

Return to: (enclose self-addressed stamped envelope)

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Angela Tompkins, Paralegal

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This Instrument Prepared by:

Mark F. Grant, Esq.
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**THIRD AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS FOR
ESPLANADE AT TRADITION**

THIS THIRD AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR ESPLANADE AT TRADITION ("Third Amendment") is made as of the 26 day of April, 2021, by TAYLOR MORRISON OF FLORIDA, INC., a Florida corporation ("Declarant").

WHEREAS, Declarant recorded that certain Declaration of Covenants, Conditions, Restrictions and Easements for Esplanade at Tradition on July 28, 2020, in Official Records Book 4452, Page 2307, of the Public Records of St. Lucie County, Florida, as the same has been amended and/or supplemented (the "Declaration"); and

WHEREAS, Declarant is desirous of further amending the Declaration as provided herein; and

WHEREAS, the Declaration provides in Section 20.1 that until termination of the Class "B" Control Period, Declarant may unilaterally amend this Declaration if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on the Lots; (c) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, HUD, or VA, to make, purchase, insure, or guarantee mortgage loans on the Lots; (iv) to satisfy the requirements of any local, state, or federal governmental agency; or (v) for any other purpose which does not materially adversely affect title to any Lot, unless the Owner of such Lot consents to such amendment; and

WHEREAS, the termination of the Class "B" Control Period has not occurred as of the date of this Third Amendment; and

WHEREAS, this Third Amendment does not materially adversely affect title to any Lot.

NOW, THEREFORE, Declarant hereby amends the Declaration as follows:

1. The above recitals are true and correct and are incorporated herein by reference.
2. The definitions provided in the Declaration are incorporated herein by reference.
3. Section 9.7 of the Declaration is hereby amended to read as follows:

9.7. Budgeting for Reserves.

The Board may, but is not obligated, prepare and periodically review separate reserve budgets for the Common Area for which the Association maintains capital items which takes into account the number and nature of replaceable completed assets, the expected life of each completed asset, and the expected repair or replacement cost of capital items under each budget. The Board may include in the Operating Expense Budget adopted pursuant to Section 9.1, or the Service Area budgets adopted pursuant to Section 9.5, as appropriate, a capital contribution to fund reserves in an amount which the Board, in the exercise of its business judgment, deems sufficient to meet the projected needs under each budget with respect to both amount and timing by annual contributions over the budget period. The budgeted amount for reserves need not be for one hundred percent (100%) of the repair or replacement cost but may be for a lower amount as determined by the Board. The Board may determine to pool reserves, meaning that a general reserve fund may be used for any item for which reserves are being collected. Completed Lot Owners are referred to the then current Budget to determine if reserves are included in the Budget and therefore if Assessments include amounts for reserves.

Reserve funds, if collected, shall be held in a separate account or accounts from the operating and other funds of the Association.

The reserve funds held in each account may be expended only for major maintenance, repair, or replacement of those assets covered by the reserve budget pursuant to which they were collected. Subject to such limitation, the Board may adopt resolutions regarding the expenditure of any reserve funds including, without limitation, policies designating the nature of assets for which reserve funds may be expended. Neither the Association membership nor the Board shall adopt, modify, limit, or expand such policies without Declarant's prior written consent during the Development and Sale Period.

In lieu of establishing a reserve fund the Board may establish a contingency fund. Such contingency fund is not a reserve fund under Section 720.303(6) of the HOA Act and may be used by the Board as it determines in its discretion and business judgement.

4. Section 9.9 of the Declaration is hereby amended to read as follows:

9.9. Declarant's Option to Fund Budget Deficits.

To the extent permitted by Florida law, until termination of the Class "B" Control Period, Declarant may satisfy the obligation for Assessments on Lots which it owns either by paying Assessments in the same manner as any other Owner (but at the 20:1 ratio described above) or by funding the budget Deficit. The budget deficit ("Deficit") is the difference between (i) the amount of Assessments levied on Owners' Lots plus any other income, revenue or sums received by the Association during the period during which Declarant has elected to fund the Deficit, and (ii) the amount of the Association's actual expenditures during the fiscal year~~that time period~~ and excluding to the maximum extent allowable by law, contributions to reserves, if any, and Special Assessments arising as a result of any unusual loss or liability. The calculation of Declarant's Deficit funding obligation shall be done on a cumulative basis (from the inception of the election to fund the Deficit until Declarant's election to cease funding the Deficit) although Declarant will fund the Association to meet its cash flow obligations as they arise during the Deficit funding period. Should Declarant, in its sole discretion, elect to fund cash shortfalls caused by delinquencies or other matters which would not otherwise require deficit funds from Declarant, such funds shall be considered a loan to the Association to be paid back to Declarant by the Association. To the maximum extent allowable by law Declarant is not required to make contributions to reserves while Deficit funding even though Owners other than Declarant may be required to make such contributions.

Unless Declarant otherwise notifies the Board in writing, Declarant shall continue paying on the same basis as during the previous fiscal year. Regardless of Declarant's election, Declarant's Assessment obligations may be satisfied in the form of cash or by "in kind" contributions of services or materials, or by a combination of these, the value of which shall be reasonably determined by Declarant. After termination of the Class "B" Control Period, or sooner if Declarant elects to pay Assessments and cease Deficit funding, Declarant shall pay Assessments on Lots which it or its Affiliates own in the same manner as any other Owner.

Declarant's obligation to Deficit fund is not a guarantee of the Assessments or Operating Expenses as contemplated by Florida Statutes Section 720.308 because the amount of Assessments or Operating Expenses to be paid by Owners during any Deficit funding period may change based upon changes in the then buildout Budget.

5. Section 9.11 of the Declaration is hereby amended to read as follows:

9.11. Working Fund~~Resale~~ Contribution.

Each subsequent Owner of a Lot (meaning any Owner who purchases a Lot from a previous Owner other than Declarant or a Builder) shall pay to the Association a ~~Working Fund~~Resale Contribution at the time legal title is conveyed to such Owner. The ~~Working Fund~~Resale Contribution shall be Two Thousand Five Hundred and No/100 Dollars (\$2,500.00) for each Lot and each subsequent conveyance of the Lot. The ~~Working Fund~~Resale Contribution shall be paid to the Association by separate check upon the closing or other settlement of the transfer or conveyance of the Lot. Any unpaid ~~Working Fund~~Resale Contribution constitutes a lien in favor of the Association against the Home as provided in Section 8.3 of this Declaration. The amount of the ~~Working Fund~~Resale Contribution is subject to change in the Board's sole discretion. In the event an Institutional Mortgagee acquires title through foreclosure or a deed in lieu, the Institutional Mortgagee shall be exempt from paying such ~~Working Fund~~Resale Contribution. The purpose of the ~~Working Fund~~Resale Contribution is to ensure that the Association will have cash available for initial start-up expenses, to meet unforeseen expenditures and to acquire additional equipment and services deemed necessary or desirable by the Board. ~~Working Fund~~Resale Contributions are not advance payments of Individual Lot Assessments and shall have no effect on future Individual Lot Assessments, nor will they be held in reserve. ~~Working Fund~~Resale Contributions may also be used to offset Operating Expenses and fund any Deficit between yearly Operating Expenses and income collected from Assessments. Declarant may, in its sole discretion, move any ~~Working Fund~~Resale Contributions not used for Operating Expenses into a reserve account prior to or at the time of the Turnover Date.

(Words ~~struck through~~ are deleted; words bold and double-underlined are added)

6. Except as modified hereby, the Declaration shall remain in full force and effect in accordance with the terms thereof.

IN WITNESS WHEREOF, Declarant has executed this Third Amendment as of the day, month and year first above written.

Witnesses:

Morris J. Hill

Signature

Morris Hill

Printed Name

Louise Trueschel

Signature

Louise Trueschel

Printed Name

TAYLOR MORRISON OF FLORIDA, INC.,
a Florida corporation

By: [Signature]

Printed Name: Jason T. Bosse

Title: Vice President

STATE OF FLORIDA)
) SS
COUNTY OF SARASOTA)

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, the foregoing instrument was acknowledged before me by [x] physical presence or [] online notarization by JASON BOSSE, as VICE PRESIDENT of TAYLOR MORRISON OF FLORIDA, INC., a Florida corporation, freely and voluntarily under authority duly vested in him/her by said company, who is personally known to me.

WITNESS my hand and official seal in the County and State last aforesaid this 26 day of April, 2021.

My Commission Expires:

Deborah K. Beckett

Notary Public

Deborah K. Beckett

Typed, printed or stamped name of Notary Public

