

GRAND OAKS MASTER ASSOCIATION, INC.

**PROPOSED AMENDMENT TO THE DECLARATION OF RESTRICTIONS AND
COVENANTS FOR GRAND OAKS**

(Deletions are shown by strike-throughs to the text. Additions to the text are underlined.)

PROPOSED AMENDMENT #2:

Subsection 17.16 of the Declaration is proposed to be amended and revised as follows:

17.16. Subordination of the Lien to Mortgages and Club Charges. ~~The lien for Assessments shall be subordinate to (i) a bona fide first mortgage held by a Lender on any Home if the mortgage is recorded in the Public Records prior to the Claim of Lien, and (ii) to Club Charges. The lien for Assessments shall not be affected by any sale or transfer of a Home, except in the event of a sale or transfer of a Home pursuant to a (i) foreclosure (or by deed in lieu of foreclosure or otherwise) of a bona fide first mortgage held by a Lender, or (ii) a lien for Club Charges, in which event, the acquirer of title, its successors and assigns, shall not be liable for such sums secured by a lien for Assessments encumbering the Home or chargeable to the former Owners of the Home, which became due prior to such sale or transfer. However, any such~~ Except as such liability of the first mortgagee is otherwise limited or expressly set forth to the contrary in Chapter 720, Florida Statutes, including without limitation, Section 720.3085, Florida Statutes, a Lender, if it is a first mortgagee, or its successor or assignee as a subsequent holder of the first mortgage, who acquires title to a Lot or Home by foreclosure or by deed in lieu of foreclosure for the unpaid Assessments that became due before the first mortgagee's acquisition of title, shall be jointly and severally liable with the previous parcel owner for all unpaid Assessments that came due up to the time of transfer of title, which liability is without prejudice to any right the first mortgagee, as the present Owner of the Home or Lot, may have to recover any amounts so paid from the previous Owner. Any unpaid Assessments for which such first mortgagee acquirer of acquiring title is not liable may be reallocated and assessed to all Owners (including such acquirer of title) as a part of Operating Costs included within Monthly Assessments. Any sale or transfer pursuant to a foreclosure (or by deed in lieu of foreclosure or otherwise) shall not relieve the Owner from liability for, nor the Home from the lien of any Assessments from the payment thereof, or the enforcement of collection by means other than foreclosure. A Lender shall give written notice to Association if the mortgage held by such Lender is in default. Association shall have the right, but not the obligation, to cure such default within the time periods applicable to Owner. In the event Association makes such payment on behalf of an Owner, Association shall, in addition to all other rights reserved herein, be subrogated to all of the rights of the Lender. All amounts advanced advances on behalf of an Owner pursuant to this Section shall be added to the amounts owed to the Association and shall be payable by such Owner with appropriate interest.