execute on behalf of the Association all instruments requiring such execution except to the extent the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent. The President shall preside at all meetings of the Association and the Board of Directors. He shall have all general powers and duties which

are usually vested in the office of President of a property owners association, including the power to appoint committees.

Section 7. Vice-President. The Vice President shall act under the direction of the President and shall perform such duties as may be imposed by the Board. In the absence or disability of the President, the Vice President shall perform the duties and exercise the powers of the President.

Section 8. Secretary. The Secretary shall act under the direction of the President. Subject to the direction of the President, the Secretary shall attend all meetings of the Board of Directors and meetings of the Association and record the proceedings. He shall give or cause to be given, notice of all meetings of the Association and of the Board of Directors as required by these Bylaws and shall perform such other duties as may be prescribed by the President or the Board of Directors.

Section 9. Treasurer. The Treasurer shall act under the direction of the President and shall keep or be responsible for keeping the accounts of the Association. He shall disburse the funds of the Association as may be ordered by the President or the Board of Directors and shall render on request or at the regular meetings of the Board of Directors an account of all his transactions as Treasurer and of the financial condition of the Association. The Treasurer shall be responsible for mailing all Assessment notices to Members of the Association.

ARTICLE IX MERGER

To the extent and in the manner provided by law, the Association may participate in mergers and consolidation with other nonprofit associations organized for the same purposes, provided, however, that any such merger or consolidation shall require approval by the vote of two-thirds (2/3rds) 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 a merger. The surviving or consolidated association may administer the existing Property, together with the covenants and restrictions established upon any other property as one plan. No merger or consolidation shall effect any revocation, change or addition to the Covenants, including, without limitation, the maximum limits on assessments of the Association, or any other matter substantially affecting the interest of Members of the Association.

ARTICLE X AUTHORITY TO MORTGAGE

To the extent provided by law and by the Declaration the Board of Directors of the Association 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.

ARTICLE XI COMMITTEES

Section 1. Committees of Directors: The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one or more committees, each of which shall consist of two (2) or more Directors, which committees, to the extent provided in the Resolution, shall have and exercise the authority of the Board of Directors in the management of the affairs of the Association; provided, however, that no such committee shall have the authority of the Board of Directors as to the following matters: (a) the dissolution, merger or consolidation of the Association; (b) the amendment of the Articles of Incorporation of the Association; (c) the sale, lease or exchange of all or substantially all of the property of the Association; (d) the designation of any such committee or the filling of vacancies in the Board of Directors or in any such committee; (e) the amendment or appeal of these Bylaws or the adoption of new Bylaws; and (f) the amendment or appeal of any resolution of the Board of Directors which by its terms shall not be so amendable or repealable.

Section 2. Other Committees: Other committees not having and exercising the authority of the Board of Directors and the management of the affairs of the Association may be designated by a resolution adopted by the Board of Directors. Such committees may include or be entirely composed of Members who are not Directors and shall perform such duties and have such powers as may be provided in the resolution.

Section 3. Rules: Each committee may adopt rules for its own government not inconsistent with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

ARTICLE XII INSPECTION

The books and records 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 Bylaws of the Association shall be available for inspection and purchase by any Member at the principal office of the Association.

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 Bylaws.

Section 2. Indemnification of Board Member. The Association shall indemnify and defend each Board Member and Officer of the Association from any liability claimed or imposed against him by reason of his position or decision, action or omission as a Board Member or any Officer of the Association of all of the following conditions are satisfied:

- (a) Such Board Member or Officer has not acted in bad faith or in reckless disregard of the rights of any person or of the terms of the Declaration or these Bylaws;
- (b) Such Board Member or Officer gives the Association adequate notice of the claim or imposition of liability to permit the Association reasonable opportunity to defend against the same;
- (c) Such Board Member or Officer cooperates with the Association defending against the liability.

The expense of indemnifying a Board Member or Officer as provided herein shall be a common expense of the Association, including such Board Member or Officer.

ARTICLE XIV CONSTRUCTION

In the event of a conflict between the Declaration and the Articles of Incorporation or the Bylaws, the Declaration shall control; and in the case of any conflict between the Articles of Incorporation and the Bylaws that the Declaration do not resolve, the Articles of Incorporation shall control.

ARTICLE XV FISCAL YEAR

The fiscal year of the Association shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December of every year, except the first fiscal year shall begin on the date of incorporation.

ARTICLE XVI 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 XVII PARLIAMENTARY RULES

Robert's Rules of Order (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Covenants or these Bylaws.

**ARTICLE XVIII
AMENDMENTS**

These Bylaws may be altered, amended, or repealed by, and new Bylaws may be adopted by a majority of the Board of Directors.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the Seal of the Corporation this 16th day of January, 2003.


Secretary