

**ELEVENTH AMENDMENT TO  
DECLARATION OF CONDOMINIUM OF  
LAKE ESTATES HPR**

THIS ELEVENTH AMENDMENT TO DECLARATION OF CONDOMINIUM OF LAKE ESTATES HPR (the “**ELEVENTH Amendment**”), is made as of 22 <sup>JUNE</sup>, 2009, by Lake Estates, LLC, A South Carolina Limited Liability Company, its successors and assigns (“**Lake Estates**”).

**WITNESSETH:**

**WHEREAS**, Lake Estates is the Grantor (the “**Grantor**”) described in that certain Declaration of Condominium of Lake Estates HPR recorded July 31, 2007, in the Office of the Register of Deeds for Beaufort County, South Carolina, in Book 2605 at Page 429 (the “**Condominium Declaration**”); and

**WHEREAS**, Lake Estates amended the Condominium Declaration to add Phase II by First Amendment to Declaration of Condominium of Lake Estates HPR adding Phase II dated September 13, 2007 and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Book 2628 at Page 887 (“**First Amendment**”)

**WHEREAS**, Lake Estates amended the Condominium Declaration to add Phase III by Second Amendment to Declaration of Condominium of Lake Estates HPR adding Phase III dated October 31, 2007 and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Book 2648 at Page 1012 (“**Second Amendment**”)

**WHEREAS**, Lake Estates amended the Condominium Declaration to add Phase IV by Third Amendment to Declaration of Condominium of Lake Estates HPR adding Phase IV dated November 7, 2007 and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Book 2648 at Page 1020 (“**Third Amendment**”)

**WHEREAS**, Lake Estates amended the Condominium Declaration to add Phase V by Fourth Amendment to Declaration of Condominium of Lake Estates HPR adding Phase V dated January 25, 2008 and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Book 2687 at Page 2483 (“**Fourth Amendment**”)

**WHEREAS**, Lake Estates amended the Condominium Declaration to add Phase VI by Fifth Amendment to Declaration of Condominium of Lake Estates HPR adding Phase VI dated March 3, 2008 and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Book 2070 at Page 58 (“**Fifth Amendment**”)

**WHEREAS**, Lake Estates amended the Condominium Declaration to add Phase VII by Sixth Amendment to Declaration of Condominium of Lake Estates HPR adding Phase VII dated April 17, 2008 and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Book 2712 at Page 1288 and re-recorded in Book 2729 Page 2534 (“Sixth Amendment”)

**WHEREAS**, Lake Estates amended the Condominium Declaration to add Phase VIII by Seventh Amendment to Declaration of Condominium of Lake Estates HPR adding Phase VIII dated July 1, 2008 and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Book 2743 at Page 718 (“Seventh Amendment”)

**WHEREAS**, Lake Estates amended the Condominium Declaration to add Phase IX by Eighth Amendment to Declaration of Condominium of Lake Estates HPR adding Phase IX dated July 1, 2008 and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Book 2743 at Page 727 (“Eighth Amendment”)

**WHEREAS**, Lake Estates amended the Condominium Declaration to add Phase X by Ninth Amendment to Declaration of Condominium of Lake Estates HPR adding Phase X dated November 20, 2008 and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Book 2786 at Page 586 (“Ninth Amendment”)

**WHEREAS**, Lake Estates amended the Condominium Declaration to add Phase XI by Tenth Amendment to Declaration of Condominium of Lake Estates HPR adding Phase XI dated March 31, 2009 and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Book 2828 at Page 2306 (“Tenth Amendment”)

**WHEREAS**, Section 10.4.3 of the Master Deed provides the Grantor (Lake Estates, LLC) may amend the Master Deed as long as the Grantor owns one Residence and Grantor as of the date of the execution of this Eleventh Amendment is an owner of a Residence at Lake Estates.

**WHEREAS**, the Grantor as determined it is in the best interest of the project to record the Amendment below to bring the Project in compliance with current lending regulations;

**NOW THEREFORE**, in consideration of the foregoing, the Declaration of Condominium is hereby amended as set forth herein.

1. **Recitals.** The foregoing recitals are true and correct and are incorporate by this reference.
2. **Effective Date.** The Effective Date of this Amendment shall be the date of recording.
3. **Amendment.**
  - a. Adding new provision known as Articles XXIII Mortgage Provisions which shall read as follows:

ARTICLE XXIII  
MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders of first Mortgages on Residential Units. The provisions of this Paragraph 16 apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

- a. **Notices of Action.** An institutional holder, insurer, or guarantor of a first Mortgage who provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Residential Unit to which its Mortgage relates), thereby becoming an "Interested Mortgagee," will be entitled to timely written notice of:
- (i) any condemnation loss or any casualty loss which affects a material portion of the Property or which affect any Unit on which there is a first Mortgage held, insured, or guaranteed by such Interested Mortgagee;
  - (ii) any delinquency in the payment of assessments or charges owed on a Unit subject to the Mortgage of such Interested Mortgagee, where such delinquency has continued for a period of 60 days, or any other violation of the Declaration or By-Laws relating to such Residential Unit or the Owner or Occupant thereof which is not cured within 60 days;
  - (iii) any lapse, cancellation or material modification of any insurance policy maintained by the Association; or
  - (iv) any proposed action which would require the consent of a specified percentage of Interested Mortgagees.
- b. **Actions Requiring Approval of Interested Mortgagees.** To the extent required by the Federal Home Loan Mortgage Corporation and or Fannie Mae:
- (i) Any restoration or repair of the Property after a partial condemnation or damage due to an insurable hazard shall be substantially rendered or repaired in accordance with this Declaration and the Plats and Plans and current specifications, unless otherwise approved by the Interested Mortgagees of first Mortgage held, insured, or guaranteed by such Interested Mortgagee;
  - (ii) In addition to such approval as required under Section 27-31-250 of the Act, any election to terminate the Property as a condominium and the Association after substantial destruction or a substantial destruction or a substantial taking in condemnation shall require the approval of Owners representing at least 80% of the total Association vote and the approval of the Interested Mortgagees of first Mortgages on Residential Units to which at least 51% of the votes of Residential Units subject to Mortgages held by Interested Mortgagees are allocated.

(iii) In addition to such approval as required under Section 44-3-98 of the Act, any election to terminate the Condominium as a condominium and the Association under circumstances other than substantial destruction or a substantial taking in condemnation shall require the consent of Owners representing at least 80% of the total Association vote, and the approval of the Interested Mortgagees holding first Mortgages holding first Mortgages on Residential Units to which at least 67% of the votes of Residential Units subject to Mortgages held by Interested Mortgagees are allocated.

(iv) In addition to the approval of Owners required under Article X of the Master Deed, the approval of Interested Mortgagees holding Mortgages on at least 51% of the Residential Units that are subject to a Mortgage held by an Interested Mortgagee shall be required to materially amend or add any provision to the Master Deed, the By-Laws, or the Articles governing any of the following, except where such amendment is otherwise specifically authorized by the Master Deed or the Act:

- A. voting rights;
- B. liability for assessments, assessments liens, or subordination of such liens;
- C. reductions in reserves for maintenance, repair, and replacement of the Common Elements;
- D. responsibility for maintenance and repair of the Condominium;
- E. reallocation of interests in or rights to use the Common Elements;
- F. redefinition of any Residential Unit boundaries;
- G. Hazard insurance or fidelity bonds;
- H. Imposition of restrictions on leasing of Residential Units;
- I. imposition of any right of first refusal or similar restriction of the right of any Owner to sell, transfer, or otherwise convey his or her Residential Unit;
- J. establishment of self management by the Association where professional management has been required by an Interested Mortgagee;
- K. restoration or repair of the Property after damage or partial condemnation; and
- L. any provisions included in this Declaration, the By-Laws, or the Articles that are for the express benefit of holders, guarantors, or insurers of first Mortgages on Residential Units

(v) Notwithstanding the above, the prior consent of any Interested Mortgagee to any matter referenced in Paragraph 16(b) shall not unreasonably be withheld.

c. **Additional Requirements.** So long as required by the Federal Home Loan Mortgage Corporation or Fannie Mae, the following provisions apply in addition to and not in lieu of the foregoing and any other requirements set forth in this Declaration and the Act. Without the prior consent of at least 67% of the first Mortgagees or Owners representing at least 67% of the total Association votes entitled to be cast, the Association shall not:

- (i) by act or omission seek to abandon, partition, or subdivide, all or any portion of the real property comprising the Common Elements, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Elements shall not be deemed a transfer within the meaning of this subparagraph);
- (ii) change the method of determining the obligations, assessments, dues, or other charges which may be levied against a Residential Unit Owner (a change which is specifically contemplated and authorized by this Declaration shall not be subject to this provision);
- (iii) by act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Residential Units and Common Elements (the issuance and amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this provision);
- (iv) fail to maintain insurance, as required by this Declaration; or
- (v) use hazard insurance proceeds for losses other than those relating to the repair, replacement or reconstruction of the Property.

First Mortgagees may, jointly or singly, pay taxes or other charges that are in default and that may or have become a charge against the Common Elements and may pay overdue premiums on property insurance policies or secure new property insurance coverage upon the lapse of an Association policy, and first Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

Notwithstanding the above, the prior consent of any Mortgagee to any matter referenced in this subparagraph shall not unreasonably be withheld.

(d). **No Priority.** No provisions of this Declaration or the By-Laws gives or shall be constructed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation award for losses to or a taking of the Common Elements.

- (e) **Notice to Association.** Upon request, each Owner of a Residential Unit shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.
- (f) **Amendment by Board.** Should Fannie Mae or the Federal Home Loan Mortgage Corporation hereafter eliminated any of their respective requirements which necessitate the provisions of this Amendment or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to be recorded to reflect such changes.
- (g) **Applicability of Paragraph 16.** Nothing contained in this Paragraph 16 shall be constructed to reduce the percentage vote that must otherwise be obtained under the Declaration, By-Laws, or South Carolina law for any of the acts set out in this Paragraph 16.
- (h) **Failure of Mortgagee to Respond.** Any Mortgagee, including, any insurer or guarantor of a Mortgage, who received a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within 60 days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.
4. **No Other Changes.** Except as expressly modified herein, all other provisions of the condominium Declaration are hereby ratified and confirmed.
5. **Owner Acceptance and Ratification.** By acquisition of title to a Unit or Units subject to the Condominium Declaration as amended by this Eleventh Amendment, each Unit Owner thereby irrevocably ratifies, approves and affirms all provision of the Condominium Declaration, as modified by this Tenth Amendment.

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