Kevin C. Karnes, Lee County Clerk of the Circuit Court & Comptroller
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Cross-Reference to Charter:
Charlotte Co. O.R. Book 4966, Page 1167
Lee Co. Instrument No. 2022000129701

THIRD AMENDMENT TO THE SECOND AMENDED AND RESTATED COMMUNITY CHARTER FOR BABCOCK RANCH RESIDENTIAL PROPERTIES

THIS THIRD AMENDMENT to the Second Amended and Restated Community Charter for Babcock Ranch Residential Properties ("**Amendment**") is made this 10th day of December, 2024, by Babcock Property Holdings, L.L.C., a Delaware limited liability company ("**Founder**").

WITNESSETH

WHEREAS, on July 22, 2016, Founder filed that certain Community Charter for Babcock Ranch Residential Properties, which was recorded as Instrument No. 2453865 in Official Records Book 4105, Page 15, *et seq.*, of the Public Records of Charlotte County, Florida ("**Charlotte Public Records**"), and which has been amended and restated by that Amended and Restated Community Charter for Babcock Ranch Residential Properties recorded in the Charlotte Public Records on November 8, 2018 as Instrument No. 2660285 in Official Records Book 4377, Page 1001, *et seq.*, as amended by that instrument recorded in the Charlotte Public Records December 9, 2020 as Instrument No. 2880992 in Official Records Book 4674, Page 349, *et seq.*; by that Second Amended and Restated Community Charter for Babcock Ranch Residential Properties recorded in the Charlotte Public Records on April 18, 2022 as Instrument No. 3089149 in Official Records Book 4966, Page 1167, *et seq.* and in the Public Records of Lee County, Florida ("**Lee Public Records**") on April 18, 2022 as Instrument No. 2022000129701, as further amended by that First Amendment recorded in the Charlotte Public Records on March 1, 2023 as Instrument No. 3227763 and in the Lee Public Records on March 2, 2023 as Instrument No. 2023000077713, and that Second Amendment recorded in the Charlotte Public Records on December 14, 2023 as Instrument No. 3348888 and in the Lee Public Records on September 11, 2024 as Instrument No. 2024000253819 (collectively, as amended and supplemented, the "**Charter**"); and

WHEREAS, pursuant to Section 21.2 of the Charter, the Founder reserved the right to amend the Charter unilaterally for any purpose until termination of the "Founder Control Period," as defined therein.

The Founder Control Period has not terminated, and the Founder desires to amend the Charter as set forth herein;

NOW, THEREFORE, pursuant to the powers retained by Founder under the Charter, Founder hereby amends the Charter as set forth below. Capitalized terms not defined herein shall have the meaning set forth in the Charter.

1.

Subsection (d) of Section 12.2, Budgeting for and Allocating Association Expenses, is amended to read as follows:

12.2. Budgeting for and Allocating Association Expenses

(d) ***Founder's Subsidy Option***. The Founder may, but shall not be obligated to, reduce the Base Assessment for any fiscal year by payment of a subsidy (in addition to any amounts paid by the Founder under Section 12.7(b)). Any such subsidy may be treated as a voluntary contribution, an advance against future assessments due from the Founder, a credit against future Operating Deficit obligations due from the Founder pursuant to Section 12.7(b), or a loan, in the Founder's discretion. Payment of such subsidy in any year shall not obligate the Founder to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and the Founder.

2.

Subsection (b) of Section 12.7, Obligation for Assessments and Fees, is amended to read as follows:

12.7. Obligation for Assessments and Fees

(b) ***Founder's Financial Obligations to Association***. The Founder shall be liable for assessments on any Units it owns under this Section, except that from the date of recording of the Original Charter through the termination of the Founder Control Period, the Founder shall be excused from its obligation to pay Base Assessments and Service Area Assessments on Units it owns so long as it is obligated to pay operating expenses incurred by the Association (exclusive of contributions to reserve funds) in excess of the assessments received or receivable from other Members plus all other sources income of the Association (including, without limitation, working capital contributions pursuant to Section 12.10, late fees, and interest but excluding contributions to reserves), if applicable ("**Operating Deficit**"), under the General Budget plus each Service Area Budget for any Service Area which includes the Founder's Units.

The Founder shall never be required to pay Base Assessments or Service Area Assessments on Units it owns during any fiscal year for which the Founder has elected to pay the Operating Deficit under this subsection (b) in lieu of paying regular Base Assessments and any Service Area Assessments for Units it owns. During the Founder Control Period, the Founder shall be presumed to have agreed to fund the Operating Deficit in lieu of paying assessments for its Units during each successive fiscal year, unless and until the Founder otherwise notifies the Board in writing at least 60 days before the beginning of the next fiscal

year. The Founder shall receive a credit for any amounts paid by it in excess of its funding obligation for the relevant fiscal year, and such credit shall be carried forward to the next fiscal year to offset future amounts due by the Founder (either assessments on its Units or its Operating Deficit obligation). The Founder's Operating Deficit funding obligation shall be a cumulative obligation beginning from the date of recording of the Original Charter and shall cease upon the earlier of (i) termination of the Founder Control Period, or (ii) the Founder's earlier election to discontinue funding the Operating Deficit and to pay assessments for its Units. Under no circumstances shall the Association be required to pay operating surpluses to the Owners. After termination of the Founder Control Period, the Founder shall pay assessments on any Units it owns that are subject to assessment under Section 12.6 in the same manner as any other Owner liable for such assessments.

Regardless of the Founder's election under this Section, any of the Founder's obligations to the Association may be satisfied in the form of cash, by "in kind" contributions of services or materials, or by a combination of these.

THE FOUNDER DOES NOT GUARANTEE THE LEVEL OF ASSESSMENTS, AND THERE IS NO GUARANTEED MAXIMUM LEVEL OF ASSESSMENTS DUE FROM OWNERS. IN THE EVENT THE FOUNDER ELECTS TO FUND THE OPERATING DEFICIT IN LIEU OF PAYING ASSESSMENTS ON ITS UNITS ON THE SAME BASIS AS OTHER OWNERS, THE FOUNDER SHALL FUND THE OPERATING DEFICIT AS REQUIRED IN SECTION 710.308(1), FLORIDA STATUTES. AS SUCH, THE PROVISIONS OF SECTIONS 720.308(2) – 720.308(5), FLORIDA STATUTES ARE NOT APPLICABLE TO THE FOUNDER OR THE CALCULATION OF THE OPERATING DEFICIT.

3.

Section 2.10, Capitalization of Association, is amended to read as follows:

12.10. Capitalization of Association

Except as otherwise provided in this Section, upon each transfer of title of a Unit to a Person other than the Founder, a Founder Affiliate, or a Builder designated by the Founder, the transferee shall make a contribution to the working capital of the Association in an amount equal to 50% of the annual Base Assessment per Unit levied by the Association for the year in which the transfer occurs. This amount shall be in addition to, not in lieu of, the annual Base Assessment and any Service Area Assessment levied on the Unit and shall not be considered an advance payment of such assessments. This amount shall be due and payable to the Association immediately upon transfer of title. The working capital contributions received by the Association are income to the Association and may be used at the Board's discretion, including without limitation, applied to reserves, to cover start-up expenses or operating expenses, and/or to reduce the Founder's obligation to fund the Operating Deficit. This Section shall not apply to the following transfers:

(i) a transfer to the Founder, a Founder Affiliate, or a Builder designated by the Founder;

(ii) a transfer by a co-Owner to any Person who was a co-Owner immediately prior to such transfer;

(iii) a transfer to the Owner's estate, surviving spouse, or heirs at law upon the death of the Owner; or

(iv) a transfer to an institutional lender pursuant to a Mortgage or upon foreclosure of a Mortgage.

[continued on next page]

IN WITNESS WHEREOF, the Founder has executed this Amendment by and through its authorized representative on the date and year first above written.

FOUNDER: **BABCOCK PROPERTY HOLDINGS, L.L.C.,** a Delaware limited liability company

By: _____
Name: Alfred Dougherty
Its: Chief Operating Officer

Address: 42850 Crescent Loop, Suite 200
Babcock Ranch, FL 33982

Signed, sealed and delivered
in the presence of:

_____
Print Name: Karen B. Dooms
Address: 42850 Crescent Loop
Babcock Ranch FL 33982

_____
Print Name: Sheila R. Taurianen
Address: 42850 Crescent Loop
Babcock Ranch, FL 33982

STATE OF FLORIDA
COUNTY OF CHARLOTTE

The foregoing instrument was acknowledged before me by means of ☑ physical presence or ☐ online notarization, this 10th day of December, 2024, by Al Dougherty, as COO - Communities of BABCOCK PROPERTY HOLDINGS, L.L.C., a Delaware limited liability company, on behalf of such limited liability company. He/~~she~~ is personally known to me and did not take an oath.

Given under my hand and official seal this 10th day of December, 2024.

SHEILA D. NICOLOFF NOTARY PUBLIC [SEAL] MY COMMISSION EXPIRES 10-28-2027 STATE OF FLORIDA COMMISSION NUMBER HH 416060

_____
Title: Notary Public
Serial Number, if any HH416060
My Commission Expires: October 28, 2027

This document was prepared by:
Janet L. Bozeman
Williams Teusink, LLC
312 Sycamore Street
Decatur, GA 30030

Babcock Ranch/Res/Charter-2nd A&R-3rd Amend-112624-jlb