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AMENDMENT TO THE DECLARATION OF COVENANTS
AND RESTRICTIONS FOR CHAPMAN GROVES

WHEREAS, that certain Declaration of Covenants and Restriction for Chapman Groves was recorded at Official Records Book 2857, Page 0370, Public Records of Seminole County, Florida ("Declaration"); and

WHEREAS, Article VII, Section 3 of the Declaration states that the Declaration may be amended by an instrument first approved and signed by a majority of the Board of Directors of Chapman Groves Homeowners' Association, Inc. ("Association") and subsequently approved by the affirmative vote of sixty-six and two-thirds percent (66-2/3%) of the total votes of the membership outstanding at the time of the amendment; and

WHEREAS, the Owners whose Lots are subject to the Declaration desire to make certain amendments to the Declaration; and

WHEREAS, the necessary instrument was approved and signed by a majority of the Board of Directors of the Association and the necessary vote was obtained by the Owners to amend the Declaration.

NOW, THEREFORE, pursuant to the amendment procedures set forth in Article VII, Section 3 of the Declaration, the following Amendment is hereby adopted:

1. Article V, Section 4 of the Declaration shall be amended to read as follows:

Section 4: Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within ten (10) days after the due date shall be delinquent and shall bear interest at the highest rate permissible by Florida Law. The Association may bring an action at law against the Owner personally obligated to pay the assessment or foreclose the lien against the Lot as described in Section 1 of this Article. No Owner may waive or otherwise avoid liability for the assessments provided for herein by abandonment of the Lot. In addition, should the Association find it necessary to employ an attorney or institute legal action against any Owner in order to collect unpaid assessments, the Owner shall be obligated for the payment of all of the Association's costs in connection with said action, including, but not limited to, court costs and reasonable attorneys' fees, including fees and costs at trial and appellate levels. In addition to interest and attorneys' fees and costs, the Association may charge the Owner a late fee of \$25.00 per month and a reasonable administrative fee to be established by the Board of Directors for the Association's non-legal costs incurred.

2. Article V, Section 5 of the Declaration shall be amended to read as follows:

Section 5: **Subordination of the Lien to Mortgages.**

A. The lien of the assessments provided for herein shall be subordinate to the lien of the First Union Mortgage or any first mortgage representing a first lien on any Lot except as stated in this Section 5. Notwithstanding, the liability of a first mortgagee, or its successor or assignee as a subsequent holder of the first mortgage who acquires title to a Lot by foreclosure or by deed in lieu of foreclosure for the unpaid assessments that became due before the mortgagee's acquisition of title, shall be the lesser of:

1. The Lot's unpaid common expenses and regular periodic or special assessments that accrued or came due during the 12 months immediately preceding the acquisition of title and for which payment in full has not been received by the Association; or

2. One percent of the original mortgage debt.

B. Sale or transfer of any Lot to a third party, or acquisition of title by a third party pursuant to a foreclosure or deed in lieu, shall not affect the assessment lien and all past due amounts shall remain owing; however, the sale or transfer of any Lot pursuant to foreclosure, or deed in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer of any type shall relieve any Owner of such Lot from liability for any assessments thereafter becoming due or from the lien or said Lot.

C. It is the express intent of this Section, notwithstanding any other provision hereof, to subordinate the assessment lien referred to above except as stated above in Section 5(A) and 5(B) as amended only to first mortgages executed in favor of institutional mortgagees which shall include banks, savings and loan associations, insurance companies and mortgage bankers. In no event shall any second mortgage or other junior mortgage take priority over the assessment lien.