

AMENDMENT

AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR VERONA RESERVE

[Additions are indicated by underline; deletions by ~~strike through~~]

ARTICLE VIII COVENANT TO PAY ASSESSMENTS; ESTABLISHMENT OF LIENS; COLLECTIONS OF ASSESSMENTS; CERTAIN RIGHTS OF INSTITUTIONAL MORTGAGEES

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8.5 Capital Contribution. Except as provided below, a capital contribution ("Capital Contribution") shall be due and payable to the Association by a new Owner upon every Conveyance of title to a Lot by an Owner. The Capital Contribution shall be due and collected at closing and, upon payment, may be used by the Board of Directors for any purpose benefitting the Community. Payment of the Capital Contribution shall be the legal obligation of the new Owner of the Lot.

A. Amount of Capital Contribution. The amount of the Capital Contribution shall be determined from time to time by the Board. The initial Capital Contribution to be paid by the new Owner shall be \$995.00.

B. Failure to Pay Capital Contribution. If any Capital Contribution is not paid within five (5) days after the date on which payment of the Capital Contribution is due, then interest shall accrue on the Capital Contribution from the due date until paid at the rate of 18 percent per annum and a delinquency charge equal to five percent (5%) of the Capital Contribution shall be added to the applicable Capital Contribution. In addition, the Association may bring suit against the Owner on the personal obligation to recover the amount of the Capital Contribution, together with the delinquency charge, accrued interest, attorney's fees incurred incident to collection of the Capital Contribution and costs.

C. Creation of Lien. Each Capital Contribution shall be secured by a lien in favor of the Association against the Lot in accordance with the provisions of this Section. The lien shall secure not only the amount of the Capital Contribution, but also all accrued interest, delinquency charges, attorney's fees and costs.

D. Enforcement of Lien. In the event any Capital Contribution is not paid in full within thirty (30) days after it is due, the Association shall have the right to file a claim of lien in the Public Records. The Capital Contribution lien may be enforced by the Association by foreclosure suit in the same manner as a mortgage foreclosure, a foreclosure of a lien for unpaid assessments as provided in the HOA Act, or in such other manner as may be permitted by law. In the event the Association files a claim of lien against any Lot, the Association shall be entitled to recover from the Owner of such Lot the interest and delinquency charges provided herein and all costs, including attorney's fees, incurred in preparing, filing, and, if applicable, foreclosing the Capital

Contribution, and all such costs, delinquency charges, interest, and attorney's fees shall be secured by such lien.

E. **Priority of Lien.** It is the intent hereof that the Capital Contribution lien against each Lot shall be subordinate and inferior only to the lien of taxes and special assessments levied by the County of Sarasota and other governmental bodies and to the lien of any mortgage upon such Lot acquired by a mortgagee prior to the recording of a claim of lien.

F. **Definition of "Conveyance".** For the purposes of this Section, the term "Conveyance" shall mean the transfer of title to a Lot by deed or other authorized means of conveyance, with or without valuable consideration, and shall also refer to a transfer of possession and beneficial ownership by means of an agreement for deed, transfer of an interest in a land trust or similar conveyance of a beneficial interest. If the Owner is a corporation, limited liability company or other business entity, then the term "Conveyance" shall include the sale, issuance or transfer of any voting capital stock or interest of the Owner of any corporate entity which directly or indirectly controls the Owner which shall result in a change in the voting control of the Owner or the legal entity or person who controls the Owner. If the Owner is a partnership, then the sale, issuance or transfer of a majority interest therein, or the transfer of a majority interest in or a change in the voting control of any partnership which directly or indirectly controls the Owner, or the transfer of any portion of any general partnership or managing partnership interest which shall result in a change of control over the Owner, shall be deemed a "Conveyance" within the meaning of this Section.

G. **Exemptions.** Notwithstanding the foregoing, the following Conveyances shall be exempt from payment of the Capital Contribution: (a) title is transferred to the Owner's estate, surviving spouse or other heirs, resulting from the death of the Owner; (b) title is transferred to a trustee or the Owner's current spouse, solely for bona fide estate planning or tax reasons; (c) title is transferred to an institutional mortgagee or to the Association pursuant to a Final Judgement of Foreclosure or deed in lieu of foreclosure; and (d) title is transferred to an existing Owner or spouse of an existing Owner who have resided in their current Lot for at least twelve (12) months preceding the purchase of their replacement Lot and who will not rent their new Lot during the next twenty-four (24) months (this exemption may only be claimed one time). Provided, however that every Conveyance that occurs following an exempt transfer described in subsections (a) through (d) above, the Capital Contribution shall be due and payable.