

CP-10-2706 as evidenced by a deed from the Honorable Louis E. Condon, Master-in-Equity for Charleston County, dated January 5, 1989 and recorded in the R.M.C. Office on January 10, 1989 in Book A181 at page 434;

WHEREAS under the terms of the aforesaid deed, First Maryland acquired approximately 37 undeveloped lots upon which units had not been built;

WHEREAS, First Maryland has therefore become a "Declarant" under the definition contained in the Declaration in Article I, Section 6;

WHEREAS, under the provisions of Article X, Section 3 of the Declaration, the Declarant reserved unto itself and its successors and assigns the right to amend the Declaration at any time prior to July 1, 1990 without the consent of the other Owner for any lawful purpose;

WHEREAS, First Maryland is a corporation organized under the laws of the State of Maryland;

WHEREAS, the State of Maryland Deposit Insurance Fund Corporation ("MDIF") is an instrumentality of the State of Maryland created as a body corporate and an agency of the State of Maryland by act of the Maryland State Legislature;

WHEREAS, on November 20, 1985, the Circuit Court for Montgomery County, Maryland ("Circuit Court") in Board of Savings and Loan Association Commissioner's, et al vs. First Maryland Savings & Loan, Inc. Case Number 10,974, Civil (Judge Kaplan specially designated) issued an Order appointing Melville S. Brown,

Fund Director of MDIF, as Conservator of First Maryland. The Order stated that the Conservator shall "exercise all powers, rights and privileges of the officers, directors and members of First Maryland and its subsidiaries and shall conduct the operations of First Maryland and its subsidiaries."

WHEREAS, on June 19, 1986, the Circuit Court issued an Order appointing MDIF as the Receiver for First Maryland and ratifying all Orders issued from and after November 20, 1985, with the substitution of the word, "Receiver" for "Conservator".

WHEREAS from November 20, 1985 pursuant to the above and other Orders, MDIF has been exercising the powers, rights and privileges of the officers and directors for First Maryland and has conducted the operations of First Maryland;

WHEREAS, First Maryland under its authority as a Declarant under Article I, Section 6 of the Declaration, hereby amends the Declaration of Covenants, Conditions and Restrictions in the following respects:

1. Article II, Section 1 is hereby revised and amended to read as follows:

Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every lot. All owners of any property located within the property described in Exhibit "A", and attached hereto and incorporated herein by reference shall be entitled to the use of all interior streets regardless of whether such owner is subject to assessment by the

Association. The right and easement of enjoyment described in this Section 1 shall be subject to the following provisions:

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(b) the right of the Association to suspend the voting rights and right to use of the Common Area (other than Champion Way and Skillmaster Court and any parking area adjoining any lot) by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations, it being understood that any suspension for either non-payment of any assessment or a breach of the rules and regulations of the Association shall not constitute a waiver or discharge of the member's obligation to pay the assessment;

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of members has been recorded.

(d) the right of individual Owners to the exclusive use of parking spaces as provided in this Article.

2. Article III, Section 2 is hereby revised and amended to read as follows:

Section 2. Voting Rights. The Association shall have two (2) classes of voting membership:

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

Class B. The Class B members shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (b) on September 1, 1992.

3. Article X, Section 3 is hereby revised and amended to read as follows:

Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date the original Declaration was recorded in Book G140 at Page 351 in the R.M.C. Office, after which time the Covenants and Restrictions of this Declaration shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) years by

an instrument signed by not less than ninety (90%) percent of the Lot Owners and agreed to by the Declarant, its successors and assigns and thereafter by an instrument signed by not less than seventy-five (75%) percent of the Lot Owners. Any Amendment must be recorded in order to be effective.

Declarant reserves unto itself and its successors and assigns (including successors by virtue of foreclosure sale of Property owned by A.V.E. Construction Co., Inc.) the right to amend this Declaration at any time prior to September 1, 1992, without the consent of the other Owners for any lawful purpose. Notwithstanding any other provision of the Covenants and restrictions of this Declaration, the provisions hereof, insofar as they relate to construction and maintenance of streets, roadways and improvements thereto, and the right of the City of North Charleston to enforce said Covenants and Restrictions, shall run with and bind the land in perpetuity and may be amended only with the consent of the City of North Charleston.

4. First Maryland Savings & Loan, Inc. hereby ratifies and confirms the said Declaration of Covenants, Conditions and Restrictions except as herein expressly modified and amended.

IN WITNESS WHEREOF, FIRST MARYLAND SAVINGS & LOAN, INC., has caused these presents to be executed in its name by its special

representative to be affixed this 25th day of June, 1990.

WITNESSES

E.C. Zeld
Wm. Oke

FIRST MARYLAND SAVINGS & LOAN, INC.

BY:

G. Richard Gray
G. RICHARD GRAY
Special Representative of
the State of Maryland Deposit
Insurance Fund Corporation,
Receiver for First Maryland
Savings & Loan, Inc.

STATE OF MARYLAND)
City)
COUNTY OF BALTIMORE)

PERSONALLY appeared the undersigned witness who, on oath, says that s/he saw the within named G. Richard Gray as Special Representative of the State of Maryland Deposit Insurance Fund Corporation, Receiver for First Maryland Savings & Loan, Inc., sign, seal and as his act and deed deliver the within written instrument, and that s/he with the other witness above subscribed and witnessed the execution thereof.

SWORN to BEFORE me this 25th day of June, 1990

E.C. Zeld

Victoria Traversy (L.S.)
NOTARY PUBLIC FOR MARYLAND
MY COMMISSION EXPIRES: 11/1/94

EXHIBIT "A"

ALL that certain lot, piece or parcel of land, situate, lying and being in the City of North Charleston, County of Charleston, State of South Carolina, known and designated as "Common Area", as shown and designated on that certain plat entitled, "Plat of A Subdivision of Tract H, Known as Lakeshire, A 10.593 Acre Tract of Land Located of Land Located at The Park At River's Edge, City of North Charleston, Charleston County, S.C.", dated May 13, 1985 and revised July 9, 1985, by Harold B. Neilson, Jr., P.E. and R.L.S., S.C. Reg. No. 7023 and duly recorded in the RMC Office for Charleston County in Plat Book BE, at page 149. Said parcel of land having such size, shape, dimensions, buttings and boundings as reference to the aforesaid plat will more fully and at large appear.

RETURN TO BUIST, MOORE, SMYTHE

& MOORE MAE
ATTORNEYS INITIALS

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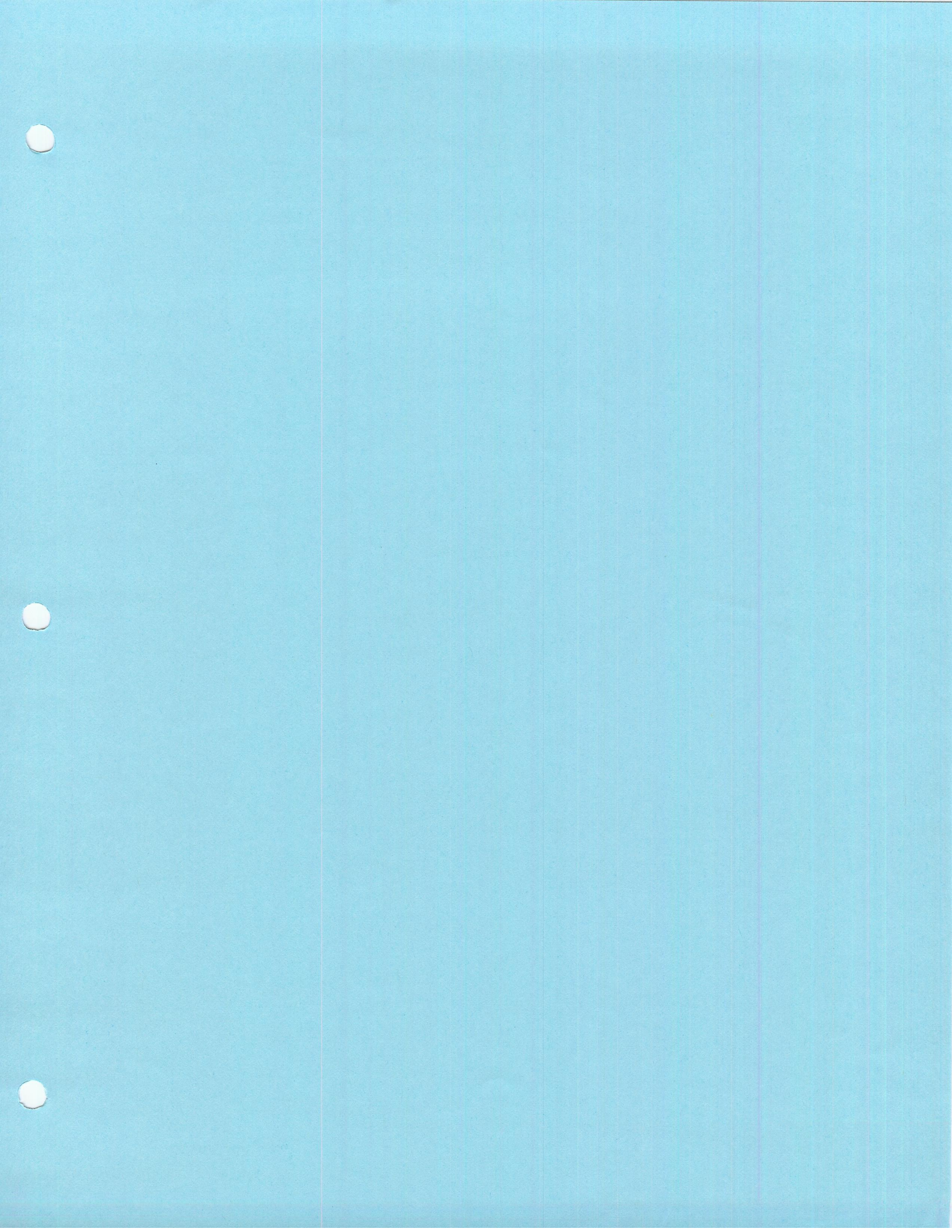
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ROBERT N. KING
REGISTER MESNE CONVEYANCE
CHARLESTON COUNTY, S.C.

g/mz
(+v)



BY-LAWS
OF
LAKESHIRE HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is Lakeshire Homeowners Association, Inc., hereinafter referred to as the "Association." The principal office of the corporation shall be located at 29 Gamecock Avenue, Charleston, South Carolina 29407, but meetings of members and directors may be held at such places within the State of South Carolina, County of Charleston, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. "Association" shall mean and refer to Lakeshire Homeowners Association, Inc., its successors and assigns.

Section 2. "Property" or "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all the real property owned by the Association for the common use and enjoyment of

the Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exceptions of any Apartment or Unit under a Horizontal Property Regime.

Section 5. "Owner" shall mean and refer to the record owner whether one or more persons or entities, of the fee simple title to any Lot (as defined above in Section 4) which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of any obligations.

Section 6. "Declarant" shall mean and refer to A.V.E. Construction Company, Inc., its successors and assigns if such successors and assigns should acquire more than one (1) undeveloped Lot from Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Clerk of Courts Office for Charleston County, South Carolina.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 o'clock P.M. If the day for the annual meeting 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 2. Special Meetings. Special meetings of the regular members may be called at any time by the president or the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meetings of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before 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 to the Association for the purpose of such notice. Such notice shall specify the place, day and hour of the meeting, and, in

the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxied entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, of these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. (Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.) If not less than fifteen (15) days prior to a duly called meeting nor more than thirty (30) days prior to a duly called meeting, an Owner is informed by written notice of (1) the time and place of the meeting, and (2) the agenda of the meeting, and (3) such data is then available relative to issues on which there will be a vote, and (4) a proxy form is included in such written notice and the Owner neither attends the meetings nor returns his executed proxy, then such Owner shall be deemed to have given his proxy to and for the

majority present and voting.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE:

Section 1. Number. The affairs of this Association shall be managed by a Board of nine (9) directors, who need not be members of the Association.

Section 2. Term of Office. At the first annual meeting, the members shall elect three (3) directors for a term of one (1) year, three (3) directors for a term of two (2) years, and three (3) directors for a term of three (3) years; and at each annual meeting thereafter the members shall elect three (3) directors for a term of three (3) years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No directors shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 2. Election. Election of the Board of Directors shall be by secret written ballot. At such election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions

of the Declaration. The person receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

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

Section 3. Quorum. A majority of the number 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.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

- (a) adopt and publish rules and regulations governing