

DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made on the date hereinafter set forth by A.V.E. Construction Company, Inc., an owner of a portion of the below-described Property, and hereinafter referred to as "Declarant;"

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in The Park at River's Edge, County of Charleston, State of South Carolina, which is more particularly described as:

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 Tract "H", The Park At River's Edge, as shown and designated on that certain plat entitled "A Subdivision of a 145.43 acre tract known as The Park At River's Edge, showing Tracts A thru L, City of North Charleston, Charleston County, S. C., dated May 29, 1985 by Harold B. Nielson, Jr., P.E. and L.S., S.C. Reg. No. 7023 and duly recorded in the RMC Office for Charleston County on June 14, 1985 in Plat Book BE, at Page 83. Said parcel having such size, shape, dimensions, buttings and boundings as reference to the aforesaid plat will more fully and at large appear.

WHEREAS, A.V.E. Construction Company, Inc. desires to provide for the preservation of property values and maintenance of common facilities and to provide a vehicle for the administration and enforcement of Covenants and Restrictions; and

WHEREAS, A.V.E. Construction Company, Inc. has caused

to be incorporated under the laws of the State of South Carolina, a non-profit corporation for the purpose of exercising the functions aforesaid which are hereinafter more fully set forth.

NOW, THEREFORE, Declarant hereby declares that all of the Property described above and in Exhibit "A" attached hereto shall be held, transferred, sold, conveyed, given, donated, leased, occupied and used subject to the covenants, restrictions, conditions, easements, charges, assessments, affirmative obligations and liens (hereinafter sometimes referred to as the Covenants) hereinafter set forth and said Covenants shall run with the Property and be binding on all parties having any right, title or interest in the described Property or any part thereof, their heirs, successors and assigns and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

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

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities of title to any Lot (as defined below in Section 3) which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of any obligation.

Section 3. "Lot" shall mean and refer to any plot of and shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 4. "Property or Properties" shall mean and refer to that certain real property hereinafter described in Exhibit "A" and such additions thereto as may hereafter be brought within the jurisdiction of the Association pursuant to Article IX hereof.

Section 5. "Common Area" shall mean and refer to all real property (including the improvements thereon and personal property) owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association at the time of the conveyance of the first Lot is described in Exhibit "A" attached hereto.

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. "Member" shall mean and refer to the "Declarant" as defined in Section 6 above and "Owner" as defined in Section 2 above.

ARTICLE II

PROPERTY RIGHTS IN THE COMMON AREA

Section 1. 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, 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 Properties 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.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the Association's By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, guests or contract purchasers who reside on

the premissis.

Section 3. Parking Rights. Ownership of each lot shall entitle the Owner or Owners thereof to the use of not more than two automobile parking spaces, which shall be as near and convenient to said lot as reasonably possible, together with the right of ingress and egress in and upon said parking area. The association shall permanently assign two exclusive automobile parking spaces for each lot which other owners may not claim a right to its use by virtue of their general easement.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot, by acceptance of a deed therefor, shall become a member of Lakeshire Homeowners Association, Inc. The Declarant shall be a member of the Association. Membership in the Association shall be appurtenant to and may not be separated from ownership of any Lot.

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 July 1, 1990.

ARTICLE IV

COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided.

The annual and special assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was

the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. In the case of co-ownership of a Lot, all such co-owners shall be jointly and severally liable for the entire amount of the indebtedness.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvements, maintenance, enhancement and operation of the Common Area and to provide such service which the Association may be authorized to provide.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be \$336.00 per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than five (5%) percent above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above five (5%) percent by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy at a meeting duly called for

this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent 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.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 and 4 shall be sent to all members not less than thirty (30) days or more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty (60%) percent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting

shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of six (6%) percent per annum. The Association may bring an action at law against the Owner per-

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sonally obligated to pay the same or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages.

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V

ARCHITECTURAL CONTROL

No building, fence, wall, improvement or other structure, road, drive, path or landscaping shall be commenced, erected or maintained upon the Properties, nor shall there be commenced any exterior addition, improvement, alteration, repairs, change of paint colors, change in grade or other work which in any way alters the appearance of the exterior of any structure from its state existing on the date such property was first conveyed in fee by declarant to the first Owner thereof until the plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall

have been submitted to and approved in writing as to the harmony of external design and location in relation to surrounding structures and topography by the Board of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such change or design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required, and this Article will be deemed to have been fully complied with. The foregoing shall not apply to Declarant until the Declarant has completed development and construction of the Property.

ARTICLE VI

MAINTENANCE

Section 1. Exterior. In the event an Owner of any Lot in the Properties shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors, the Association after approval of two-thirds (2/3) vote of the Board of Directors shall have the right, through its agents and employees to enter upon said parcel and to repair, maintain, and restore the Lot and the exterior of the Building and any other improvements erected thereon. The costs of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

ARTICLE VII

EASEMENTS AND OBLIGATIONS

Section 1. Support. Every portion of a single family attached Lot, excluding Horizontal Property Regime Units, contributing to the support of an abutting dwelling Unit shall be burdened with an easement of support for the benefit of such abutting townhouse. Further, all attachments to the exterior walls of a dwelling Unit which are a part thereof, but which protrude beyond said boundaries and which were constructed in conformity with the plans and specifications shall be deemed to be included within said boundaries and there is hereby reserved an easement to permit the construction of and continue the existence of any such protruding attachment.

Section 2. Utility. There shall be appurtenant to each Lot excluding Horizontal Property Regime Units, a non-exclusive easement for the use of all pipes, wires, cables, conduits, utility lines, flues and ducts serving the improvements thereon and situated upon any other Lot. Each Lot shall be subject to an easement in favor of other Lots for use of all pipes, wires, cables, conduits, utility lines, flues and ducts situated on or across such Lot and serving other Lots.

Section 3. Declarant. Declarant reserves for itself, its successors and assigns the power to grant easements for drainage, poles, wires, cables, conduits, sewers, water mains and other suitable equipment for the conveyance and use of electricity, telephone equipment, antenna television, gas, sewer, water or other public conveniences or utilities on, in or over