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SECOND AMENDMENT TO GRAND OAKS CLUB COVENANTS

THIS SECOND AMENDMENT TO GRAND OAKS CLUB COVENANTS ("Second Amendment") is made by Lennar Homes, Inc., a Florida corporation ("Lennar") and joined in by Grand Oaks Master Association, Inc., a Florida-not-for-profit corporation.

RECITALS

- A. Lennar recorded those certain Grand Oaks Club Covenants in Official Records Book 4460 at Page 585 of the Public Records of Pasco County, Florida ("Original Club Covenants") respecting the recreational facilities located in the residential community in Pasco County, Florida known as Grand Oaks ("Grand Oaks").
- B. Thereafter, the Original Club Covenants were amended by that certain First Amendment to Grand Oaks Club Covenants recorded in Official Records Book 4556 at Page 1133 in the Public Records of Pasco County, Florida (the "First Amendment"). The Original Club Covenants together with the First Amendment shall hereinafter be referred to as the "Club Covenants."
- C. Section 29 of the Original Club Covenants permits Lennar, as Club Owner, to amend the Club Covenants as it deems appropriate, without the joinder or consent of any person or entity whatsoever by the recording of an amendment to the Club Covenants in the Public Records.
- D. Lennar desires to amend the Club Covenants as set forth herein.

NOW THEREFORE, Lennar hereby declares that every portion of Grand Oaks is to be held, transferred, sold, conveyed, used and occupied subject to the covenants, conditions and restrictions hereinafter set forth.

- 1. Recitals. The foregoing Recitals are true and correct and are incorporated into and form a part of this Second Amendment.
- 2. Conflicts. In the event that there is a conflict between this Second Amendment and the Club Covenants, this Second Amendment shall control. Whenever possible, this Second Amendment and

the Club Covenants shall be construed as a single document. Except as modified hereby, the Club Covenants shall remain in full force and effect.

3. Capitalized Terms. All initially capitalized terms not defined herein shall have the meaning set forth in the Club Covenants, except that the defined term "Club Covenants" is hereby modified as follows:

"Club Covenants" shall mean the Original Club Covenants, the First Amendment and this Second Amendment, together with all amendments and modifications thereof.

Subsection (i) of the definition of "Club Purchase Price" is hereby deleted in its entirety and replaced with the following:

(i) the amount resulting from the application of the capitalization rate of eight percent (8%) applied to the total Club Fees payable by all Owners to Club Owner on the latter of the Option Date or the date upon which Association obtains title to the Club Property pursuant to the exercise of the Purchase Option;

4. Documentation of Transfer. The second sentence of Section 5.3.1 of the Club Covenants is hereby amended to read as follows:

At the time of the transfer of the Club to Association as a result of the exercise of the Purchase Option, the Owners will no longer be obligated to pay the Club Fees; however, Association shall either (i) pay the Club Purchase Price in cash or by Federal wire out of its own funds, or (ii) obtain financing with a third party lender, the costs thereof shall be Club Operating Costs, or (iii) if Association is unable to obtain third party financing, execute and deliver to Club Owner a purchase money note in the amount of the Club Purchase Price (the "Note"), a purchase mortgage (the "Mortgage"), an assignment of Club Operating Costs payable hereunder, and a Security Agreement and UCC Financing Statements (state and local) and each Owner shall be obligated to pay his or her pro rata share of the Club Purchase Price and, if applicable, principal, interest and other amounts due in connection with such Note and Mortgage.

The last sentence of Section 5.3.1 of the Club Covenants is hereby amended to read as follows:

The Club Purchase Price and, if applicable, the payments due pursuant to the Note and Mortgage shall be deemed part of the Club Operating Costs, and such Club Operating Costs shall first be applied to the payment of the Club Purchase Price, if applicable, the Note and Mortgage, and then to other Club Operating Costs.

5. Mortgage. The last sentence of Section 5.3.2.2 of the Club Covenants is hereby amended as

follows:

It shall require that Association (i) escrow tax and insurance payments on a monthly basis with Club Owner in a non-interest bearing account; (ii) provide Club Owner with monthly and annual operating statements, annual financial statements, and other financial information (e.g., the Budget); (iii) maintain the Club in a first class condition; (iv) insure the Club for full replacement value; (v) provide rental insurance and liability insurance in such amounts necessary to fully protect the mortgagee under the Mortgage; (vi) assign its interest in Club Operating Costs payable hereunder as additional security for payment of the Note; and (vii) provide that a receiver may be appointed, upon default by Association, to operate the Club, collect Club Operating Costs, and pay amounts due to the mortgagee under the Note.

6. Claim of Lien. The second to last sentence of Section 9.1 of the Club Covenants is hereby amended as follows:

Such lien may be enforced by Association at Association's expense or at Club Owner's written discretion enforced by Club Owner, or during the period the Mortgage described in Section 5.3.2.2 remains outstanding, by Lennar, its successors, assigns or designees; however, the claim of Club Owner for Club Fees is paramount to all claims of Association.

7. Right to Designate Collection Agent. The second sentence of Section 9.2 of the Club Covenants is hereby amended as follows:

In such event, Club Owner, or its designee, shall collect the Club Operating Costs, Special Use Fees, and/or Club Fees.

The following is hereby added to the end of Section 9.2 of the Club Covenants:

During such time as Lennar or its successor, assignee or designee holds the Mortgage described in Section 5.3.2.2, Lennar or its successor, assignee or designee shall, upon written notification to Association, have the exclusive right to collect Club Operating Costs which shall first be applied to amounts then due under the Note and Mortgage and the balance, if any, shall be remitted to Association. In the event Lennar does not exercise this option to collect, Association shall be responsible for the collection of Club Operating Costs and shall first remit the payments under the Note and Mortgage to Lennar from such Club Operating Costs.

8. Covenant Running with Grand Oaks. This Second Amendment is a covenant running with Grand Oaks.

JOINDER

GRAND OAKS MASTER ASSOCIATION, INC.

GRAND OAKS MASTER ASSOCIATION, INC. does hereby join in the document to which this Joinder is attached, and the terms thereof are and shall be binding upon the undersigned and its successors in title. Association acknowledges that this Joinder is for convenience only and is not to the effectiveness of this document, as Association has no right to approve the same.

IN WITNESS WHEREOF, the undersigned has executed this Joinder as of the 11th day of May, 2001.

WITNESSES:

E. Victoria Hoffman
E. VICTORIA HOFFMAN

Print Name: Erin L. Cissel
Print Name: ERIN L. CISSEL

GRAND OAKS MASTER ASSOCIATION, INC., a Florida-not-for profit corporation

By: Betty D. Valenti
Name: BETTY D. VALENTI
Title: President

{SEAL}

STATE OF FLORIDA)
) SS.:
COUNTY OF HILLSBOROUGH)

The foregoing instrument was acknowledged before me this 11th day of May, 2001 by Betty Valenti as President of GRAND OAKS MASTER ASSOCIATION, INC., a Florida not-for-profit corporation, who is personally known to me or who produced _____ as identification, on behalf of the corporation.

My commission expires:

E. Victoria Hoffman
NOTARY PUBLIC, State of Florida
at Large

Print name: _____

