

THIS INSTRUMENT PREPARED BY AND
UPON RECORDATION RETURN TO:

BEN SOLOMON, ESQ.
SOLOMON, FURSHMAN & COOPERMAN LLP
1200 BRICKELL AVENUE, PH 2000
MIAMI, FLORIDA 33131

THIRD AMENDMENT TO DECLARATION FOR VERONA TRACE

THIS THIRD AMENDMENT TO DECLARATION FOR VERONA TRACE (this "**Third Amendment**") is made by MS RIALTO VERONA TRACE FL, LLC, a Delaware limited liability company ("**Developer**"), and joined by VERONA TRACE HOMEOWNERS ASSOCIATION, INC., a Florida not-for-profit corporation ("**Association**").

RECITALS

A. Lennar Homes, LLC, a Florida limited liability company, f/k/a Lennar Homes, Inc., a Florida corporation ("**Lennar**"), recorded that certain Declaration for Verona Trace on September 22, 2006 in Official Records Book 2081, at Page 1860 of the Public Records of Indian River County, Florida (the "**Original Declaration**"), respecting Verona Trace (the "**Community**"). On May 8, 2009, Lennar recorded that certain First Amendment to Declaration for Verona Trace in Official Records Book 2340, at Page 662 of the Public Records of Indian River County, Florida (the "**First Amendment**"). On October 25, 2010, Developer recorded that certain Second Amendment to Declaration for Verona Trace in Official Records Book 2453, at Page 1732 of the Public Records of Indian River County, Florida (the "**Second Amendment**"). The Original Declaration, the First Amendment and the Second Amendment shall hereinafter collectively be referred to as the "**Declaration**".

B. On June 4, 2010, Lennar and MS Rialto entered into that certain Assignment and Assumption of Developer Rights and Liabilities Agreement, a copy of which is attached as **Exhibit A** hereto, whereby MS Rialto became the Developer of the Community.

C. Pursuant to Section 4.3 of the Declaration, prior to and including the Turnover Date (as defined in the Declaration), MS Rialto, as Developer under the Declaration shall have the right to amend the Declaration as it deems appropriate, without the joinder or consent of any person or entity whatsoever.

D. The Turnover Date has not yet occurred.

E. MS Rialto wishes to amend the Declaration to modify the same as set forth herein.

NOW THEREFORE, MS Rialto hereby declares that every portion of the Community 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 Third Amendment.

2. **Conflicts.** In the event that there is a conflict between this Third Amendment and the Declaration, this Third Amendment shall control. Whenever possible, this Third Amendment and the Declaration shall be construed as a single document. Except as modified hereby, the Declaration shall remain in full force and effect.

3. **Definitions.** All initially capitalized terms not defined herein shall have the meanings set forth in the Declaration, except that the defined terms are hereby modified as follows:

“Cellular Tower” shall mean any cellular tower or other structure and its components which are installed within the Private Parcel.

“Cellular Tower Site” shall mean the real property within the Private Parcel upon which a Cellular Tower and its components are or may be installed.

“Developer” shall mean MS Rialto Verona Trace FL, LLC and any of its designees (including its affiliated or related entities which conduct land development, homebuilding and sales activities), successors and assigns who receive a written assignment of all or some of the rights of Developer hereunder. Developer shall have the right to assign all or a portion of any rights granted to the Developer in this Declaration. Developer shall also have the right to assign all or a portion of any obligations of the Developer in the Declaration. Such assignment need not be recorded in the Public Records in order to be effective. In the event of such a partial assignment of some, but not all, Developer rights and/or obligations, the assignee shall not be deemed Developer, but may exercise such those rights or shall be responsible for those obligations of Developer specifically assigned to it. Any such assignment may be made on a non-exclusive basis. All assignments of Developer rights and/or obligations (whether full or partial) must be in writing. The rights of Developer under this Declaration are independent of Developer’s rights to control the Board and, accordingly, shall not be deemed waived, transferred or assigned to the Owners, the Board or the Association upon the transfer of control of the Association.

“Owner” shall mean the record owner (whether one or more persons or entities) of fee simple title to any Home, or any person or entity that purchases a Lot or Parcel from an entity other than the Developer for the purpose of constructing one or more Homes. The term “Owner” shall not include Developer, Builders until the Turnover Date, Club Owner, or a Lender.

“Private Parcel” shall mean the real property more particularly described in Exhibit A to this Third Amendment within Verona Trace and/or such other property within or adjacent to Verona Trace which may be owned by the Private Parcel Owner and/or a private individual or entity and utilized by the Private Parcel Owner and/or its lessee, invitees, agents, vendors, or other designees for, among other purposes, the construction, installation, operation, maintenance, repair and replacement of Cellular Towers.

“Private Parcel Owner” shall mean the record owner of fee simple title to the Private Parcel. The Private Parcel Owner shall not be a member of the Association or an Owner under this Declaration, shall have no liability or obligation to pay Assessments of any kind, shall not be subject to the ACC, and shall be exempt from all use restrictions and/or rules or regulations of the Association. No amendment to this Declaration may affect the interests of the Private Parcel Owner without the prior written consent of the Private Parcel Owner.

4. Fences. Section 14.17 of the Declaration is hereby modified as follows:

14.17 Fences and Walls. No walls or fences shall be erected or installed without prior written consent of the ACC. No chain link fencing of any kind shall be allowed except for perimeter areas screened by landscaping as permitted by this Declaration and with the prior written consent of the ACC. No Lot shall have any chain link fencing within its boundaries. Fencing of Single Family Homes shall be six (6) feet in height and stained or natural wood, except that for lakefront Single Family Homes, the rear fence of such Single Family Home shall be four (4) feet in height and made of a picket style PVC or aluminum material. Fencing of Townhome yards shall be six (6) feet in height and shall be made of white PVC material, except that for lakefront Townhomes, the rear fence of such Townhomes, commencing at the end of the existing six (6) foot high privacy fence, shall be four (4) feet in height and made of picket style PVC or aluminum material. All screening and screened enclosures shall have the prior written approval of the ACC and shall be constructed utilizing white aluminum.

Screening shall be charcoal in color. All enclosures of balconies or patios including, without limitation, addition of vinyl windows, shall be approved by the ACC and all decks shall require the prior written approval of the ACC. In the event a fence is installed (with prior ACC approval being obtained) within a drainage easement area, the Owner is solely responsible for fence repair or replacement if the drainage easement area needs to be accessed or as otherwise provided in Section 14.13 hereof.

5. Leases. Section 14.28 of the Declaration is hereby modified as follows:

14.28 Leases. Homes may be leased, licensed or occupied only in their entirety and no fraction or portion may be rented. No bed and breakfast facility may be operated out of a Home. Individual rooms of a Home may not be leased on any basis. No transient tenants may be accommodated in a Home. To the extent that an Owner does not reside in his or her Home, but desires to permit individuals including, without limitation, friends or family to occupy such Home without a lease, all prospective occupants of the Home, prior to moving into the Home and irrespective of their relation to the Owner, must be registered with the Association and shall be subject to the Association's screening and approval process which is used for prospective tenants seeking to lease a Home within Verona Trace. All leases or occupancy agreements shall be in writing and a copy of all leases, of Homes shall be provided to Association. All leases require Association approval, shall be on forms approved by Association and shall provide (or if not provided, shall automatically be deemed to provide) that Association shall have the unilateral right to terminate the lease upon default by the tenant in observing any of the provisions of the Association Documents or other applicable provisions of any agreement, document or instrument governing Verona Trace or administered by Association. Effective as of the date of recording of the First Amendment to this Declaration, each Owner hereby acknowledges and agrees that any and all leases entered into by such Owner in connection with his or her Home shall be deemed to incorporate by this reference a collateral assignment of rents and leases in favor of Association, which collateral assignment of rents and leases shall provide that in the event such Owner leasing his or her Home is past due in the payment of his or her Assessments, Association shall have the power and authority to take actions including, but not limited to: (i) collecting rents now due or that become due directly from such Owner's tenant(s) (or other party in possession of the Home); and/or (ii) pursuing any and all legal remedies available against such Owner and/or such Owner's tenant(s) including, but not limited to, actions for eviction of such Owner's tenant(s). Owners are responsible for providing their tenants with copies of all such Association Documents or instruments at such Owner's sole cost and expense. No Home may be subject to more than two (2) leases in any twelve (12) month period, regardless of the lease term. No lease term shall be less than ninety (90) days. No subleasing or assignment of lease rights by the tenant is permitted. In no event shall occupancy of a leased Home (except for temporary occupancy by visiting guests) exceed two (2) persons per bedroom. Each Owner shall be jointly and severally liable with the tenant to Association for all costs incurred by Association for the repair of any damage to Common Areas or to pay any claim for injury or damage to property caused by tenants. Association shall repair any such damage and the cost of such repair shall be invoiced as an Individual Assessment to the Owner. Additionally, as a condition to the approval by Association of a proposed lease of a Home, Association has the authority to require that a security deposit in an amount not to exceed the equivalent of one (1) month's rent be deposited into an account maintained by Association. The security deposit shall protect against damages to the Common Areas or Association Property. A security deposit held by Association under this Section 14.28 shall be governed by Chapter 83 of the Florida Statutes, as it may be renumbered from time to time. Association may also charge a reasonable fee of no more than One Hundred (\$100.00) dollars to offset the costs of a background check on tenant. Association and its directors or officers, or any person acting on behalf of any of them, shall not be liable for any cost or damages incurred by any party whatsoever, due to any mistakes in judgment, negligence, or any action or inaction of Association, its officers, or directors, in connection with the approval or disapproval of tenants. Each Owner agrees, individually and on behalf of its prospective tenants, current tenants, heirs,

successors and assigns by acquiring title to a Lot, that he or she (or any other of the aforementioned parties) shall not bring any action or suit against Association or its directors or officers, or any of the Association's agents or other parties acting on Association's behalf, in order to recover any damages alleged or caused by the actions of Association, or its officers or directors in connection with the provisions of this Section. All leases shall also comply with and be subject to the other provisions of this Declaration regarding leasing. Notwithstanding the foregoing, this Section shall not apply to a situation where an Owner or resident of a Home receives in-home care by a professional caregiver residing within the Home.

8. Nuisances. Section 14.30 of the Declaration is hereby modified as follows:

14.30 Nuisances. No nuisance or any use or practice that is the source of unreasonable annoyance to others or which interferes with the peaceful possession and proper use of Verona Trace is permitted. The final determination of what constitutes a nuisance shall be made by the Board at its sole discretion. No firearms or fireworks shall be discharged within Verona Trace. Nuisances shall include, without limitation, the playing of loud music or the gathering in front of Homes or Common Areas by any Owner or permitted occupant thereof, his/her immediate family, guests, tenants and invitees. Nothing shall be done or kept within the Common Areas, or any other portion of Verona Trace, including a Home, Lot or Parcel which will increase the rate of insurance to be paid by Association.

9. Use of Homes. Section 14.47 of the Declaration is hereby modified as follows:

14.47 Use of Homes. Each Home is restricted to residential use as a residence by the Owner or permitted occupant thereof, its immediate family, guests, tenants and invitees. To the extent that an Owner does not reside in his or her Home, but desires to permit family or friends to occupy such Home without a lease, all prospective occupants of the Home, prior to moving into the Home and irrespective of their relation to the Owner, must be registered with the Association and shall be subject to the Association's screening and approval process which is used for prospective tenants seeking to lease a Home within Verona Trace.

10. Use Restrictions. The following language is hereby added to the Declaration as Section 14.53:

14.53 Solar Equipment. No solar equipment shall be installed on a Lot or affixed to any Home within Verona Trace without the prior written approval thereof being first had and obtained from the ACC. With respect to ground-mounted solar panels, the same may only be installed in the rear yards of Homes that have an ACC approved fence, and all solar equipment and panels must be screened by such ACC approved fence (i.e., no solar equipment may exceed the height of the ACC approved fence). No ground-mounted solar equipment may be affixed to an Owner's fence. Roof-mounted solar panels and equipment shall be installed so that the panels are flush mounted and shall be located on a portion of the rear roof area, as reasonably determined by the ACC. Roof-mounted solar panels shall be an integrated part of the roof design and mounted directly to the roof deck or if mounted on or over the existing roof tile, should be flush with the slope of the roof. Solar units must not break the roof ridgeline. Solar panels should be positioned as low as possible on the roof extending wider rather than higher on the roof plane. The solar panels, piping or any exposed part of the installation may not be higher than the roof peak. Visibility of devices and their components must be minimized from public view, and may be required to be screened from neighboring property in a manner approved by the ACC.

11. Drainage. The first sentence of Section 16.9 of the Declaration is hereby modified as follows:

16.9 Drainage. A non-exclusive easement shall exist in favor of Developer, Club Owner, Association, and their designees, and any applicable water management district, state agency, county agency and/or federal agency having jurisdiction over Verona Trace over, across and upon Verona Trace for drainage, irrigation

and water management purposes and for purposes of installing, repairing, modifying or improving drainage facilities or components.

12. Property Rights. The following language is hereby added to the Declaration as Section 16.13:

16.13 Easement in Favor of Private Parcel Owner. The Private Parcel Owner and its tenants and subtenants, invitees and their respective employees and agents, successors, and assigns shall have an easement of ingress and/or egress over, through and across all paved areas, sidewalks, paths, roads, driveways, passageways and lanes as the same may exist upon, or be designated as part of, the Common Areas and/or Facilities (if applicable) and for vehicular traffic over, through and across such portions of the Common Areas as, from time to time, may be paved and intended for such purposes. In connection with the foregoing easement, the Private Parcel Owner and its tenants, invitees, successors, and assigns shall be entitled to unfettered access through any Association gates or other access control devices, if any. In addition to the foregoing, the Private Parcel Owner and its tenants, invitees, successors, and assigns shall have an easement over, through and across the Common Areas as may be deemed reasonably necessary by the Private Parcel Owner in connection with its construction, development, operation, maintenance, and/or replacement/removal activities on the Private Parcel.

13. Shortfalls and Surpluses. Section 18.9 of the Declaration is hereby modified as follows:

18.9 Deficit Funding, Shortfalls and Surpluses. Each Owner acknowledges that because Installment Assessments, Special Assessments, and Reserves are allocated based on the formula provided herein, the total number of Homes to be included in Verona Trace, or upon the number of Homes conveyed to Owners on or prior to September 30th of the prior fiscal year (as determined in Developer's discretion), it is possible that Association may collect more or less than the amount budgeted for Operating Costs. Any time (and from time to time) prior to and including the Turnover Date, Developer shall have the option ("**Developer's Option**") to either (i) fund all or any portion of the shortfall in Installment Assessments not raised by virtue of all Installment Assessments due from Owners and other income ~~received~~produced by Association pursuant to Section 18.9.1 of the Declaration or (ii) to pay Installment Assessments on Homes or Lots owned by Developer. In the event that Developer elects to fund all or a portion of the shortfall in Installment Assessments, as stated above, Developer shall have no obligation to fund bad debt expenses relating to the payment of Assessments including, without limitation, estimates for bad debt allowance and actual write-offs of Owner balances. If Developer has cumulatively over funded Operating Costs and/or prepaid expenses of Association including, but not limited to, loaning Association uncollected Assessments due from Owners which are not timely paid, Association shall refund such amounts to Developer immediately upon such prepaid or loaned amounts being received by Association (through legal collections efforts or otherwise), but in no event later than the Turnover Date or as soon as possible thereafter (e.g. once the amount is finally determined), or, in Developer's sole and absolute discretion, pursuant to terms and conditions (e.g., payment plan) approved by Developer. Developer shall never be required to (i) pay Installment Assessments if Developer has elected to fund the deficit instead of paying Installment Assessments on Homes or Lots owned by Developer, (ii) pay Special Assessments, management fees or Reserves, or (iii) pay amounts due from, but not paid by, Owners, as referenced above. Any surplus Assessments collected by Association may be (i) allocated towards the next year's Operating Costs, (ii) used to fund Reserves, whether or not budgeted, (iii) retained by Association, and/or (iv) used for any other purpose, in Association's sole and absolute discretion. Under no circumstances shall Association be required to pay surplus Assessments to Owners.

14. Loans. The following language is hereby added to the Declaration as Section 18.9.3:

18.9.3 If Developer elects to loan funds to Association for any purpose including, but not limited to, covering uncollected Assessments due from Owners which are not timely paid, Developer may, but shall have no obligation to, require the

Association to sign a promissory note. Notwithstanding the foregoing, irrespective of whether a promissory note exists with respect to any loan to Association by Developer, Association shall be liable to Developer for all amounts loaned.

15. Creation of the Lien. Section 18.16 of the Declaration is hereby modified as follows:

18.16 Creation of the Lien and Personal Obligation. Each Owner and Builder, by acceptance of a deed or instrument of conveyance for the acquisition of title to a Home or Lot, shall be deemed to have covenanted and agreed that the Assessments, and/or other charges and fees set forth herein, together with interest, late fees, costs and reasonable attorneys' fees and paraprofessional fees, pre-trial and at all levels of proceedings including appeals, shall be a charge and continuing lien in favor of Association encumbering the Home or Lot and all personal property located thereon owned by the Owner or Builder against whom each such Assessment is made. The lien is effective from and after recording a claim of lien in the Public Records stating the legal description of the Home or Lot, name of the Owner or Builder, and the amounts due as of that date, but shall relate back to the date that this Declaration is recorded. The claim of lien shall also cover any additional amounts which accrue thereafter until satisfied. Each Assessment, together with interest, late fees, costs and reasonable attorneys' fees and paraprofessional fees, pre-trial and at all levels of proceedings, including appeals, and other costs and expenses provided for herein, shall be the personal obligation of the person who was the Owner of the Home (or owner/Builder of the Lot) at the time when the Assessment became due, as well as the Owner's and/or Builder's heirs, devisees, personal representatives, successors or assigns.

16. Subordination. Section 18.17 of the Declaration is hereby deleted in its entirety and replaced with the following:

18.17 Subordination of Lien to Mortgages. The lien for Assessments shall be a lien superior to all other liens save and except tax liens, liens for Club Amounts and, except as set forth in this Section, mortgage liens, provided such mortgage liens are first liens against the property encumbered thereby, subject only to tax liens, and secure indebtedness which is amortized in monthly or quarter-annual payments over a period of not less than ten (10) years. An acquirer of title to a Lot, whether by foreclosure, deed in lieu of foreclosure, or otherwise, shall be liable for all unpaid Assessments, interest, late fees and reasonable attorney's fees and costs incurred by Association in the collection of unpaid amounts that became due prior to such acquirer's acquisition. Notwithstanding the foregoing, with respect to a Lender or its successor or assignees who acquire title to a Lot by foreclosure or by deed in lieu of foreclosure, unless a greater amount is provided for by Florida law, as amended from time to time, such Lender's liability respecting the unpaid Assessments (but not late fees, interest or reasonable attorney's fees or costs incurred by Association in the collection of unpaid amounts) that became due prior to the Lender's acquisition of title shall be limited to the lesser of: (i) the Lot's unpaid Assessments which accrued or came due during the twelve (12) months immediately preceding the acquisition of title and for which payment in full has not yet been received by Association; or (ii) one percent (1%) of the original mortgage debt. The limitations on Lender liability provided in this Section apply only if the Lender filed suit against the Owner and initially (and not through amendment or re-foreclosure) joined Association as a defendant in the Lender's foreclosure action when such action was first filed with a court. Joinder of Association is not required if, on the date the complaint is filed, Association was dissolved or did not maintain an office or agent for service of process at a location that was known to or reasonably discoverable by the Lender. In addition to the foregoing, any acquirer of title to a Lot including, without limitation, a Lender or other third party, shall be liable for all late fees and interest charged against the former Owner of the Lot and all reasonable attorney's fees and costs incurred by Association in collection efforts against the former Owner of the Lot. Unless specifically provided otherwise by Association in writing from time to time and in its sole and absolute discretion, late fees, interest and reasonable attorney's fees and costs shall not be considered Assessments as that term is used in this Section. The Lender or its successor or assignees acquiring title to a Lot shall pay all of the foregoing amounts owed including, but not

limited to, Assessments (as the same may be limited above), late fees, interest, attorneys' fees and costs owed to Association within thirty (30) days after transfer of title. Failure to pay the full amount due when due shall entitle Association to record a claim of lien against the Lot and proceed in the same manner as provided in this Declaration for the collection of unpaid Assessments and other amounts.

The provisions of this Section shall not be available to shield a Lender from liability for Assessments and other amounts in any case where the unpaid Assessments and other amounts sought to be recovered by Association are secured by a lien recorded prior to the recording of the mortgage. Additionally, in order to be afforded the limitations of liability for Lenders included in this Section, a Lender must 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 Lender. All amounts advanced on behalf of an Owner pursuant to this Section shall be added to the Assessments payable by such Owner with appropriate interest. Any unpaid Assessments for which an acquirer of title is not liable (i.e., where a Lender takes title to a Lot, and where Florida law, as amended from time to time, does not provide for a greater amount, any past due Assessment amounts which exceed the lesser of 12 months of Assessments or one percent (1%) of the original mortgage debt) may be reallocated and assessed to all Owners (including such acquirer of title) as part of Operating Costs included within Assessments. Any sale or transfer pursuant to a foreclosure (or by deed in lieu of foreclosure or otherwise) shall not relieve the acquiring party from liability for, nor the Lot from the lien of any Assessments made thereafter. Nothing herein contained shall be construed as releasing the party liable for any delinquent Assessments from the payment thereof, or the enforcement of collection by means other than a foreclosure.

17. Survival. The following language is hereby added to the Declaration as Section 18.24:

18.24 Survival of the Association's Lien. To the extent that the Association forecloses upon its lien, as permitted by Florida law and the Association Documents, and becomes the owner of record title to a Home or Lot, the Association's lien shall survive foreclosure, and all amounts due in connection with the Association's foreclosure including, but not limited to, past due Assessments, late fees, interest, attorneys' fees and costs shall be the joint and several liability of the Owner that was foreclosed by the Association and the Owner that takes title to the Home or Lot after the Association, and the Association shall have no liability for the same.

18. Exemption. Section 20.18 of the Declaration is hereby modified as follows:

20.18 Exemption. Notwithstanding anything to the contrary contained herein, or in the Community Standards, any improvements of any nature made or to be made by Developer, Builder or Club Owner, or their nominees, including, without limitation, improvements made or to be made to the Common Areas, Club or any Home, shall not be subject to the review of the ACC, Association, or the provisions of the Community Standards. Notwithstanding the foregoing exemption, all improvements of any nature to be made by Builders shall require the written consent of Developer prior to commencement of any work, construction and/or installation.

19. Security Deposit. The following language is hereby added to the Declaration as Section 20.21:

20.21 Security Deposit. Any Owner seeking Association and/or ACC approval for the alteration or modification of a Lot or Home (or change in the appearance thereof) may, if requested by the Association, be required to pay to Association a security deposit in an amount to be determined by the Board from time to time (the "Security Deposit"). To the extent the Association determines, in its sole discretion, that damage to the Common Areas has occurred as a result of an Owner's work (whether performed by such Owner or his or her contractor or agent) relating to the modification or alteration of his or her Home or Lot, the

Association may, without notice to the Owner, draw upon the Security Deposit to restore the Common Areas to their condition and appearance existing prior to such Owner's modification or alteration of his or her Home or Lot. To the extent the cost of restoring any Common Areas exceeds the total amount of the Security Deposit, the Association shall be entitled to draw upon and utilize the entire Security Deposit and charge any additional costs to such Owner as an Individual Assessment. To the extent there is no damage caused to the Common Areas as a result of an Owner's alteration or modification of his or her Home or Lot, as determined by the Association in its sole discretion, the entire Security Deposit shall be returned to such Owner.

20. Notice. Section 21.7.2 of the Declaration is hereby modified as follows:

21.7.2 A fine or suspension may be imposed by the Board without notice where an Owner has failed to pay Assessments and/or other charges when due. No other fines or suspensions may be imposed without notice of at least fourteen (14) days to the person sought to be fined or suspended and an opportunity for a hearing before a committee of at least three (3) persons (the "**Violations Committee**") appointed by the Board who are not officers, directors or employees of Association, or the spouse, parent, child, brother, sister of an officer, director or employee. The role of the committee is limited to determining whether to confirm or reject the fine or suspension levied by the Board. If the Violations Committee does not by a majority vote ~~approve~~ confirm a fine or suspension the same may not be imposed. The written notice of violation shall be in writing to the Owner, tenant, guest or invitee and detail the infraction or infractions. Included in the notice shall be the date and time of the hearing of the Violations Committee.

21. Individual Assessments. Section 21.7.4 of the Declaration is hereby modified as follows:

21.7.4 To the extent ~~the~~ Violations Committee confirms the fine to be levied by the Board, the Board may impose Individual Assessments against the Owner in the amount of \$100 (or any greater amount permitted by law from time to time) for each violation. Each day of non-compliance shall be treated as a separate violation and there is no cap on the aggregate amount the ~~Violations Committee~~ Board may fine an Owner, tenant, guest or invitee. Individual Assessment fines shall be paid not later than five (5) days after notice of the imposition of the Individual Assessment. All monies received from fines shall be allocated as directed by the Board of Directors.

22. Non-Liability. Section 22.11.2 of the Declaration is hereby modified as follows:

22.11.2 ASSOCIATION IS NOT EMPOWERED, AND HAS NOT BEEN CREATED, TO ACT AS AN AGENCY WHICH ENFORCES OR ENSURES THE COMPLIANCE WITH THE LAWS OF THE STATE OF FLORIDA AND/OR COUNTY OR PREVENTS TORTIOUS ACTIVITIES. NEITHER DEVELOPER, CLUB OWNER, ANY BUILDER, NOR ASSOCIATION SHALL BE LIABLE FOR THE UNLAWFUL OR UNDESIRABLE ACTIONS OR INACTIONS OF OWNERS OR THEIR RESPECTIVE FAMILIES, TENANTS, GUESTS, INVITEES OR ANY OTHER OCCUPANTS OF HOMES WITHIN VERONA TRACE AND SHALL FURTHER HAVE NO OBLIGATION TO TAKE ANY AFFIRMATIVE ACTION NOT SPECIFICALLY SET FORTH IN THIS DECLARATION IN ORDER TO STOP, ENJOIN OR PREVENT ANY SUCH ACTIONS BY ANY OWNER OR THEIR FAMILIES, TENANTS, GUESTS, INVITEES OR ANY OTHER OCCUPANTS OF HOMES WITHIN VERONA TRACE; AND

23. Special Taxing Districts. Section 26.5 of the Declaration is hereby modified as follows:

26.5 Execution of Documents. Developer's plan of development for Verona Trace (including, without limitation, the creation of one (1) or more special taxing districts) may necessitate from time to time the execution of certain documents as required by governmental agencies. To the extent that such documents require the joinder of Owners or Builders other than Developer, Developer, by its duly authorized officers, may, as the agent or the attorney-in-fact for the Builder(s) and

Owners, prior to and following the Turnover Date, execute, acknowledge and deliver such documents (including, without limitation, any consents or other documents required by any governmental agencies in connection with the creation of any special taxing district); and the Builder(s) and Owners, by virtue of their acceptance of deeds, irrevocably nominate, constitute and appoint Developer, through its duly authorized officers, as their proper and legal attorneys-in-fact, for such purpose. Such appointment is coupled with an interest and is therefore irrevocable. Any such documents executed pursuant to this Section may recite that it is made pursuant to this Section. Notwithstanding the foregoing, each Builder and Owner agrees, by their acceptance of a deed to a Lot or Home or any other portion of Verona Trace, to execute or otherwise join in any petition and/or other documents required in connection with the creation of a special taxing district relating to Verona Trace or any portion(s) thereof. In addition to the foregoing, all Builders and Owners within Verona Trace shall be required to execute a joinder acknowledging and agreeing to the terms and provisions of this Declaration.

24. Letters of Credit. The following language is hereby added to the Declaration as Section 26.9:

26. 9 Letters of Credit. During the development of Verona Trace, Developer may be required to obtain a letter of credit in connection with or as security for matters relating to Association including, without limitation, the Association's maintenance obligations. From and after the Turnover Date, Association agrees that it shall indemnify and be liable to Developer for any amounts drawn or due from any such letter(s) of credit which result from the Association's failure to act in accordance with the terms of this Declaration, any applicable law, ordinance or requirement of any governmental agency. In addition to the foregoing, Association agrees that immediately following the Turnover Date, the Association shall take all measures necessary to reimburse Developer for all amounts expended in connection with the letter of credit, remove Developer from the letter of credit, and add Association as the responsible party under the letter of credit.

25. General Provisions. The following language is hereby added to the Declaration as Section 26.10:

26.10 Disclosure Regarding Private Parcel and Cellular Tower. ALL OWNERS, OCCUPANTS AND USERS OF VERONA TRACE ARE HEREBY PLACED ON NOTICE THAT A CELLULAR TOWER AND/OR CELLULAR TOWER SITE MAY EXIST WITHIN OR IN CLOSE PROXIMITY TO VERONA TRACE. CELLULAR TOWERS, CELLULAR TOWER SITES AND THE OPERATION AND MAINTENANCE THEREOF CAN AND WILL EMIT UNPLEASANT NOISES AND/OR OTHER EMISSIONS WHICH COULD POTENTIALLY RESULT IN, AMONG OTHER THINGS, INCONVENIENCES, INTERRUPTIONS IN USE OR ENJOYMENT OF PROPERTY OR COMMON AREAS, AND/OR HEALTH ISSUES. BY THE ACCEPTANCE OF THEIR DEED OR OTHER CONVEYANCE OR MORTGAGE, LEASEHOLD, LICENSE OR OTHER INTEREST, AND BY USING ANY PORTION OF VERONA TRACE, EACH SUCH OWNER, OCCUPANT AND USER AUTOMATICALLY ACKNOWLEDGES, STIPULATES AND AGREES (i) THAT SUCH OWNER AND/OR SUCH OWNER'S INVITEES, GUESTS, TENANTS OR OTHER OCCUPANTS DO NOT OBJECT TO THE PRESENCE OF THE CELLULAR TOWER OR CELLULAR TOWER SITE, (ii) THAT THE CELLULAR TOWER, CELLULAR TOWER SITE AND THE USE, OPERATION, AND/OR MAINTENANCE THEREOF SHALL NOT BE DEEMED NUISANCES OR NOXIOUS OR OFFENSIVE ACTIVITIES, HEREUNDER OR AT LAW GENERALLY, (iii) NOT TO ENTER UPON, OR ALLOW THEIR CHILDREN OR OTHER PERSONS UNDER THEIR CONTROL OR DIRECTION TO ENTER UPON (REGARDLESS OF WHETHER SUCH ENTRY IS A TRESPASS OR OTHERWISE) THE CELLULAR TOWER AND/OR CELLULAR TOWER SITE WITHIN OR IN PROXIMITY TO VERONA TRACE (EVEN IF NOT BEING ACTIVELY USED AT THE TIME OF ENTRY), (iv) THE OWNER OF THE CELLULAR TOWER AND/OR CELLULAR TOWER SITE SHALL NOT BE LIABLE FOR ANY AND ALL

LOSSES, DAMAGES (COMPENSATORY, CONSEQUENTIAL, PUNITIVE OR OTHERWISE), INJURIES OR DEATHS ARISING FROM OR RELATING TO THE CELLULAR TOWER AND/OR CELLULAR TOWER SITE, EXCEPT RESULTING DIRECTLY FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE RESPECTIVE OWNER THEREOF, AND (v) ANY PURCHASE OR USE OF ANY PORTION OF VERONA TRACE HAS BEEN AND WILL BE MADE WITH FULL KNOWLEDGE OF THE FOREGOING.

26. Leasing and Sales. The following language is hereby added to the Declaration as Section
27:

27. Selling, Leasing and Mortgaging of Homes. In order to maintain complementary uses, congenial neighbors and to protect the value of Homes and Lots, the transfer of title to or possession of Homes by any Owner shall be subject to the following provisions so long as Association exists, which provisions each Owner covenants to observe:

27.1 Transfers Subject to Approval.

27.1.1 Sale. No Owner may dispose of a Home or Lot or any interest therein by sale without approval of Association.

27.1.2 Lease. No Owner may transfer possession of a Lot or Home or any interest therein by lease for any period without approval of Association. The Association shall have the right, but not the obligation, as determined by the Board from time to time, to require that the renewal of any lease, including any lease previously approved by Association under this Section 27, be re-submitted for approval by Association. No Owner may transfer possession of a Home or any interest therein by lease for any period until such Owner is current in payment of all assessments due to Association under the terms of this Declaration, and Association shall have the right to withhold approval of any lease until such time as the Owner is current in payment of such Assessments. Owners desiring to lease Workforce Housing Homes shall be required to provide proof of compliance with the Workforce Housing Covenant and applicable code as part of the application process. If such proof of compliance is not provided to the Association at the time of application for lease, the Association shall not approve the intended lease.

27.1.3 Gift. If any Owner proposes to transfer a Home by gift, the proposed transfer shall be subject to the approval of Association.

27.2 Approval by Association. To obtain approval of Association which is required for the transfer of Homes, each Owner shall comply with the following requirements:

27.2.1 Notice to Association.

27.2.1.1 Sale. An Owner intending to make a bona fide sale of his or her Lot or Home, or any interest therein, shall give to Association a transfer fee (in an amount determined by the Board and permitted by Florida Statutes) and notice pursuant to a form approved by Association of such intentions, together with the name and address of the intended purchaser and such other information concerning the intended purchaser as Association may reasonably require. Such notice, at the Owner's option, may include a demand by the Owner that Association furnish a new purchaser if the proposed purchaser is not approved; and if such demand is made, the notice shall be accompanied by an executed copy of the proposed contract for sale.

27.2.1.2 Lease. An Owner intending to make a bona fide lease of his or her or any interest therein shall give to Association a transfer fee (in an amount determined by the Board and permitted by Florida Statutes) and notice pursuant to a form approved by Association of such intention, together with the name and address of the intended lessee, such other information concerning the intended lessee as Association may reasonably

require, and an executed copy of the proposed lease, which lease shall provide that it is subject to approval by Association. Each Owner is solely responsible to obtain all required permits relating to leasing property from all applicable governmental authorities having jurisdiction. To the extent that an Owner fails to obtain all required permits and or consents from local and/or governmental authorities, any and all Association approvals shall be deemed withdrawn.

27.2.1.3 Gift. An Owner who proposes to transfer his or her title by gift shall give to Association a transfer fee (in an amount determined by the Board and permitted by Florida Statutes) and notice pursuant to a form approved by Association of the proposed transfer of his or her title, together with such information concerning the transferee as Association may reasonably require, and a copy of all instruments to be used in transferring title.

27.2.1.4 Failure to Give Notice. If the notice to Association herein required is not given, then at any time after receiving knowledge of a transaction or event transferring ownership or possession of a Home, Association at its discretion and without notice may approve or disapprove the lease, sale or transfer. If Association disapproves the transaction or ownership, Association shall proceed as if it had received the required notice on the date of such disapproval.

27.2.1.5 Effect and Manner of Notice. The giving of notice shall constitute a representation and warranty by the offeror to Association and any purchaser produced by the Board that the offering is a bona fide offer in all respects. The notice shall be given by certified mail, return receipt requested, or delivered by professional courier or by hand-delivery to Association which shall give a receipt therefor.

27.2.2 Certificate of Approval.

27.2.2.1 Sale. If the proposed transaction is a sale, then, within thirty (30) days after receipt of such notice and information, Association must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a certificate executed by the proper officers of Association in recordable form and shall be delivered to the purchaser and may be recorded in the Public Records of County (the “Public Records”).

27.2.2.2 Lease. If the proposed transaction is a lease then, within thirty (30) days after receipt of such notice and information, Association must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a certificate executed by the proper officers of Association and shall be delivered to the lessee.

27.2.2.3 Devise or Inheritance. Any person who has obtained a Home by devise or inheritance (except for the spouse, parents or children of the immediately previous Owner of such Home) shall give to Association notice thereof together with such information concerning the person(s) obtaining such Home as may be reasonably required by the Board and a certified copy of the instrument by which such Home was obtained. If such notice is not given to Association, then at any time after receiving knowledge thereof, the Board shall proceed in accordance with Section 27.2.2.4 as if it had been given such notice on the date of receipt of such knowledge. Within thirty (30) days after receipt of such notice and information, Association must either approve or disapprove the proposed transfer. If approved, the approval shall be stated in a certificate executed by the proper officers of Association in recordable form and shall be delivered to the person receiving title by devise or inheritance.

27.2.2.4 Gift. If the Owner giving notice proposes to transfer his or her title by gift, then, within thirty (30) days after receipt of such notice and information, Association must either approve or disapprove the

proposed transfer of title to the Home. If approved, the approval shall be upon such terms and conditions as Association may reasonably require, and the approval shall be stated in a certificate executed by the proper officers of Association in recordable form and shall be delivered to the Owner and shall be recorded in the Public Records.

27.2.3 Approval of Owner Other Than an Individual. Inasmuch as the Home may be used only for residential purposes, and a corporation, trust or other entity cannot occupy a Home for such use, if the Owner or purchaser of a Home is a corporation, trust or other entity, the approval of ownership by the corporation, trust or other entity shall be conditioned upon the primary occupant or the beneficial owners of the entity being approved by Association. Any change in such primary occupant or beneficial owners of the Home shall be deemed a change of ownership subject to Association approval pursuant to this Section.

27.3 Disapproval by Association. Although an Owner complies with the foregoing requirements, Association may disapprove of the transfer. If Association disapproves a transfer or ownership of a Home or Lot, the matter shall be disposed of in the following manner:

27.3.1 Sale. If the proposed transaction is a sale and if the notice of sale given by the Owner shall so demand, then, within thirty (30) days after receipt of such notice and information by Association, Association shall deliver by professional courier or hand-delivery, or mail by certified mail, to the Owner an agreement to purchase by Association, or a purchaser approved by Association who will purchase and to whom the Owner must sell the Home, upon the following terms:

27.3.1.1 The price to be paid by the purchaser, to be identified in the agreement, shall be that stated in the disapproved contract to sell.

27.3.1.2 The purchase price shall be paid by official check or federal wire.

27.3.1.3 The sale shall be closed within ninety (90) days after the delivery or mailing of the agreement to purchase to the Owner and shall be upon terms no less favorable than the terms of the disapproved contract.

27.3.1.4 If Association fails to provide a purchaser upon the demand of the Owner in the manner provided, or if a purchaser furnished by Association shall default in his or her agreement to purchase, the proposed transaction shall be deemed to have been approved and Association shall furnish a certificate of approval as provided in this Section 27.

27.3.2 Lease. In the event the Board disapproves of a transfer of possession of a Home by lease, then the Owner may not lease the Home to the intended lessee for whom the Owner sought approval.

27.3.3 Transfer by Gift, Devise or Inheritance. In the event the Board disapproves of such transfer of title by gift, devise or inheritance, the Board shall advise in writing within such thirty (30) day period, the person who has obtained such title of a purchaser approved by the Board to purchase the respective Home at its fair market value. The fair market value of the Home will be determined by any one of the following methods determined by the Board: (i) by three (3) M.A.I. appraisers, one of whom shall be selected by the Association's proposed purchaser, one by the person holding title, and one by the two (2) appraisers so selected; or (ii) by mutual agreement by the Association's proposed purchaser and the person holding title. All costs for such appraisal shall be paid by the Association's proposed purchaser. The purchase price shall be paid by federal wire or official check and the sale closed within thirty (30) days after the determination of the purchase price. Simultaneously upon

notification to the person holding title that the Board has a purchaser for the respective Home, the person holding title and such purchaser shall execute a contract providing for the acquisition of such Home in accordance with the terms of this Declaration. In the event the purchaser furnished by Association shall default in his or her obligation to purchase such Home, then the Board shall be required to approve the passage of title to the person then holding title thereof and shall issue and deliver a certificate of approval therefor.

27.4 Exceptions. The foregoing provisions of this Section shall not apply to a transfer or purchase by a Lender or other approved mortgagee which acquires its title as the result of owning a mortgage upon the Home concerned, and this shall be so whether the title is acquired by deed from the mortgagor or its successor in title or through foreclosure proceedings; nor shall such provisions apply to a transfer, sale or lease by a Lender or other approved mortgagee which so acquires its title. Neither shall such provisions require the approval of a purchaser who acquires the title to a Home at a duly advertised public sale with open bidding which is provided by law including, but not limited to, an execution sale, foreclosure sale, judicial sale or tax sale. The provisions of this Section shall not apply to Developer.

27.5 Unauthorized Transactions. Any sale, transfer mortgage or lease which is not authorized pursuant to the terms of this Declaration shall be void unless subsequently approved by Association.

27.6 Notice of Lien or Suit.

27.6.1 Notice of Lien. An Owner shall give notice to Association of every lien upon his or her Home other than for permitted mortgages, taxes and special assessments within five (5) days after the attaching of such lien.

27.6.2 Notice of Suit. An Owner shall give notice to Association of every suit or other proceeding which may affect the title to his or her Lot or Home; such notice is to be given within five (5) days after the Owner receives knowledge thereof.

27.6.3 Failure to Comply. Failure to comply with this Section will not affect the validity of any judicial sale.

[ADDITIONAL TEXT AND SIGNATURES APPEAR ON THE FOLLOWING PAGE]

25. Covenant. This Third Amendment shall be a covenant running with the land.

IN WITNESS WHEREOF, the undersigned, being Developer under the Declaration, has hereunto set its hand and seal this 9th day of May, 2017.

WITNESSES:

MS RIALTO VERONA TRACE FL, LLC, a Delaware limited liability company

By: **MS RIALTO RESIDENTIAL HOLDINGS, LLC**, a Delaware limited liability company, its member

By: **MSR HOLDING COMPANY, LLC**, a Delaware limited liability company, its member

By: **LENNAR HOMES, LLC**, a Florida limited liability company, its Florida manager

Alexandra Rivera
Print Name: Alexandra Rivera

Julie Timares
Print Name: Julie Timares

By: Jon Rapoport
Name: Jon Rapoport
Title: Division President

STATE OF FLORIDA)
COUNTY OF Palm Beach) SS.:

The foregoing instrument was acknowledged before me this 9th day of May, 2017, by Jon Rapoport, as Vice President of LENNAR HOMES, LLC, a Florida limited liability company, the Florida manager of MSR HOLDING COMPANY, LLC, a Delaware limited liability company, as member of MS RIALTO RESIDENTIAL HOLDINGS, LLC, a Delaware limited liability company, as member of MS RIALTO VERONA TRACE FL, LLC, a Delaware limited liability company, who is personally known to me or who produced N/A as identification, on behalf of the companies.

My commission expires:

JULIE ANNE DeMORE
NOTARY PUBLIC - STATE OF FLORIDA
COMMISSION # FF134285
EXPIRES 6/19/2018
BONDED THRU 1-888-NOTARY1

Julie Anne DeMore
NOTARY PUBLIC, State of Florida at Large
Print Name: Julie Anne DeMore

JOINDER

VERONA TRACE HOMEOWNERS ASSOCIATION, INC.

VERONA TRACE HOMEOWNERS ASSOCIATION, INC. ("Community Association"), does hereby join in the Third Amendment to Declaration for Verona Trace (the "Third Amendment"), to which this Joinder is attached, and the terms thereof are and shall be binding upon the undersigned and its successors in title. Community Association agrees that this Joinder is for convenience purposes only and does not apply to the effectiveness of the Third Amendment as Community Association has no right to approve the Third Amendment.

IN WITNESS WHEREOF, the undersigned has executed this Joinder on this 8th day of May, 2017.

WITNESSES:

VERONA TRACE HOMEOWNERS ASSOCIATION, INC., a Florida not-for-profit corporation

Alexandra Rivera
Print Name: Alexandra Rivera

Julie Timares
Print Name: Julie Timares

By: Dean Andreozzi
Name: Dean Andreozzi
Title: President

[SEAL]

STATE OF FLORIDA)
COUNTY OF Palm Beach) SS.:

The foregoing instrument was acknowledged before me this 9th day of May, 2017 by Dean Andreozzi, as President of VERONA TRACE HOMEOWNERS ASSOCIATION, INC., a Florida not-for-profit corporation, who is personally known to me or who produced N/A as identification, on behalf of the corporation.

My commission expires:

JULIE ANNE DeMORE
NOTARY PUBLIC - STATE OF FLORIDA
COMMISSION # FF134285
EXPIRES 6/19/2018
BONDED THRU 1-686-NOTARY1

Julie Anne DeMore
NOTARY PUBLIC, State of Florida at Large
Print Name: Julie Anne DeMore