

ARTICLES OF INCORPORATION

AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
VARSITY LAKES OWNERS' ASSOCIATION, INC.

**NOTE: SUBSTANTIAL AMENDMENT OF ENTIRE ARTICLES OF INCORPORATION.
FOR PRESENT TEXT SEE EXISTING ARTICLES OF INCORPORATION.**

Pursuant to Section 617.1007, Florida Statutes, these Articles of Incorporation of Varsity Lakes Owners' Association, Inc., a Florida corporation not for profit, which was originally incorporated under the same name on October 10, 1995, are hereby amended and restated in their entirety. All amendments included herein have been adopted pursuant to Section 617.1002, Florida Statutes, and there is no discrepancy between the corporation's Articles of Incorporation as heretofore amended and the provisions of these Amended and Restated Articles other than the inclusion of amendments, adopted pursuant to Section 617.1002, Florida Statutes, and the omission of matters of historical interest. The Amended and Restated Articles of Incorporation of Varsity Lakes Owners' Association, Inc., shall henceforth be as follows:

ARTICLE I

NAME: The name of the corporation is Varsity Lakes Owners' Association, Inc., sometimes hereinafter referred to as the "Association".

ARTICLE II

PRINCIPAL OFFICE: The principal office of the corporation shall be at such location within Lee County, Florida as may be determined from time to time by the Board of Directors.

ARTICLE III

PURPOSE AND POWERS: This Association will not permit pecuniary gain or profit nor distribution of its income to its members, officers or Directors. It is a nonprofit corporation formed for the purpose of establishing a corporate residential community homeowners' association which, subject to a Declaration of Covenants, Conditions, Restrictions and Easements for Varsity Lakes originally recorded in the Public Records of Lee County, Florida, at O.R. Book 2644 at Page 0703 et seq., and as amended, has the powers described herein. The Association shall have all of the common law and statutory powers of a Florida corporation not for profit, and a Chapter 720, Homeowners Association, consistent with these Articles, the Bylaws of the corporation, and with said Declaration for Varsity Lakes and shall have all of the powers and authority reasonably necessary or appropriate for the operation and regulation of a residential community, subject to said recorded Declaration, as it may from time to time be amended, including but not limited to the power:

ARTICLES OF INCORPORATION

(A) to fix, levy, collect and enforce payment by any lawful means all charges, assessments, or liens pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the corporation, including all license fees, taxes or governmental charges levied or imposed against the property or the corporation;

(B) to make, amend and enforce reasonable rules and regulations governing the use of the Common Areas and the operation of the Association;

(C) to sue and be sued, and to enforce the provisions of the Declaration, the Articles, the Bylaws and the reasonable rules of the Association;

(D) to contract for the management and maintenance of the Common Areas and to delegate any powers and duties of the Association in connection therewith except such as are specifically required by the Declaration to be exercised by the Board of Directors or the membership of the Association;

(E) to employ accountants, attorneys, architects, and other professional personnel to perform the services required for proper operation of the properties;

(F) to dedicate, sell or transfer all or any part of the Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication, sale or transfer shall be effective unless first approved by two-thirds (2/3rds) of the voting interests, present and voting, in person or by proxy at a duly called meeting of the membership.

(G) to borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred if first approved by two-thirds (2/3rds) of the voting interests, present and voting, in person or by proxy at a duly called meeting of the membership;

(H) to maintain, repair, replace and provide insurance for the Common Areas;

(I) to acquire, (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, or otherwise dispose of real or personal property in connection with the affairs of the corporation; and

(J) to exercise any and all powers, rights and privileges which a corporation organized under Chapters 617 and 720 of Florida Statutes may now or hereafter have or exercise; subject always to the Declaration as amended from time to time.

ARTICLES OF INCORPORATION

All funds and the title to all property acquired by the Association shall be held for the benefit of the members in accordance with the provisions of the Declaration, these Articles of Incorporation and the Bylaws.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS: Membership and Voting Rights shall be as set forth in the Bylaws of the Association.

ARTICLE V

TERM; DISSOLUTION: The term of the Association shall be perpetual. The Association may be dissolved with the consent given in writing and signed by not less than two-thirds (2/3rds) of total voting interests of the Association and two-thirds (2/3rds) of all of the institutional mortgagors holding mortgages on the Lots. Upon dissolution of the Association, other than incident to a merger or consolidation, its assets, both real and personal, shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was formed. In the event there is a refusal to accept such dedication, then such assets shall be granted, conveyed, and assigned to any non-profit corporation, association, trust or other organization that is devoted to purposes similar to those of this Association.

ARTICLE VI

BYLAWS: The Bylaws of the Association may be altered, amended or rescinded in the manner provided therein.

ARTICLE VII

AMENDMENTS: Amendments to these Articles shall be proposed and adopted in the following manner:

(A) Proposal. Amendments to these Articles shall be proposed by a majority of the Board or upon petition of one-fourth (1/4th) of the voting interests, and shall be submitted to a vote of the members not later than the next annual meeting.

(B) Vote Required: Except as otherwise required by Florida law or as provided elsewhere in these Articles, these Articles of Incorporation may be amended if the proposed amendment is approved by the affirmative vote of at least two-thirds (2/3rds) of the voting interests present and voting in person or by proxy, at a duly called meeting of the members of the Association.

(C) Effective Date: An amendment shall become effective upon filing with the Secretary of State and recording a certified copy in the Public Records of Lee County, Florida with the same formalities as are required in the Declaration for recording amendments to the Declaration.

ARTICLE VIII

DIRECTORS AND OFFICERS:

(A) The affairs of the Association will be administered by a Board of Directors consisting of the number of Directors determined by the Bylaws, but not less than three (3) Directors, and in the absence of such determination shall consist of three (3) Directors. Directors must be members of the Association.

(B) Directors of the Association shall be elected by the members in the manner determined by the Bylaws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the Bylaws.

(C) The business of the Association shall be conducted by the officers designated in the Bylaws. The officers shall be elected by the Board of Directors at its first meeting following the annual meeting of the members of the Association and shall serve at the pleasure of the Board.

ARTICLE IX

INDEMNIFICATION: To the fullest extent permitted by Florida law, the Association shall indemnify and hold harmless every Director and every officer of the Association against all expenses and liabilities including attorney fees, actually and reasonably incurred by or imposed on him in connection with any legal proceeding (or settlement or appeal of such proceeding) to which he may be a party because of his being or having been a director or officer of the Association. The foregoing right of indemnification shall not apply to:

(A) Willful misconduct or a conscious disregard for the best interests of the Association, in any proceeding by or in the right of the Association to procure a judgment in its favor.

(B) A violation of criminal law, unless the Director or officer had no reasonable cause to believe his action was unlawful.

(C) A transaction from which the Director or officer derived an improper personal benefit.

(D) Wrongful conduct by Directors or officers, in a proceeding brought by or on behalf of the Association.

In the event of a settlement, the right to indemnification shall not apply unless a majority of the disinterested Directors at the settlement as being in the best interest of the Association. The foregoing rights of indemnification shall be in addition to, and not exclusive of all other rights to which a Director or officer may be entitled.

BYLAWS

AMENDED AND RESTATED BYLAWS
OF
VARSITY LAKES OWNERS' ASSOCIATION, INC.

**NOTE: SUBSTANTIAL AMENDMENT OF ENTIRE BYLAWS
FOR PRESENT TEXT SEE EXISTING BYLAWS.**

1. GENERAL. These are Bylaws of Varsity Lakes Owners' Association, Inc., hereinafter the "Association", a corporation not for profit organized under the laws of Florida as a community association for the purpose of operating a residential community. All prior Bylaws, if any, are hereby revoked and superseded in their entirety.

1.1 Principal Office. The principal office of the Association shall be at such location within Lee County, Florida as may be determined from time to time by the Board of Directors.

1.2 Seal. The seal of the Association shall be inscribed with the name of the Association, the year of its organization, and the words "Florida" and "corporation not for profit". The seal may be used by causing it, or a facsimile of it, to be impressed, affixed, reproduced or otherwise placed upon any document or writing of the corporation where a seal may be required.

2. MEMBERS. The members of the Association are the record owners of legal title to the 298 Lots. In the case of a residential Lot subject to an agreement for deed, the purchaser in possession shall be deemed the owner of the residential Lot solely for purposes of determining use rights.

2.1 Change of Membership. A change of membership shall become effective after all the following events have occurred.

(A) Recording in the Public Records of a Deed or other instrument evidencing legal title to the unit of the member.

(B) Delivery to the Association of a copy of the recorded deed or other instrument evidencing title.

(C) Designation, in writing, of a primary occupant, which is required when title to a Lot is held in the name of two (2) or more persons who are not husband and wife, or by a trustee, partnership or a corporation or other entity which is not a natural person.

2.2 Voting Interests. The members of the Association are entitled to one (1) vote for each residential Lot owned by them in matters requiring a vote of all members. The total number of possible votes (the voting interests) of the Association is two hundred and ninety eight (298), which represents the total number of residential Lots in Varsity Lakes. The vote of a residential Lot is not divisible. The right to vote may be denied because of assessments delinquent more than ninety days. If

BYLAWS

a residential Lot is owned by one (1) natural person, the right to vote shall be established by the record title to the residential Lot. If a residential Lot is owned jointly by two (2) or more natural persons, that residential Lot's vote may be cast by any one (1) of the record owners. If two (2) or more owners of a residential Lot do not agree among themselves how their one (1) shall be cast on any issue, that vote shall not be counted for any purpose.

2.3 Approval or Disapproval of Matters. Whenever the decision or approval of a residential Lot owner is required upon any matter, whether or not the subject of an Association meeting, the decision or other response may be expressed by any person authorized to cast the vote of the residential Lot at an Association meeting, as stated in Section 2.2 above, unless the joinder of all record owners is specifically required.

2.4 Change of Membership. A change of membership in the Association shall be established by the new member's membership becoming effective as provided for in Section 2.1 above. At that time the membership of the prior owner shall be terminated automatically.

2.5 Termination of Membership. The termination of membership in the Association does not relieve or release any former member from liability or obligation incurred under or in any way connected with the Association during the period of his membership, nor does it impair any rights or remedies the Association may have against any former owner or member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

3. MEMBERS' MEETINGS; VOTING.

3.1 Annual Meeting. There shall be an annual meeting of the members in each calendar year. The annual meeting shall be held in Lee County, Florida, each year in the fourth calendar quarter at a date, time and place designated by the Board of Directors, for the purpose of electing Directors and transacting any other business duly authorized to be transacted by the members.

3.2 Special Members' Meetings. Special members' meetings must be held whenever called by the President or by a majority of the Directors, and any also be called by members having at least ten percent (10%) of the voting interests. The business at any special meeting shall be limited to the items specified in the notice of meeting.

3.3 Notice Meetings; Waiver of Notice. Notices of all members' meetings must state the date, time and place of the meeting. Notice of special meetings must include a description of the purpose or purposes for which the meeting is called. The notice must be mailed to each member at the member's address as it appears on the books of the Association, or may be furnished by personal delivery. The members are responsible for providing the Association with any change of address. The notice must be mailed or delivered at least fourteen (14) days prior to the date of the meeting. If ownership of a residential Lot is transferred after notice has been mailed, no separate notice to the new owner is required. Attendance at any meeting by a member constitutes waiver of notice by that member, unless the member objects to the lack of notice at the beginning of the meeting. A member may also waive notice of any meeting at any time by written waiver. Alternatively notices may be given by electronic transmission as provided by law.

BYLAWS

3.4 Quorum. A quorum at members' meeting shall be attained by the presence, either in person or by proxy, of persons entitled to cast at least thirty percent (30%) of the votes of the entire membership. If a quorum is not met at the initial meeting, the meeting can be reconvened immediately or within sixty (60) days, at which time a quorum shall be attained by the presence in person or by proxy of persons entitled to cast at least fifteen (15%) of the votes of the entire membership.

3.5 Vote Required. The acts approved by a majority of the votes cast by eligible voters at a meeting of the members at which a quorum has been attained shall be binding upon all residential unit owners for all purposes, except where a different number of votes is expressly required by law or by any provision of the governing documents.

3.6 Proxy Voting. Members may cast their votes at a meeting in person or by proxy. A proxy shall be valid only for the specific meeting for which originally given and any lawful adjournment of that meeting. No proxy shall be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at the pleasure of the person executing it. To be valid, a proxy must be in writing, dated, signed by the person authorized to cast the vote for the residential Lot, specify the date, time and place of the meeting for which it is given, and the original must be delivered to the Secretary by the appointed time of the meeting or adjournment thereof. No proxy shall be valid if it names more than one (1) person as the holder of the proxy, but the holder shall have the right, if the proxy so provides, to substitute another person to hold the proxy. Holders of proxies need not be members.

3.7 Adjourned Meetings. Any duly called meeting of the members may be adjourned to be reconvened at a later time by vote of the majority of the voting interests present, regardless of whether a quorum has been attained. When a meeting is so adjourned it shall not be necessary to give further notice of the time and place of its continuance if such are announced at the meeting being adjourned. Any business that might have been conducted at the meeting as originally scheduled may instead be conducted when the meeting is reconvened, but only if a quorum is present.

3.8 Order of Business. The order of business at members' meetings shall be substantially as follows:

- (A) Call of the roll or determination of quorum
- (B) Verification of Notification of Meeting
- (C) Reading or disposal of minutes of last members' meeting
- (D) Reports of Officers
- (E) Reports of Committees
- (F) Unfinished Business

BYLAWS

(G) New Business

(H) Election of Directors (annual meeting only)

(I) Adjournment

3.9 Minutes. Minutes of all meetings of the members and of the Board of Directors shall be kept in a businesslike manner, available for inspection by members or their authorized representatives at all reasonable times. Minutes must be reduced to written form within thirty (30) days after the meeting.

3.10 Parliamentary Rules. Roberts' Rules of Order (last edition) shall guide the conduct of the Association meetings when not in conflict with the law, with the Declaration, or with the Articles or Bylaws. The presiding officer may appoint a Parliamentarian whose decision on questions of parliamentary procedure shall be final. Any question or point of order not raised at the meeting to which it relates shall be deemed waived.

4. BOARD OF DIRECTORS. The administration of the affairs of the Association shall be by a Board of Directors. All powers and duties granted to the Association by law, as modified and explained in the Declaration, Articles and Bylaws, shall be exercised by the Board, subject to approval or consent of the residential owners only when such is specifically required.

4.1 Number and Terms of Office. The number of Directors that shall constitute the whole Board of Directors, shall be at least five (5) and not more than nine (9). All Directors shall be elected for a term of two (2) years. In order to provide for continuity of experience it is the intention of these Bylaws that the present system of staggered terms be maintained. A Director's term will end at the annual election at which his successor is to be duly elected, unless he sooner resigns or is recalled as provided for in Section 4.5 below. Directors shall be elected by the members as described in Section 4.3 below, or in the case of a vacancy, as provided for in Section 4.4 below. The number of Directors may be increased or decreased by a majority vote of the Board however the number may not be changed if the annual meeting is to occur within the next ninety (90) days.

4.2 Qualifications. Each Director must be a residential Lot owner or the spouse of a residential Lot owner. If a Lot is owned by a corporation, partnership or a trust any officer of the corporation, partner or the trustee or beneficiary of the trust is eligible for Board of Directors.

4.3 Nominations and Elections. Nominations for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to the annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall receive, but not less than the

BYLAWS

number of vacancies that are to be filled. Any eligible person may nominate himself or herself by notifying the Nominating Committee in writing at least 30 days before annual meeting. The Election to the Board Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration and these Bylaws. The persons receiving the largest number of votes shall be elected, except that a run-off shall be held to break a tie vote. Cumulative voting is not permitted.

4.4 Resignation; Vacancies on the Board. Any Director may resign at any time by giving written notice to the Association, and unless otherwise specified therein, the resignation shall become effective upon receipt. If the office of any Director becomes vacant for any reason, a successor shall be elected at a special meeting of the Board of Directors of the Association. The successor so elected shall fill the remaining unexpired term of the Director being replaced. If for any reason there shall arise circumstances in which no Directors are serving and the entire Board is vacant, the members shall elect successors at a special meeting.

4.5 Removal of Directors. Any Director may be removed, with or without cause, by a majority vote of the voting interests, either by a written petition or at a meeting called for that purpose. If a special meeting is called by ten percent (10%) of the voting interests for the purpose of recall, the notice of the meeting must be accompanied by a dated copy of the signature list, stating the purpose of the signatures. The meeting must be held not less than fourteen (14) days or more than sixty (60) days from the date that notice of the meeting is given. If removal is effected by petition, the vacancy or vacancies shall be filled as provided for in Section 4.4 above. If removal is effected at a meeting, any vacancies created thereby shall be filled by the members at the same meeting. Any director who is removed from office is not eligible to stand again for election to the Board until the next annual election, and must turn over to the Association within seventy-two (72) hours any and all records and other property of the corporation in his possession. If a Director who is removed does not relinquish his office or turn over records as required, the circuit court in the county where the Association has its principal office may summarily order the Director to relinquish his office and turn over corporate records upon application of any member. In any such action, the prevailing party shall be entitled to recover its attorney fees and costs.

4.6 Organizational Meeting. The organizational meeting of a new Board of Directors shall be held within ten (10) days after the election of new Directors, at such place and time as may be fixed and announced by the Directors at the annual meeting at which they were elected.

4.7 Other Meetings. Meetings of the Board may be held at such time and place in Lee County, Florida, as shall be determined from time to time by the President or by a majority of the Directors. Notice of meetings shall be given to each Director, personally or by mail, telephone or electronic transmission at least forty-eight (48) hours before the meeting.

4.8 Notice to Owners. Meetings of the Board of Directors shall be open to members except for meetings between the Board and its attorney with respect to proposed or pending litigation where the discussion would otherwise be governed by the attorney-client privilege, and notices of all Board meetings, together with an agenda, shall be posted conspicuously in the community at least forty-

BYLAWS

eight (48) continuous hours in advance of each Board meeting, except in an emergency. Notice of any Board meeting at which special assessments are to be considered for any reason shall specifically contain a statement that special assessments will be considered and the nature of the assessments and notice of such meeting must be delivered to each owner at least fourteen (14) days in advance of the meeting. Notices may be given by electronic transmission.

4.9 Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting, and such waiver is deemed equivalent to the giving of notice. If all Directors are present at a meeting, no notice to Directors shall be required.

4.10 Quorum of Directors. A quorum at a Board meeting shall be attained by the presence in person of a majority of all Directors. Directors may participate in any meeting of the Board, or meeting of an executive or other committee, by means of a conference telephone call or similar communicative arrangement whereby all persons present can hear and speak to all other persons. Participation by such means shall be deemed equivalent to presence in person at a meeting.

4.11 Vote Required. The acts approved by a majority of those Directors present and voting at a meeting at which a quorum has been attained shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the governing documents or by applicable statutes. A Director who is present at a meeting of the Board is deemed to have voted in favor of every action taken, unless he voted against such action or abstained from voting because of an asserted conflict of interest. The vote or abstention of each Director present on each issue voted upon shall be recorded in the minutes of each meeting. Directors may not vote by proxy or secret ballot at Board meetings, except that secret ballots may be used in the election or removal of officers.

4.12 Adjourned Meetings. A majority of the Directors present at any meeting of the Board of Directors, regardless of whether a quorum exists, may adjourn the meeting to be reconvened at a specified later time. When the meeting is reconvened, provided a quorum is present, any business that might have been transacted at the meeting originally called may be transacted.

4.13 The Presiding Officer. The President of the Association, or in his absence, the Vice-President, is the presiding officer at all meetings of the Board. If neither officer is present, the presiding officer shall be selected by majority vote of the Directors present.

4.14 Directors' Fees and Reimbursement of Expenses. Neither Directors nor officers shall receive compensation for their services as such. Directors and officers may be reimbursed for all actual and proper out-of-pocket expenses related to the proper discharge of their respective duties.

4.15 Committees. The Board of Directors may appoint from time to time such standing or temporary committees, including a search committee, as the Board may deem necessary and convenient for the efficient and effective operation of the Association. Any such committee shall have the powers and duties assigned to it in the resolution creating the committee. Only committees assigned with the power to make final decisions regarding the expenditure of association funds or committees vested with the power to approve or disapprove architectural decisions with respect to specific parcel of residential property owned by a member of the community are required to hold

BYLAWS

meetings that are open to members and notice and hold their meetings with the same formalities as required for Board meetings. Committees vested with the power to approve or disapprove architectural decisions with respect to a specified parcel of residential property owned by a member of the community may not vote by proxy or secret ballot.

4.16 Emergency Powers. In the event of any "emergency" as defined in Section 4.16(G) below, the Board of Directors may exercise the emergency powers described in this Section, and any other emergency powers authorized by Sections 617.0207, and 617.0303, Florida Statutes, as amended from time to time.

(A) The Board may name as assistant officers, persons who are not Directors, which assistant officers shall have the same authority as the executive officers to whom they are assistant during the period of the emergency, to accommodate the incapacity of any officer of the Association.

(B) The Board may relocate the principal office or designate alternative principal offices or authorize the officers to do so.

(C) During any emergency the Board may hold meetings with notice given only to those Directors with whom it is practicable to communicate, and the notice may be given in any practicable manner, including publication or radio. The Director or Directors in attendance at such a meeting shall constitute a quorum.

(D) Corporate action taken in good faith during what is reasonably believed to be an emergency under this Section to further the ordinary affairs of the Association shall bind the Association; and shall have the rebuttal presumption of being reasonable and necessary.

(E) Any officer, director, or employee of the Association acting with a reasonable belief that his actions are lawful in accordance with these emergency Bylaws shall incur no liability for doing so, except in the case of willful misconduct.

(F) These emergency Bylaws shall supersede any inconsistent or contrary provisions of the Bylaws during the period of the emergency.

(G) An "emergency" exists for purposes of this Section during the time when a quorum of the Board cannot readily be assembled because of the occurrence or imminent occurrence of a catastrophic event, such as a hurricane, earthquake, act of war, civil unrest or terrorism, or other similar event. An "emergency" also exists during the period of time that civil authorities have declared that a state of emergency exists in, or have ordered the evacuation of, the area in which Varsity Lakes Owners' Association, Inc., is located, or have declared that area a "disaster area". A determination by any two (2) Directors, or by the President, that an emergency exists shall have presumptive validity.

5. OFFICERS.

5.1 Officers and Elections. The executive officers of the Association shall be a President, and a Vice-President, who must be Directors, a Treasurer and a Secretary, all of whom shall be elected annually by a majority vote of the Board of Directors. Any officer may be removed with or without cause at any meeting by vote of a majority of the Directors. Any officer so removed shall return all books, records and property of the Association to the Association within seventy-two (72) hours of their removal. Any person except the President may hold two (2) or more offices. The board may, from time to time, appoint such other officers, and designate their powers and duties, as the Board shall find to be required to manage the affairs of the Association. If the Board so determines, there may be more than one (1) Vice-President.

5.2 President. The President shall be the chief executive officer of the Association; shall preside at all meetings of the members and Directors; shall be *ex-officio* a member of all standing committees; shall have general and active management of the business of the Association; and shall see that all orders and resolutions of the Board are carried into effect. The President shall execute bonds, mortgages and other contracts and documents requiring the seal of the Association, except where such are permitted by law to be otherwise signed and executed, and the power to execute is delegated by the Board of Directors to some other officer or agent of the Association. The President is authorized to approve expenditures of operating funds of up to \$500 unless the Board of Directors shall vote to rescind such authorization. There shall be a total annual cap of \$1,500, which may be increased by a majority vote of the Board. In all cases the expenditure must be noticed to the Board with twenty-four (24) hours of the authorization.

5.3 Vice-Presidents. The Vice-Presidents, in the order of their seniority shall, in the absence or disability of the President, perform the duties and exercise the powers of the President; and they shall perform such other duties, as the Board of Directors shall assign.

5.4 Secretary. The Secretary shall attend meetings of the Board of Directors and all meetings of the members and shall cause all votes and the minutes of all proceedings to be recorded in a book or books to be kept for the purpose, and shall perform like duties for standing committees when required. The Secretary shall give, or cause to be given, proper notice of all meetings of the members, and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board or the President. The Secretary shall keep in safe custody the seal of the Association and, when authorized by the Board, affix the same to any instrument requiring it. The Secretary shall be responsible for the proper recording of all duly adopted amendments to the governing documents. Any of the foregoing duties may be performed by an Assistant Secretary, if one has been designated.

5.5 Treasurer. The Treasurer shall have the custody of Association funds and securities, and be responsible for the keeping of full and accurate accounts of receipts and disbursements in books belonging to the Association. The Treasurer is responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as are selected by the Board of Directors. The Treasurer shall oversee the disbursement of Association funds, keeping proper vouchers for such disbursements, and shall render to the President and Directors, at meetings of the Board, or whenever they may require it, a full accounting of all transactions and of

BYLAWS

the financial condition of the Association. The Treasurer shall prepare an annual budget of estimated revenues and expenses to present to the Board of Directors for approval. Any of the foregoing duties may be performed by an Assistant Treasurer, if one is elected.

5.6 Compensation of Officers. No compensation shall be paid to any officer for services as an officer of the Association. This provision does not preclude the Board of Directors from employing officers as employees of the Association.

6. FISCAL MATTERS. The provisions for fiscal management of the Association set forth in the Declaration shall be supplemented by the following provisions.

6.1 Depository. The Association shall maintain its funds in such federally insured accounts at financial institutions in the State of Florida as shall be designated from time to time by the Board. Withdrawal of monies from such accounts shall be only by such persons as are authorized by the Board. The Board may invest Association funds in interest-bearing accounts, money market funds, certificates of deposit, U.S. Government securities and other similar investment vehicles.

6.2 Accounts of the Association. The Association shall maintain its accounting books and records according to generally accepted accounting principles. There shall be an account for each residential unit. Such accounts shall designate the name and mailing address of each residential unit, the amount and due date of each assessment or charge against the residential unit, amounts paid, date of payment and the balance due.

6.3 Budget. The Treasurer shall prepare and the Board of Directors shall adopt a budget of Association estimated revenues and expenses for each coming fiscal year. Once adopted, the Association shall provide to each member a copy of the annual budget or a written notice that a copy of the budget is available upon request at no charge to the member. The proposed budget shall be detailed and shall show the amounts budgeted by accounts, including reserve accounts, and revenue and expense classifications. The estimated surplus or deficit as of the end of the current year shall be shown and all fees or charges for recreational amenities shall be set out separately. The budget shall show a separate line item(s) for the expenses associated solely with Varsity Lake that shall be added to the annual assessment of the Owners of the forty one (41) Lots abutting Varsity Lake.

6.4 Reserves. The Board of Directors may establish in the budget one (1) or more restricted reserve accounts for capital expenditures and deferred maintenance. Contingency reserves for unanticipated operating expenses shall be included, if at all, in the operating portion of the budget. These funds may be spent for any purpose approved by the Board. The purpose of reserves is to provide financial stability and to avoid the need for special assessments. The annual amounts proposed to be so reserved shall be shown in the annual budget.

6.5 Assessments; Installments. The regular annual assessment based on an adopted budget shall be paid in quarterly installments, in advance, due on the first day of January, April, July and October of each year. Written notice of the annual assessment shall be sent to the owners of each Lot prior to the first quarterly installment being due, but failure to send (or receive) such notice does not excuse the obligation to pay. If an annual budget for a new fiscal year has not been adopted, or if

BYLAWS

notice of any increase has not been made at the time the payment for the first quarterly installment is due, it shall be presumed that the amount of such installment is the same as the last quarterly installment, and payments shall be continued at such rate until a budget is adopted and new annual assessments are calculated, at which time an appropriate adjustment shall be added to or subtracted from each unit's next due quarterly installment. Calculation of the regular annual assessment payable by all Lot Owners shall be made by dividing the budgeted expenses, less other anticipated income and expenses solely attributable to Varsity Lake, by the total number of Lots (298). Expenses solely attributable to Varsity Lake shall be divided by the total number of Lots abutting Varsity Lake (41) and this amount shall be added to the regular annual assessment for the forty one (41) Class A Lake Members.

6.6 Special Assessments. Special assessments may be imposed by the Board of Directors when necessary to meet unusual, unexpected, unbudgeted or non-recurring expenses, or for such other purposes as are authorized by the Declaration and these Bylaws, including but not limited to, making payments under the mortgage for the recreational facility. Special assessments are due on the day specified in the resolution of the Board approving such assessment. The total of all special assessments coming due in any fiscal year shall not exceed fifteen percent (15%) of the total annual budget for that year, including reserves, unless a majority of the voting interests first consent. The notice of any Board meeting at which a special assessment will be considered shall be given as provided in Section 4.8 above; and the notice to the owners that the assessment has been levied must contain a statement of the purpose(s) of the assessment. The funds collected must be spent for the stated purpose(s) or returned to the members as provided by law.

6.7 Fidelity Bonds. The President, Treasurer, and all other persons who are authorized to sign checks, shall be bonded in such amounts as may be required by law or otherwise determined by the Board of Directors. The premiums on such bonds are a common expense.

6.8 Financial Reports. Not later than sixty (60) days after the close of each fiscal year, the Board shall cause to be prepared and distributed to the owners of each residential unit a financial report showing in reasonable detail the financial statements prescribed in conformity with generally accepted accounting principles or a cash basis financial report of actual receipts and expenditures showing the amount of receipts and expenditures by classification and the beginning and ending cash balances of the Association. This shall included by not necessarily be limited to an Income Statement, a Balance Sheet and a Statement of Reserve Accounts.

6.9 Audits. A formal, certified audit of the accounts of the Association, if required by law, or by vote of a majority of the voting interests, or by a majority of the Directors, shall be made by a certified public accountant, and a copy of the audit report shall be available to all members.

6.10 Application of Payments and Co-Mingling of Funds. All monies collected by the Association may be co-mingled in a single fund or divided into two (2) or more funds, as determined by the Board of Directors. All payments on account by a unit owner shall be applied as to interest, delinquencies, costs and attorney fees, other charges, and regular or special assessments, in such manner and amounts as the Board may determine.

BYLAWS

6.11 Fiscal Year. The fiscal year for the Association shall begin on the first day of January of each calendar year.

7. RULES AND REGULATIONS; USE RESTRICTIONS. The Board of Directors may, from time to time, adopt and amend administrative rules and regulations governing the use, maintenance, management and control of the common areas, Lots and the operation of the Association. Copies of such rules and regulations shall be furnished to each residential unit owner. All rules effecting Varsity Lake must also be approved by a majority of the forty one (41) Class A Lake Members.

8. COMPLIANCE AND DEFAULT; REMEDIES. In addition to the remedies provided in the Declaration, the following shall apply.

8.1 Fines; Suspensions. The Board of Directors may levy fines and/or suspensions against members, or members' tenants or guests, or both, who commit violations of Chapters 617 or 720, Florida Statutes, the provisions of the governing documents, or the rules and regulations, or who condone such violations by their family members, guests or lessees. Fines shall be in amounts deemed necessary by the Board to deter future violations, but in no event shall any single fine exceed the maximum amount allowed by law. The maximum fine for a continuing violation shall be the maximum allowed by law. Suspensions of the use of common areas and facilities may be imposed for a reasonable period of time to deter future violations. The procedure for imposing fines or suspending use rights shall be as follows:

(A) Notice. The party against whom the fine and/or suspension is sought to be levied or imposed shall be afforded an opportunity for hearing after reasonable notice of not less than fourteen (14) days, and the notice shall include:

- (1) a statement of the date, time and place of the hearing;
- (2) a specific designation of the provisions of the Chapters 617 or 720, Florida Statutes, the governing documents or the rules which are alleged to have been violated;
- (3) a short and plain statement of the specific facts giving rise to the alleged violation(s); and
- (4) the possible amounts of any proposed fine and/or possible use rights of common areas or facilities to be suspended.

(B) Hearing. At the hearing the party against whom the fine and/or suspensions may be levied shall have a reasonable opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved, and to review, challenge, and respond to any evidence or testimony presented by the Association. The hearing shall be conducted before a panel of three (3) residential unit owners appointed by none of whom may then be serving as Directors or officers, or who are employees of the Association, or the spouse,

BYLAWS

parent, child, brother or sister of an officer, director or employee. If the committee, by majority vote, does not agree with the proposed fine and/or suspension, it may not be levied or imposed. If the committee agrees with the proposed fine and/or suspensions, the Board of Directors shall levy same.

8.2 Suspensions and Fines without Hearing. The foregoing notwithstanding, as provided in 720.305(2)(b), Florida Statutes, no prior notice or opportunity for a hearing is required for the imposition of a fine or suspension upon any member because of the failure of the member to pay assessments or other charges when due.

8.3 Correction of Health and Safety Hazards. Any violations of the Association rules which creates conditions of the property which are deemed by the Board of Directors to be a hazard to the public health or safety may be dealt with immediately as an emergency matter by the Association, and the cost thereof shall be charged to the residential unit owner.

9. AMENDMENT OF BYLAWS. Amendments to these Bylaws shall be proposed and adopted in the following manner.

9.1 Proposal. Amendments to these Bylaws shall be proposed by a majority of the Board or upon petition of one-fourth (1/4th) of the voting interests, and shall be submitted to a vote of the members not later than the next annual meeting.

9.2 Vote Required: Except as otherwise required by Florida law or as provided elsewhere in these Bylaws, these Bylaws may be amended if the proposed amendment is approved by the affirmative vote of at least two-thirds (2/3rds) of the voting interests in the Association, present and voting, in person or by proxy, at a duly called meeting of the members of the Association.

9.3 Effective Date: An amendment shall become effective upon the recording of a copy in the Public Records of Lee County, Florida with the same formalities as are required in the Declaration for recording amendments to the Declaration.

10. MISCELLANEOUS.

10.1 Gender; Number. Whenever the masculine or singular form of a pronoun is used in these Bylaws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, as the context requires.

10.2 Severability. If any portion of these Bylaws is void or become unenforceable, the remaining provisions shall remain in full force and effect.

10.3 Conflict. If any irreconcilable conflict should exist, or hereafter arise, with respect to the interpretation of these Bylaws and the Declaration of Covenants, Conditions, Restrictions and Easements, or the Association's Articles of Incorporation, the provisions of the Declaration or Articles of Incorporation shall prevail over the provisions of these Bylaws.

**AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
FOR
VARSITY LAKES**

**NOTE: SUBSTANTIAL AMENDMENT OF ENTIRE DECLARATION
FOR PRESENT TEXT SEE EXISTING DECLARATION**

KNOW ALL MEN BY THESE PRESENTS that on October 18, 1995 the original Declaration of Covenants, Conditions, Restrictions and Easements for Varsity Lakes was recorded in Official Record Book 2644, at Page 0703 *et seq.*, of the Public Records of Lee County, Florida. That Declaration, as it has previously been amended, is hereby further amended and is restated in its entirety, as amended.

The land subject to this Declaration (hereinafter "Varsity Lakes" or the "Property") is legally described in Exhibit A to the original Declaration, as amended. That description is hereby incorporated by reference. No additional land is being added by this instrument and no land is being removed by this instrument. The covenants, conditions and restrictions contained in this Declaration shall run with the land and be binding upon and inure to the benefit of all present and future owners. The acquisition of title to a Lot or any other ownership interest in the Property, or the lease, occupancy or use of any portion of a Lot or the Property, constitutes an acceptance and ratification of all provisions of this Declaration as amended from time to time, and an agreement to be bound by its terms.

1. DEFINITIONS. The following words and terms used in this Declaration or any of the governing documents (unless the context shall clearly indicate otherwise) shall have the following meanings:

1.1 "Assessments" means a share of the funds required for the payment of common expenses and individual expenses which from time to time are assessed by the Association against an owner as Regular, Special and Individual Assessments.

1.2 "Association" means Varsity Lakes Owners' Association, Inc., a Florida corporation not for profit, which is responsible for the maintenance and operation of the Common Areas and amenities at Varsity Lakes.

1.3 "Articles" and "Bylaws" as used herein, means the Amended and Restated Articles of Incorporation and the Amended and Restated Bylaws of Varsity Lakes Owners' Association, Inc., as amended from time to time. A copy of the Articles of Incorporation and Bylaws are attached hereto as Exhibit "A" and "B" respectively.

1.4 "Board" means the Board of Directors responsible for the administration of Varsity Lakes Owners' Association, Inc.

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

1.5 "Common Areas" means all real property including any improvements, easements and fixtures thereon, owned, leased or the use of which has been granted or dedicated to the Association for the common use and enjoyment of its members, including but not limited to street lighting systems, roadway systems, entry gate, irrigation systems, planted landscaping, pedestrian or other easement areas, signage, structures, and lakes. The Common Areas owned by the Association include all land described above and subject to this Declaration save and except for the individual Lots. The Common Areas include but are not limited to the storm water management and drainage features and all areas designated as Common Area on the Phase I Plat of Varsity Lakes recorded in Plat Book 57, Page 24-26, public record of Lee County, Florida, including but not limited to Tracts A (the "Conservation Area Easement" and the "Meandering Wetland Enhancement Areas"), B (the "Park Areas"), C (the "Park Areas"), I ("Varsity Lake"), J ("Junior Varsity Lake"), L ("Varsity Pond"), M (the "Park Areas"), N (the "Park Areas"), and O (the "Phase I Roadways").

1.6 "Common Expenses" means the expenses incurred by the Association in the course of performing its duties under the governing documents and the law. Common expenses of the Association include the costs of operating the Association, the costs of administration, maintenance, operation, repair and replacement of the Common Areas, other expenses declared by the governing documents to be common expenses, and any other valid expenses or debts of the common property as a whole of the Association which are assessed against the Lot owners.

1.7 "Common Surplus" means the excess of all receipts of the Association, including but not limited to assessments, rents, profits and revenues over the common expenses.

1.8 "Conservation Area Easement" means Tract A on the Phase I Plat. This Conservation Area Easement shall be the perpetual responsibility of the Association and may in no way be altered from its natural state. Activities prohibited within this area include, but are not limited to, construction or placing of buildings on or above the ground; dumping or placing soil or other substances such as trash; removal or destruction of trees, shrubs, or other vegetation – with the exception of exotic/nuisance vegetation removal; any other activities detrimental to drainage; flood control, water conservation, erosion control, or fish and wildlife habitat conservation or preservation.

1.9 "Declaration" means this Declaration of Covenants, Conditions, Restrictions and Easements for Varsity Lakes as amended from time to time.

1.10 "Entry Gate" means that device installed within the Median Signage Area. The Entry Gate shall be owned, operated and maintained by the Association.

1.11 "Entry Monumentation, Landscaping, and Signage Area" means areas located within the County rights-of-way, County road rights-of-way, East County Water Control District rights-of-way or landscape easements upon which may be located entrance or location signage, landscaping and irrigation systems.

1.12 "Existing Restrictions" means those Restrictions dated February 26, 1981 and recorded on March 2, 1981 in Official Record Book 1491, Pages 2397 through 2401, Public Records of Lee County Florida as amended from time to time.

1.13 "**Family**" or "**Single Family**" shall refer to any one of the following:

(A) One natural person.

(B) Two or more natural persons who commonly reside together as a single housekeeping unit, each of whom is related by blood, marriage or adoption to each of the others.

(C) Two or more natural persons who are not related by blood, marriage or adoption but who commonly reside together as a bona fide single housekeeping unit.

1.14 "**Governing Documents**" means and includes this Declaration, the Articles and Bylaws, and all recorded exhibits thereto, as amended from time to time.

1.15 "**Guest**" means any person who is not the owner or a lessee of a home or a member of the owner's or lessee's family, who is physically present in, or occupies a home on a temporary basis at the invitation of the owner or other legally permitted occupant, without the payment of consideration.

1.16 "**Home**" means a residential dwelling unit intended for residential use, which is constructed on the property.

1.17 "**Institutional Mortgagee**" means the mortgagee (or its assignee) of a mortgage against a Lot, which mortgagee is a bank, savings and loan association, mortgage company, insurance company, real estate or mortgage investment trust, pension or profit sharing trust, the Federal Housing Administration, the Veterans Administration, or any agency of the United States of America. The term also refers to any holder of a mortgage against a Lot which mortgage is guaranteed or insured by the Federal Housing Administration, the Veterans Administration, any agency of the United States of America, or by any other public or private corporation engaged in the business of guaranteeing or insuring residential mortgage loans, and their successors and assigns.

1.18 "**Junior Varsity Lake**", "**Varsity Lake**" and "**Varsity Pond**" mean the lakes and pond located on Tract J, Tract I and Tract L respectively.

1.19 "**Lease**" means the grant by a residential owner of a temporary right of use of the owner's home for valuable consideration.

1.20 "**Lot**" or "**Parcel**" means the two hundred and ninety eight (298) Lots or parcels of land located within the real property legally described in Exhibit "A" of the original Declaration, as amended and as found on the Plat or Plats of Varsity Lakes, public record of Lee County, Florida. That description is hereby incorporated by reference. No additional land is being added by this instrument and no land is being removed by this instrument. All of said land has been subdivided for residential use with fee simple title to each Lot having been conveyed to an owner for use as a residential homesite. No Lot shall include the Common Areas except easements. No Lot may be subdivided or joined together without the consent of the Association. The Lots may be depicted and numbered on sketches or surveys as recorded in the Public Records of Lee County, Florida.

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

1.21 "**Median Signage Area**" means an area located within the road right-of-way of Varsity Lakes Drive, a portion of Tract O designated on the Phase I Plat, upon which landscaping is planted, entrance signage is erected, and upon which the Entry Gate is located, all of which shall be maintained by the Association.

1.22 "**Members**" means and refers to those persons who are entitled to membership in the Association as provided in its Articles of Incorporation and Bylaws.

1.23 "**Occupy**" when used in connection with a home, means the act of staying overnight in a home. "**Occupant**" is a person who occupies a home.

1.24 "**Owner**" or "**Parcel Owner**" means the record owner of legal title to a Lot.

1.25 "**Park Areas**" means those areas located within Tracts B, C, M and N where recreational activities can take place, which areas shall be maintained by the Association.

1.26 "**Pedestrian Ways**" means those areas, consisting of concrete sidewalks, approximately four (4) feet in width, and asphalt bikeways, approximately six (6) feet in width, wherever located on certain Lots or within the Swale Area, Park Areas, public or private road rights-of-way, East County Water Control District rights-of-way, landscape buffer areas or other Common Areas.

1.27 "**Primary Occupant**" means the natural person approved for occupancy of a home when title to the Lot is held in the name of two or more persons who are not husband and wife, or by a trustee or a corporation or other entity that is not a natural person. When used in reference to a home owned in one of the forms listed above, the term "primary occupant" shall be synonymous with the term "owner".

1.28 "**Properties**" or "**Community**" means all the real property that is subject to this Declaration.

1.29 "**Rear Yard Area**" means that area between the rear property line of each Lot and the nearest edge of any adjacent canal right-of-way, canal, ditch, preserve area and Common Area, including Varsity Lake, Junior Varsity Lake and Varsity Pond.

1.30 "**Structure**" means that which is built or constructed, or any piece of work artificially built up or composed of parts joined together in some definite manner, the use of which requires a more or less permanent location on the ground. The term shall be construed as if followed by the words "or part thereof". The term includes, without limitation swimming pools, fences, flagpoles, antennas, playground equipment, and storage sheds.

1.31 "**Swale Area**" means that area between the front property line of each Lot and the nearest edge of the paved portion of the adjacent roadway, including Pedestrian Ways, if any. The Swale Area, including the driveway culvert, is part of the Surface Water Management System and shall be maintained by the Lot Owners but shall not be altered without written approval of the Board of Directors.

1.32 **“Surface Water Management System”** means and refers to constructed surface water and/or underground systems and facilities for the drainage and/or storage of surface water throughout Varsity Lakes, including lakes and ponds thereon and control structures, swales and swale areas.

1.33 **“Tracts A through O”** means tracts A, B, C, D, E, F, G, H, I, J, K, L, M, N, and O as shown on the Phase I Plat of Varsity Lakes.

1.34 **“Voting Interests”** means the voting rights granted to the Association members pursuant to the Bylaws.

2. ASSOCIATION.

2.1 **Membership.** Every owner of a Lot shall be a member of the Association, and by acceptance of a deed or other instrument evidencing his ownership interest, each owner accepts his membership in the Association, acknowledges the authority of the Association as herein stated, and agrees to abide by and be bound by the provisions of this Declaration, the Articles and Bylaws, and the rules and regulations of the Association, as amended from time to time.

2.2 **Voting Rights.** Voting rights are set forth in the Bylaws of the Association.

2.3 **Articles of Incorporation.** A copy of the Amended and Restated Articles of Incorporation of the Association is attached to this Declaration as Exhibit "A".

2.4 **Bylaws.** A copy of the Amended and Restated Bylaws of the Association is attached to this Declaration as Exhibit "B".

2.5 **Delegation of Management.** The Association may contract for the management and maintenance of those portions of the Property it is required to maintain, and may authorize a licensed management agent to assist the Association in carrying out its powers and duties by performing functions which may include but are not limited to the submission of proposals, collection of assessments, keeping of records, enforcement of rules and maintenance, repair and replacement of the Common Areas with funds made available by the Association for such purposes.

2.6 **Acts of the Association.** Unless the approval or affirmative vote of the Lot owners is specifically made necessary by some provision of the law or the governing documents, all approvals or actions permitted or required to be given or taken by the Association may be given or taken by its Board of Directors, without a vote of the Lot owners. The officers and Directors of the Association have a fiduciary relationship to the Lot owners. A Lot owner does not have the authority to act for or bind the Association by reason of being a Lot owner.

2.7 **Powers and Duties.** The powers and duties of the Association include those set forth in Chapters 617 and 720, Florida Statutes, and in the governing documents. The Association may contract, sue or be sued with respect to the exercise or non-exercise of its powers and duties. For these purposes, the powers of the Association include, but are not limited to, the maintenance, management, and operation of the Common Areas. The Association has the power to enter into

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

agreements to acquire leaseholds, memberships and other ownership, possessory, easement or use interests in lands or facilities for the use and enjoyment of the owners.

2.8 Official Records. The Association shall maintain its official records as required by law. The records shall be open to inspection by members or their authorized representatives at all reasonable times. The right to inspect the records includes a right to make or obtain photocopies at the reasonable expense of the member seeking copies.

2.9 Purchase of Lots. The Association has the power to purchase Lots in Varsity Lakes in connection with the foreclosure of an Association lien for assessments, charges or fines or any other foreclosure of an interest that affects the Association's lien and to hold, lease, mortgage, encumber or convey them with such power to be exercised by the Board of Directors without prior approval of the members.

2.10 Interests in Real Property. The Association has the power to acquire property, both real and personal. The power to acquire personal property shall be exercised by the Board of Directors. Except as otherwise provided in Section 2.9 above, the power to acquire, encumber or convey ownership interests in real property shall be exercised by the Board of Directors only after approval by at least a majority of the voting interests of the Association.

2.11 Disposition of Personal Property. Any personal property owned by the Association, may be mortgaged, sold, or otherwise encumbered or disposed of by the affirmative vote of a majority of the entire Board of Directors, without need for authorization by the Lot owners.

2.12 Roster. The Association shall maintain a current roster of names and mailing addresses of Lot owners, based upon information supplied by the Lot owners. Lot owners are responsible for notifying the Association of any change in their mailing address. All such notices shall be in writing. The Association at the sole discretion of the Board of Directors may utilize electronic notice and mailing as provided by law.

3. ASSESSMENTS. The provision of this section shall govern assessments payable by all owners of Lots, for the common expenses of the Association not directly attributable to one of the Lots.

3.1 Covenant to Pay Assessments. Each owner of a Lot by the act of becoming an owner covenants and agrees, and each subsequent owner of any Lot (including any purchaser at a judicial sale), by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay the Association:

(A) The Lot owner's share of annual assessments based on the annual budget adopted by the Board of Directors of the Association;

(B) The Lot owner's pro rata share of special assessments for capital improvements or other Association expenditures not provided for by annual assessments;

(C) Any charges properly levied against individual Lot owner(s) without participation from other owners.

Assessments and charges shall be established and collected as provided herein and elsewhere in the governing documents. The owner of each Lot, regardless of how title was acquired, is liable for all assessments or installments thereon coming due while he is the owner. Multiple owners are jointly and severally liable. Except as provided in Section 3.10 below, whenever title to a Lot is transferred for any reason, the transferee is jointly and severally liable with the transferor for all unpaid assessments and charges against the transferor, regardless of when incurred, without prejudice to any right the transferee may have to recover from the transferor any amounts paid by the transferee. No owner may waive or otherwise escape liability for the assessments and charges provided for herein by waiver or non-use of the Common Areas, by abandonment, or otherwise. Except as provided elsewhere in the governing documents as to Institutional Mortgagees, no owner may be excused from the payment of assessments unless all owners are similarly excused. Assessments and other funds collected by or on behalf of the Association become the property of the Association. No Lot owner has the right to claim, assign or transfer any interest therein except as an appurtenance to his Lot. No owner can withdraw or receive distribution of his prior payments to the common surplus or Association reserves, except as otherwise provided herein or by law.

3.2 Purposes of Assessments. The assessments levied by the Association shall be used for the purposes of promoting the general welfare of the Lot owners and residents of Varsity Lakes; to operate, maintain, repair, improve, construct, and preserve (on a non-profit basis) the Common Areas owned by the Association for the benefit of its members, their guests, tenants and invitees; and to perform all other duties and responsibilities of the Association as provided in the governing documents. Common expenses also include the funds necessary to provide reserve accounts for:

(A) renovation or major repairs to the Common Areas; and

(B) for emergency and other repairs required as a result of storm, fire, natural disaster or other casualty loss.

3.3 Share of Assessments, Regular, Special and Individual. The owners of each Lot shall be liable for a share of the regular annual and special assessments levied by the Association for common expenses of the Association as provided for herein. The total anticipated expense for each fiscal year, including reserves as reasonably estimated by the Board, shall be set forth in a budget adopted by the Board (the "Budget") no later than one (1) month preceding the fiscal year for which the Budget is adopted. The Association Expenses set forth in the Budget, excluding expenses related solely to Varsity Lake, are hereafter referred to as the "Aggregate Annual Assessment". The Association Expenses set forth in the Budget that are related solely to Varsity Lake are hereafter referred to as the "Aggregate Annual Lake Assessment". The Aggregate Annual Lake Assessment must have the approval of a majority of the members of the Lake Committee that shall be established provided in the Bylaws. The Annual Aggregate Assessment shall be divided equally among all the Lots with each Lot paying a 1/298th share. The Annual Aggregate Lake Assessment shall be divided equally among the forty one (41) Lots that are contiguous to Varsity Lake (not including owners of Lots contiguous to Junior Varsity Lake and Varsity Pond) as shown on the Plat. Said owners are hereafter referred to as the "Class A Lake Members". As a result the Class A Lake Members shall

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

pay a prorata share of both the Annual Aggregate Assessment and the Annual Aggregate Lake Assessment. All monetary fines assessed against an Owner pursuant to the governing documents, or any expense or charge of the Varsity Lakes Owners' Association attributable to or on behalf of an individual owner pursuant to the governing documents, shall be an Individual Assessment and shall become a lien against such owner's Lot which may be foreclosed or otherwise collected as provided herein.

3.4 Resale Capital Contribution. The Association may require the purchaser of each Parcel, at the time of closing the conveyance from seller to purchaser, to pay the Association a resale capital contribution. The amount of any such resale capital contribution shall be as determined by the Board of Directors of the Association from time to time, however no change in the amount of the resale capital contribution shall go into effect without at least thirty (30) days advance notice. Further, the applicable amount of the resale capital contribution shall be the amount in effect when the bona fide purchase contract is fully executed and no change in the resale capital contribution shall apply to bona fide purchase contracts entered into before such change. The funds derived from resale capital contributions shall be used at the sole discretion of the Association for the exclusive purpose of capital improvements and deferred maintenance reserves but not operating expenses. The resale capital contribution, together with interest, costs and reasonable attorney's fees, shall be the personal obligation of the purchaser of the Parcel and shall also be a charge against the Parcel secured by a continuing lien upon the Parcel. Said lien may be foreclosed in the same manner as provided herein for an assessment lien. For purposes of this Section, the term "conveyance" shall mean the transfer of record legal title to a Parcel 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. It does not refer to a transfer of title resulting from foreclosure of a lien, or death of the transferee, nor to a transfer of title to the transferor's spouse or family members within the first degree of blood without changing occupancy, solely for estate planning or tax reasons.

3.5 Lien. The Association has a lien on each Lot for unpaid past due Association assessments, together with associated fines, charges, interest, late payment penalties and reasonable attorney fees incurred by the Association in enforcing this lien. The lien is perfected by recording a Claim of Lien in the public records of the county, which Claim of Lien shall state the description of the property encumbered thereby, the name of the record owner, the amounts then due and the dates when due. The Claim of Lien must be signed and acknowledged by an officer or agent of the Association. The lien shall continue in effect until all sums secured by said lien have been fully paid, and the lien satisfied or discharged. The Claim of Lien shall secure all unpaid assessments, fines and charges, interests, late fees, costs and attorney fees which are due and which may accrue or come due after the recording of the Claim of Lien and before the entry of a final judgment of foreclosure. Upon full payment, the person making payment is entitled to a satisfaction of the lien.

3.6 Foreclosure of Lien. The Association may bring an action in its name to foreclose its lien for unpaid assessments or charges by the procedures and in the same manner as is provided in Section 718.116 of the Florida Condominium Act, as amended from time to time, for the foreclosure of a lien upon a condominium Lot for unpaid assessments. All unpaid assessments and charges also constitute a personal obligation of the owners and the Association may, in addition to any other remedy herein provided, bring an action at law against any owner liable for unpaid charges or

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

assessments. If final judgment is obtained, such judgment shall include interest on the assessments as above provided and reasonable attorney fees to be fixed by the Court, together with the costs of the action, and the Association shall be entitled to recover reasonable attorney fees in connection with any appeal of such action.

3.7 Priority of Liens. The Association's lien for unpaid charges or assessments shall be subordinate and inferior to any recorded institutional first mortgage, unless the Association's Claim of Lien was recorded before the mortgage, but shall be superior to, and take priority over, any other mortgage regardless of when recorded. Any lease of a Lot shall be subordinate and inferior to the lien of the Association, regardless of when the lease was executed.

3.8 Application of Payments; Failure to Pay; Interest. Assessments, charges and installments thereon paid on or before fifteen (15) days after the date due shall not bear interest, but all sums not so paid shall bear interest at the highest rate allowed by law, calculated from the date due until paid. In addition to interest the Association may also charge an administrative late payment fee in an amount not to exceed the maximum amount allowed by law (currently \$25.00 or 5% of the delinquent installment whichever amount is greater). Assessments, charges and installments thereon shall become due, and the Lot owner shall become liable for said assessments or installments, on the date established in the Bylaws or otherwise set by the Board of Directors for payment. All payments on account shall be applied first to interest, late payment fees, court costs and attorney fees, and then to delinquent charges or assessments. The Association may refuse to accept a partial payment which bears a restrictive endorsement and such will be the equivalent of no payment. No payment by check is deemed received until the check has cleared.

3.9 Acceleration. If any special assessment or installment of a regular assessment as to a Lot becomes more than thirty (30) days past due, and a Claim of Lien is recorded, the Association shall have the right to accelerate the due date of the entire unpaid balance of the Lot's assessments for that fiscal year. The due date for all accelerated amounts shall be the date the Claim of Lien was recorded in the public records. The Association's Claim of Lien shall secure payment of the entire accelerated obligation, together with interest on the entire balance, attorney fees and costs as provided by law; and said Claim of Lien shall not be satisfied or released until all sums secured by it have been paid. The right to accelerate shall be exercised by sending to the delinquent owner a notice of the exercise, which notice shall be sent by certified or registered mail to the owner's last known address, and shall be deemed given upon mailing of the notice, postpaid.

3.10 Certificate as to Assessment; Estoppel and Mortgagee Questionnaire Fee. Within fifteen (15) days after request by a Lot owner or mortgagee, the Association shall provide a certificate (sometimes referred to as an "estoppel letter" stating whether all assessments and other monies owed to the Association by the Lot owner with respect to the Lot have been paid. Any person other than the Lot owner who relies upon such certificate shall be protected thereby. The Association may charge a reasonable fee not exceeding the maximum amount allowed by law and attorney's fees if any to prepare and issue an estoppel letter and answer a mortgagee questionnaire.

3.11 Mortgage Foreclosure. Unless otherwise provided by law, if the mortgagee of a first mortgage or an institutional mortgage of record acquires title to a Lot as a result of foreclosure of the mortgage, or as the result of a deed given in lieu of foreclosure, such acquirer or title shall not be

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

liable for the share of common expenses or assessments attributable to the Lot, or to the former owner of the Lot, which came due prior to the mortgagee's acquisition of title. Any unpaid share of common expenses for which such acquirer is exempt from liability becomes a common expense collectible from all owners, including such acquirer and his successors and assigns. No owner or acquirer of title to a Lot by foreclosure, or by a deed in lieu of foreclosure, may be excused from the payment of any assessments coming due during the period of his ownership.

4. EASEMENTS.

4.1 Appurtenant Easements. Subject to the restrictions found elsewhere herein, the owner of each Lot, their guests, lessees and invitees, shall have as an appurtenance to their Lot a perpetual nonexclusive easement for ingress and egress over, across and through the Common Areas, for the use and enjoyment of all recreational facilities, such use and enjoyment to be shared in common with the other owners of Lots, their guests, lessees and invitees, subject to the provisions of this Declaration.

4.2 Utility Easements. A perpetual easement shall exist upon, over, under and across Varsity Lakes for the purpose of maintaining, installing, repairing, altering and operating sewer lines, water lines, waterworks, sewer works, force mains, lift stations, water mains, sewer mains, water distribution systems, sewage disposal systems, effluent disposal systems, pipes, valves, gates, pipelines, cable television, communication lines and equipment, electric lines and equipment and all machinery and apparatus appurtenant thereto as may be necessary for the installation and maintenance of utilities servicing all owners of Lots and servicing the Common Areas, all such easements to be of a size, width and location so as to minimize and not unreasonably interfere with the use of any improvements which are now, or will be, located upon said property. The Association, through its Board of Directors, has the authority to grant additional such easements, and to modify, move or vacate such existing easements as may be necessary to efficiently and effectively provide utility and other services to the Lots common elements and Common Areas.

4.3 Subordination. Notwithstanding any of the foregoing to the contrary, it is understood that these covenants and restrictions are subordinate, and will be subordinate without the necessity of any other instrument, to any existing easement or easements to any public or quasi-public utility for the installation and maintenance of service lines in the Common Areas.

4.4 Extent of Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(A) the right of the Association, in accordance with its Bylaws, to borrow money for the purpose of improving and/or maintaining the Common Areas and providing the services herein, and, to aid thereof, to mortgage said properties;

(B) the right of the Association to impose rules and regulations governing the use of the Common Areas and Association property as further provided in Section 7 of the Bylaws; and

(C) the right of the Association to a non-exclusive easement over, across and through each Lot as necessary to meet the Association's maintenance responsibilities.

4.5 Any owner of a Lot in the properties which Lot contains an existing structure originally constructed when the Lot was first improved that encroaches upon another Lot or, the Common Areas shall have a valid easement for the encroachment and maintenance of same, as long as it stands and exists.

5. MAINTENANCE.

5.1 Association Maintenance. The Association shall, in addition to other maintenance obligations contained elsewhere herein, have the maintenance, repair and replacement responsibility for all Common Area property located within Varsity Lakes including the landscaping, and electrical fixtures serving the Common Areas except as otherwise provided herein.

5.2 Lot Owner Maintenance. The individual Lot owners shall, in addition to other obligations contained elsewhere herein, have the maintenance, repair and replacement responsibility of the following:

(A) The home, structure and all structural components, including walks, entry doors, garage doors, and roof components, windows, sliding glass doors, screens, screen doors and their hardware, frameworks, and locks serving the home. The driveways, roofs and exterior of the structures shall be cleaned on a regular basis as determined by the Board of Directors to remove and discourage mold growth.

(B) The complete interior of the home including all interior walls, floors, ceilings, partitions, cabinets, plumbing and all other interior components.

(C) Interior and exterior electrical lines and hookups, all air conditioning components, appliances, TV cables and connections, telephone, pool, spa and other similar lines and connections and sewer pipes systems serving the individual Lot.

(D) All storm drains, drain courses, sprinkler systems, irrigation lines and other portions of same located on the individual Lots. The swale area adjacent to each Lot shall also be maintained by the Lot Owner including the driveway culvert.

(E) Any modifications, alteration, installation or addition to the Lot or Common Areas made by the Lot owner or his predecessors in title with Board approval including but not limited to, any decks or concrete pads. The Lot owner shall be responsible for insurance, maintenance, repair and replacement of such modifications, installations or additions and the cost of removing and replacing or reinstalling such modifications if their removal by the Association becomes necessary in order to maintain, repair, replace or protect other parts of the properties for which the Association is responsible.

(F) Owners shall maintain and replace all landscaping their Lot including but not limited to the rear yard and adjacent swale areas.

5.3 Enforcement of Maintenance. If the owner of a Lot fails to maintain his Lot as required above, the Association shall have the right to institute legal proceedings to enforce compliance, or

may take any and all other steps necessary to remedy such violation, including but not limited to entering the Lot, with or without consent of the Lot owner. The Association may repair, replace or maintain any item which constitutes a hazard to other property or residents, prevents the Association from fulfilling its maintenance responsibilities, or which has a materially adverse effect on the appearance of the Properties. Any expenses so incurred by the Association shall be billed directly to the owner of the Lot to which such services are provided, and shall be an individual assessment charged against the Lot, secured by a lien against the Lot as provided in Section 3 above.

5.4 Negligence; Damage Caused by Condition in Lot. Each Lot owner shall be liable for the expenses of any maintenance, repair or replacement of Common Areas, other Lots, or personal property made necessary by his act or negligence or by that of any member of his family or his guests, employees, agents, or lessees.

6. ARCHITECTURAL CONTROL TO PRESERVE THE BEAUTY, QUALITY AND VALUE OF THE COMMUNITY.

6.1 Improvements Requiring Approval. No building, structure, enclosure or other improvement shall be erected or altered, nor shall any grading, excavation, landscaping, change of exterior color, or other work which in any way alters the exterior appearance of any structure or Lot, or portion of Common Area, be made, unless and until the plans, specifications and location of same shall have been submitted to, and approved in writing by the Architectural Review Board (hereinafter "ARB"). All plans and specifications shall be evaluated as to harmony of external design and location in relation to surrounding structures and topography. The ARB shall have thirty (30) days after receipt of all required information, plans and materials to approve or deny any such plan, and if not denied within such period, said plans shall be deemed approved unless within the same period the Board of Directors denies the plan in which case regardless of any action or inaction by the ARB the plan shall be deemed denied. All approved modifications or improvements shall be completed within one hundred eighty (180) days from the date of approval. All changes, alterations or modifications to an approved plan must also be approved pursuant according to these same requirements.

6.2 The ARB. The architectural review and control functions of the Association shall be administered and performed by the Architectural Review Board (the ARB), which shall consist of at least three (3) persons, who shall be members of the Association. All members of the ARB shall be appointed by and shall serve at the pleasure of the Board of Directors of the Association. The Board of Directors can appoint all or some of the Directors to the ARB. A majority of the ARB shall constitute a quorum to transact business at any meeting of the ARB, and the action of a majority present at a meeting at which a quorum is present shall constitute the action of the ARB. Any vacancy occurring on the ARB because of death, resignation, or other termination of service of any member thereof, shall be filled by the Board of Directors. The members of the ARB shall receive no compensation for services other than reimbursement for actual expenses approved in advance by the Board of Directors incurred by them in the performance of their duties hereunder. The ARB shall, with the prior approval of the Board of Directors, have the power to engage the services of professionals for compensation for purposes of aiding the ARB in carrying out its functions. Notwithstanding anything to the contrary contained herein or elsewhere all decisions of the ARB are subject to

review by the Board of Directors and the Board of Directors has the authority to overrule, void or otherwise modify in all respects any decision of the ARB.

6.3 Powers and Duties. The ARB shall have the following powers and duties:

(A) To recommend, from time to time, to the Board of Directors of the Association the creation or modification and/or amendments to the Architectural Planning Criteria. Any Architectural Planning Criteria or modifications or amendments thereto shall be consistent with the provisions of this Declaration, and shall not be effective until adopted by a majority of the members of the Board of Directors of the Association at a meeting duly called and noticed and at which a quorum is present. Notice of the adoption, modification or amendment to the Architectural Planning Criteria, including a verbatim copy of such adoption, change or modification, shall be delivered to each member of the Association. However, receipt of notice of a Board meeting concerning the Architectural Planning Criteria or a copy of any adoption of or modification or amendment to the Architectural Planning Criteria shall not affect the validity of such change or modification.

(B) To require submission to the ARB of one (1) complete set of all plans and specifications for any improvement, structure of any kind or any other work which in any way alters the exterior appearance of any structure, Lot or Common Area, including without limitation, any building, fence, wall, well, swimming pool, tennis court, enclosure, sewer, drain, disposal system, decorative building or landscape devise, object or other improvement, the construction or placement of which is proposed upon the Properties. The ARB may also require submission of samples of building materials proposed for use on or as part of any home, and may require such additional information as may reasonably be necessary to completely evaluate the proposed structure or improvement in accordance with this Declaration and the Architectural Planning Criteria.

(C) To approve or disapprove any improvement or structure of any kind, including, without limitation, any building, fence, wall, screen enclosure, drain or disposal system, or other improvement or change or modification thereto, the construction, erection, performance or placement of which is proposed upon the Properties, and which is visible from the outside of any home. Evidence of approval by the ARB may be made by a certificate, in recordable form, executed by the Chairman of the ARB. Any party aggrieved by a decision of the ARB or Board of Directors shall have the right to make written request to the Board of Directors of the Association within thirty (30) days of the decision, for a re-review thereof. The determination of the Board upon re-reviewing any such decision shall in all events be dispositive.

(D) To adopt a procedure for inspecting approved changes during and after construction to insure conformity with approved plans. If it is determined by the ARB that the improvement or work is not in compliance with the approved plans and specifications then upon written demand from the ARB the work shall be suspended until such time as the ARB authorizes the work to be recommenced.

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

(E) Notwithstanding anything to the contrary contained herein if an owner is delinquent in the payment of assessments, fines or other charges or has failed to correct a violation of these covenants or the rules of the Association for which they have been given notice the approval of the ARB may be denied or withheld pending payment of the assessments, fines or other charges or correction of the violation.

6.4 Variances. The ARB may authorize variances from compliance with any of the architectural provisions of this Declaration when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental which must be signed by at least two (2) members of the ARB. If such variances are granted, no violation of the covenants, conditions and restrictions contained in this Declaration shall be deemed to have occurred with respect to the matters for which the variances were granted. The granting of such a variance shall not, however, operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular property and particular provisions hereof covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting his use of the Lot, including, but not limited to, zoning ordinances and setback lines or requirements imposed by any governmental or municipal authority.

6.5 Nonliability of ARB Members. Neither the ARB nor any member thereof, now its duly authorized ARB representative, shall be liable to the Association or any Owner or any other person or entity for any loss, damage, or injury arising out of or in any way connected with the performance or nonperformance of the ARB's duties hereunder, unless due to the willful misconduct or bad faith of a member, and only that member shall be liable therefore. The ARB shall review and approve or disapprove all plans submitted to it for any proposed improvement, alteration, or addition solely on the basis of aesthetic considerations and the overall benefit or detriment which would result to the immediate vicinity and to the Development. The ARB shall take into consideration the aesthetic aspects of the architectural designs, placement or buildings, landscaping, color schemes, exterior finishes and materials and similar features, but shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any plan or design from the standpoint of structural safety or conformance with building or other code.

7. LAKES AND LAND PLAN.

7.1 Lakes. The Association shall maintain Junior Varsity Lake, Varsity Lake and Varsity Pond, the drainage areas and the meandering wetland enhancement areas located on Tract A, M and N, including but not limited to mowing, aquatic vegetation control and water quality monitoring and management.

(A) Each Owner who owns a Lot adjacent to the shore of Varsity Lake shall sod or plant appropriate ground cover and provide lawn irrigation where necessary on the area between the Owner's Lot and the mean high water level and shall mow or otherwise maintain such area. Lots adjacent to Junior Varsity Lake and any meandering wetland enhancement must only maintain to the Preserve Area signage.

(B) No motorized or gasoline or diesel powered boats or watercraft shall be permitted on any lake with the exception of boats authorized or used by the Board for maintenance of the

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

lakes. Permitted boats, canoes, kayaks, paddleboats, inflatable or other watercraft or devices shall not be moored in the lake or docked, anchored or stored on the bank when not actively being used. All watercraft or devices not being actively used must be removed from the lake and stored in a garage or out of view.

(C) No bottles, trash, cans, grass clippings or other landscape material, or garbage of any kind shall be placed in the lake.

(D) No activity shall be permitted on any lake that may become an annoyance or nuisance to the adjacent property and the owners thereof, or which is not allowed by the South Florida Water Management District or any other applicable governmental agency. The Board's determination whether an activity constitutes an annoyance or nuisance shall be final.

(E) No person or entity, except the Board, shall have the right to pump or otherwise remove any water from any lake for irrigation or other use.

(F) Only owners of Lots abutting Varsity Lake and their guests, lessees and invitees shall be permitted to fish or recreate in or on the lake.

(G) The Board shall be entitled to establish, amend, and modify Rules and Regulations governing the use of the lakes as the Board deems necessary and convenient. However, in the case of Varsity Lake any such rules or regulations must also be approved by the majority of the Class A members as defined in Section 3.3 above.

(H) NEITHER THE ASSOCIATION NOR ANY OF ITS OFFICERS, DIRECTORS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, AGENTS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVELY THE "LISTED PARTIES") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE SAFETY, WATER QUALITY OR WATER LEVEL OF/IN ANY LAKE, POND, CANAL, CREEK, STREAM, RIVER OR OTHER WATER BODY WITHIN THE PROPERTIES, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY, OR CONTRACTED FOR WITH, AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR AUTHORITY. FURTHER, NONE OF THE LISTED PARTIES SHALL BE LIABLE FOR ANY PROPERTY DAMAGE, PERSONAL INJURY OR DEATH OCCURRING IN, OR OTHERWISE RELATED TO, ANY WATER BODY, AND ALL PERSONS USING SAME DO SO AT THEIR OWN RISK.

ALL OWNERS AND USERS OF ANY PORTION OF THE PROPERTIES LOCATED ADJACENT TO OR HAVING A VIEW OF ANY OF THE AFORESAID WATER BODIES SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF THE DEED TO OR USE OF, SUCH PROPERTY, TO HAVE AGREED TO RELEASE THE LISTED PARTIES FROM ALL CLAIMS FOR ANY AND ALL CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN SUCH BODIES.

ALL PERSONS ARE HEREBY ADVISED THAT FROM TIME TO TIME ALLIGATORS AND OTHER WILDLIFE MAY HABITUATE OR ENTER INTO WATER BODIES WITH OR NEARBY THE PROPERTIES AND MAY POSE A THREAT TO PERSONS, PETS AND PROPERTY, BUT THAT THE LISTED PARTIES ARE UNDER NO DUTY TO PROTECT AGAINST, AND DO NOT IN ANY MANNER WARRANT OR INSURE AGAINST, ANY DEATH, INJURY OR DAMAGE CAUSED BY SUCH WILDLIFE.

7.2 Land Plan.

(A) Removal of Invasive Exotics. The Association shall be responsible for the removal of any invasive exotic species as defined now or hereafter by Lee County on all Common Areas. If regrowth of invasive exotics occurs with the Conservation Area Easement, the regrowth shall be removed by hand or killed in place.

(B) Lot Owners are prohibited from planting any invasive exotic species as defined now or hereafter by Lee County.

8. USE RESTRICTIONS. The following rules and standards apply to Varsity Lakes and shall be enforced by the Association pursuant to Section 13 hereof.

8.1 Home. Each home shall be occupied by only one family at any time. Each home shall be used as a home and for no other purpose. No business or commercial activity shall be conducted in or from any home including but not limited to visitation of the home by clients, customers, suppliers or other business invitees, or door-to-door solicitation of residents. This restriction shall not be construed to prohibit any owner from maintaining a personal or professional library in his home, from keeping his personal, business or professional records in his home, from handling his personal, business or professional telephone calls or written correspondence in and from his home, or conducting a “no impact” home based business in and from his home. Such uses are expressly declared customarily incident to residential use. Examples of businesses which are prohibited and are considered “impact” businesses are businesses or commercial activity or ventures that create customer traffic to and from the home, create noise audible from outside the home, or generate fumes or odors noticeable outside the home, including but not limited to, a home day care, beauty salon/barber, and animal breeding. This provision is intended to be and shall be retroactive to and effective from the date of recording of the original Declaration, however any persons in violation of this amended provision on the date it is recorded in the Public Record shall be given a grace period of up to ninety (90) days to comply before enforcement action shall be commenced. In order to avoid undue hardship the Board of Directors may, in its sole discretion, extend the grace period once for up to an additional ninety (90) days.

8.2 Minimum Square Feet, Set Back Restrictions, Roofs and Sprinklers. All homes shall be single family and concrete block and stucco construction and contain not less than 1,200 square feet of livable, enclosed floor area, not including garages and open or screened porches, terraces or patios. All dwellings shall comply with the set back restrictions promulgated by Lee County, Florida. All roof coverings shall be fiberglass shingles or shingles of comparable quality with a minimum weight per square foot of 215 pounds or tile, with the exception of patio roofs. All

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

changes to roofs, including but not limited to color, must be approved by the ARB. Prior to occupancy of any dwelling located on any Lot, there shall be installed an underground lawn sprinkler system with timer, utilizing a well and pump or connected to the community water system.

8.3 Air Conditioning Units. No window or wall air conditioning units shall be permitted on any Lot. Compressors and fans for central air conditioning or heat pump systems, which are located outside the exterior of a building, shall be adequately screened to prevent their being viewed from any street.

8.4 Driveways. All dwellings shall have a paved driveway of stable and permanent construction of at least twelve (12) feet in width. All driveways shall be constructed with concrete unless otherwise approved by the ARB. Any top coating, seal coating, coloring, other driveway sealants or installation of pavers must be approved by the ARB prior to application or installation.

8.5 Garages, Garage Doors and Garage Sales. Each dwelling shall have an attached, enclosed garage for not less than two (2) vehicles. No carports are permitted. No garage shall be permanently enclosed or converted to other use. Garage sales, estate sales, lawn sales and the like are prohibited, except that the Board of Directors may authorize community wide yard/garage sales from time to time.

8.6 Landscaping. All areas of Lots, abutting swale area and rear yard area not covered by structures, walkways or paved parking facilities shall be installed and maintained by the Lot Owner as lawn or landscaped areas to the roadways edge of any abutting streets and to the mean high waterline of any abutting lakes, canals or water management areas. As provided in the original Declaration stone, gravel or paving may not be used as a substitute for grass in a lawn. Landscaping on Lots, including without limitation, the trees, lawns, flowerbeds, walkways and ground elevations, shall be maintained in a well-groomed manner. Such grooming shall included but not be limited to regularly cutting, trimming, watering and fertilizing. Mulched areas must be regularly mulched.

8.7 Mailboxes. All mailboxes, paperboxes or other receptacles of any kind for use in the delivery of mail, newspapers, magazines or similar materials shall conform to the a standard size, design and material designated by the ARB and shall be installed at a location approved by the ARB. If centralized mailboxes are available, individual mailboxes, paperboxes and other receptacles of any kind may be prohibited by the Board of Directors.

8.8 Motor Vehicles and Boats. No maintenance or mechanical repairs of vehicles or boats is permitted on the properties outside of garages except in an emergency. Except as provided below no boats, wave runners, jet skis, motorcycles, mopeds, trailers, motor homes, travel trailers, or campers shall be parked anywhere on the properties outside of garages for more than twenty four (24) hours within a seven (7) day period. In no case shall ATVs, swamp buggies, dune buggies, go-carts, golf carts, or limousines be parked outside of the garage at anytime. Boats may be used on Varsity Lake and Junior Varsity Lake as provided elsewhere herein. Commercial vehicles of whatever type are prohibited to be parked anywhere on the properties unless the vehicle is on the premises to provide services to an owner or the Association. As used herein the term "commercial vehicle" means trucks and other vehicles which are used for business purposes including but not limited to, any vehicle which displays a company name or logo on its exterior, is adorned with signs, flags,

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

advertisements or any type of lettering or graphic of a commercial nature or any vehicle with racks, ladders, staging, or other equipment or attachments of a commercial nature, including supplies used for commercial purposes, on or visible in the vehicle. Additionally, any vehicle, by whatever name designated, which is used for transporting goods, equipment or paying customers shall be considered a commercial vehicle regardless of any definition found elsewhere to the contrary. The foregoing notwithstanding, commercial passenger automobiles, pick-up trucks, SUVs, and vans with no external equipment (i.e.: racks, tanks, boxes, or other visible equipment) owned or leased by or issued by an employer to the Lot Owner or members of his or her family that are permanently residing in the home may be parked in an owner's driveway. Further, any vehicle, whether commercial or non-commercial, with body parts such as the hood, door, quarter panel, bumper or bed removed or that is not validly licensed or operable shall be placed in a garage so that it is not readily visible from any adjacent street or Lot at all times.

8.9 Nuisances. No owner shall use his home, or permit it to be used, in any manner which constitutes or causes an unreasonable amount of annoyance or nuisance to the occupant of another home, or which would not be consistent with the maintenance of the highest standards for a first class residential community nor permit the premises to be used in a disorderly or unlawful way. The use of each home shall be consistent with existing laws and the governing documents, and occupants shall at all times conduct themselves in a peaceful and orderly manner. No solicitation will be allowed at any time within the community.

8.10 Pets. Non-exotic or exotic hybrid pets of a normal domesticated household type (such as cats or dogs) are permitted in reasonable numbers. Pets must be carried under the owner's arm or leashed at all times when outside the owner's property. Any owner whose pet defecates on any Common Areas or any Lot owner's property, including their own, shall immediately clean up the pet's waste. The ability to keep pets is a privilege, not a right, and the Board of Directors is empowered to order and enforce the removal of any pet that becomes a source of unreasonable annoyance or a risk to the health, safety and welfare of other residents. No reptiles, monkeys, rodents, amphibians, poultry, swine, rabbits, ferrets, exotic or exotic hybrid cats, dogs or other animals or any pet determined in the sole discretion of the Board of Directors to be exotic or livestock may be kept on the properties. All animals kept in the home must be for personal family enjoyment as pets, no commercial breeding or boarding of animals of any type is allowed.

8.11 Playground and Basketball Equipment. No jungle gyms, play sets, monkey bars, swing sets, wooden forts, trampolines or other playground type equipment, shall be permitted on any Lot without the prior approval of the ARB. All such approved structures shall be adequately walled, fenced or landscaped as determined by the ARB. No basketball backboards shall be permitted to be attached to a dwelling and no basketball hoops shall be permanently affixed to a Lot. Portable basketball hoops are permitted provided they are on the owner's Lot and not on any public or utility easement, street, sidewalk or the area between the street and sidewalk. Portable basketball hoops may be kept in place when not in use. All playground equipment and basketball hoops must be maintained in good working order and condition. In the event of a Storm or Hurricane Warning basketball hoops must be laid down and secured.

8.12 Pools. No aboveground pools shall be erected, constructed or installed on any Lot. All other pools must be approved in writing in advance by the ARB.

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

8.13 Signs. One (1) “For Sale” or “Open House” sign not more than four (4) feet per side, may be displayed on the house side of the sidewalk of a Lot by an Owner or their Agent when the home is actively being market for sale. No “For Rent” or any other type of signs shall be displayed anywhere within Varsity Lakes unless approved in advance by the ARB. The Association shall have the right to remove any unapproved sign without prior notice to the owner.

8.14 Window Coverings. All windows in any building shall have window coverings. Highly Reflective window coverings are prohibited.

8.15 General.

(A) No towels, garments, rugs, etc., may be hung from windows, railings or other parts of the homes. No clotheslines or drying yards shall be located so as to be visible from neighboring homes or from the interior roadways within Varsity Lakes.

(B) No weeds, underbrush (other than indigenous growth), or other unsightly growths shall be permitted to grow or remain upon any part of the premises and no refuse pile or unsightly objects shall be allowed to be placed or remain anywhere thereon.

(C) No obnoxious or offensive activity shall be carried on within Varsity Lakes or upon any part, portion or tract thereof, nor shall anything be done which may be or become a source of unreasonable nuisance or annoyance to the Community or its residents.

(D) Trash, garbage and other waste shall be kept only in sanitary containers which shall be kept in a clean and sanitary condition and screened from view from neighboring homes and the interior roadways except when out for pick-up. Recycle bins and trash shall not be put on the curb, for pick-up, prior to 6:00 p.m., the night before the scheduled pick-up and shall be removed from the curb no later than 8:00 p.m., the day of pick-up.

(E) No antenna of any kind shall be placed or erected upon any Lot or affixed in any manner to the exterior of any building other than a satellite antenna less than one meter in diameter, an aerial designed to receive over-the-air television broadcast, or an antenna designed to receive multichannel, multi point distribution service which may be installed only at a location on a Lot approved by the ARB. The device shall be located so as not to protrude beyond the shallowest front façade of the residence. In approving the installation and location of any antenna the ARB shall comply with all applicable laws, whether state or Federal. Antennas exceeding the size and height restrictions of the Telecommunications Act of 1996 and the OTARD guidelines are prohibited.

(F) No fences or walls shall be permitted on any portion of a Lot without the prior written approval of the ARB. Dog fences or runs are not permitted.

(G) In the event of a **Storm** or **Hurricane Warning** all loose furniture and other items on lanais or screen enclosures must be stored or secured. All sports equipment, play sets, trashcans, barbeque grills and unsecured lawn ornaments and lighting must be stored or

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

secured. ARB approval is required for storm shutters and the Board or ARB may set a time frame for placing and removing storm protection.

9. INSURANCE. In order to adequately protect the Association and its members, insurance shall be carried and kept in force at all times in accordance with the following provisions:

9.1 Association; Required Coverage. The Association shall maintain adequate property insurance covering all the Common Areas and all Association property. The Association shall also provide adequate general liability insurance. The amounts of coverage shall be determined annually by the Board of Directors. The insurance carried by the Association shall afford at least the following provisions:

(A) Property. Loss or damage by fire, extended coverage (including windstorm), vandalism and malicious mischief, and other hazards covered by the standard "All Risk" property contract.

(B) Liability. Premises and operations liability for bodily injury and property damage in such limits of protection and with such coverage as are determined by the Board of Directors, with cross liability endorsement to cover liabilities of the Lot owners as a group to a Lot owner.

(C) Automobile. Automobile liability for bodily injury and property damage for all owned and non-owned motor vehicles when used for Association business, in such limits of protection and with such coverage as may be determined by the Board of Directors.

(D) Worker's Compensation. The Association shall maintain Workers' compensation insurance if required by law.

9.2 Duty to Insure. Each Lot owner is responsible for insuring the real and personal property within his own Lot and home. Each owner must recognize that he bears financial responsibility for any damage to his property or liability to others that would otherwise be covered by such insurance liability including all risk, flood, liability, etc.

9.3 Duty to Reconstruct. If any home or other improvements located on any Lot and home are destroyed or damaged as a result of fire, windstorm, flood, tornado, hurricane or other casualty, the owner of such improvements shall cause repair or replacement to be commenced within ninety (90) days from the date that such damage or destruction occurred, and to complete the repair or replacement within nine (9) months thereafter. All such repairs or replacements must restore the improvements to substantially their original character, design and condition, shall utilize and conform with the original foundation and appearance of the original improvements except as otherwise approved by the Board of Directors and the ARB.

9.4 Failure to Reconstruct. If the owner of any home fails to commence or complete construction to repair or replace any damaged or destroyed improvements within the time periods provided for in Section 9.3 above, the Association shall give written notice to the owner of his default. If after thirty (30) days the owner has not made satisfactory arrangements to meet his obligations, the Association shall be deemed to have been granted the right by the owner, as such

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

owner's attorney-in-fact, to commence and/or complete the repairs sufficient to substantially restore the improvements to their original condition, according to the plans and specifications of the original improvements. If the Association exercises the rights afforded to it by this section, which shall be in the sole discretion of the Board of Directors, the owner of the home shall be deemed to have assigned to the Association any right he may have to insurance proceeds that may be available because of the damage or destruction of the improvement. The Association shall have the right to recover from the owner any costs not paid by insurance, and shall have a lien on the Lot and home to secure payment.

9.5 Association Insurance; Duty and Authority to Obtain. The Board of Directors shall obtain and keep in force the insurance coverage which it is required to carry by law and under this Declaration, and may obtain and keep in force any or all additional insurance coverage as it deems necessary. The name of the insured shall be the Association and the owners without naming them, and their mortgagees, as their interests shall appear. To the extent permitted by law, the Association may self-insure.

9.6 Optional Coverage. The Association may purchase and carry other such insurance coverage as the Board of Directors may determine to be in the best interest of the Association and Lot owners.

9.7 Description of Coverage's. A detailed summary of the coverage included in the master policies, and copies of the master policies, shall be available for inspection by Lot owners or their authorized representatives upon request.

9.8 Waiver of Subrogation. If available and where applicable, the Board of Directors shall endeavor to obtain insurance policies which provide the insurer waives its right to subrogation as to any claim against the Association, the Lot owners, or their respective servants, agents or guests, except for any claim based upon gross negligence evidencing reckless, willful or wanton disregard for life or property.

9.9 Insurance Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association, the owners and their mortgagees as their interests may appear, and all proceeds shall be payable to the Association. The duty of the Association shall be to receive such proceeds as are paid, and to hold the same in trust, and disburse them for the purposes stated herein and for the benefit of the owners and their respective mortgagees in the following share:

(A) Common Areas. Proceeds on account of damage to Common Areas shall be held in as many undivided shares as there are Lots, the shares of each owner being the same as his share in the Common Areas.

(B) Mortgagee. If a mortgagee endorsement has been issued as to a home, the shares of the mortgagee and the owner shall be as their interests appear. In no event shall any mortgagee have the right to demand application of insurance proceeds to any mortgage or mortgages which it may hold against Lot or Lots, except to the extent that insurance proceeds exceed the actual cost of repair or restoration of the damaged building or buildings. Except as otherwise expressly provided, no mortgagee shall have any right to participate in determining whether improvements will be restored after casualty.

9.10 Distribution of Proceeds. Proceeds of insurance policies received by the Association shall be distributed to or for the benefit of the owners in the following manner: The proceeds shall be paid to defray the costs of reconstruction or repair by the Association. Any proceeds remaining after defraying cost shall be distributed to the beneficial owners, remittances to homeowners and their mortgagees being paid jointly to them.

9.11 Association as Agent. The Association is hereby irrevocably appointed as agent for each Lot owner to adjust all claims arising under insurance policies purchased by the Association for damage or loss to the homes, Lots or Common Areas.

9.12 Damage to Common Areas. Where loss or damage occurs to the Common Areas or Association property, it shall be mandatory for the Association to repair, restore and rebuild the damage caused by the loss, and the following procedures shall apply:

(A) The Board of Directors shall promptly obtain reliable and detailed estimates of the cost of repair and restoration, and shall negotiate and contract for repair and reconstruction.

(B) If the proceeds of insurance and available reserves are insufficient to pay for the cost of repair and reconstruction of the Common Areas, the Association shall promptly, upon determination of the deficiency, levy a special assessment against all Lot owners for the deficiency. Such special assessments need not be approved by the Lot owners. The special assessment shall be added to the funds available for repair and restoration of the property.

10. LEASING OF LOTS. The Owner of a Lot shall have the right to lease such Lot subject to the following conditions, restrictions and terms:

10.1 The minimum lease term shall be ninety (90) days. The maximum lease term shall be one (1) year. No new lease shall begin until at least ninety (90) days have elapsed since the first day of the last lease.

10.2 The lease shall be specifically subject to the Varsity Lakes governing documents and any failure of the tenant to comply with the governing documents shall be a default under the lease.

10.3 The owner shall be liable for any violation of the governing documents committed by such owner's tenant, or the tenants family, guests or invitees without prejudice to such owner's right to collect any sums paid from the tenant.

10.4 To prevent overtaxing the facilities, a homeowner whose home is leased may not use any recreation or parking facilities during the lease term, except as the guest of a homeowner.

10.5 Limitation on Maximum Number of Leased Lots at Any One Time. Anything to the contrary contained elsewhere notwithstanding, at no time shall the number of Lots being leased in Varsity Lakes exceed twenty (20) except as otherwise provided below. Limiting the maximum number of leased Lots to no more than twenty (20) at any one time is deemed to be in the best interest of the Varsity Lakes community and the Lot Owners and is considered essential to maintaining and enhancing the property values in Varsity Lakes and reducing transiency.

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

All valid, and bona fide leases and tenants occupying Lots on the day this amendment is recorded in the Public Records of Lee County, Florida shall be honored and the tenants occupying Lots pursuant to such leases will be allowed to continue to occupy the Lot in which they currently reside subject to the conditions contained herein. All such current tenants shall also be allowed to renew their current lease for the same Lot even if this results in the number of leased Lots exceeding twenty (20) as long as the tenants are otherwise not in violation of the governing documents. However, any change in occupants under the lease shall constitute a new lease and said lease shall not be made except in accordance with these provisions. In this fashion, the number of leased Lots shall be reduced by natural attrition until no more than twenty (20) Lots are leased at any one time. The Board of Directors shall establish a waiting list for owners desiring to lease their Lot. Placement on the waiting list shall be on a first come first serve basis. When an opening occurs, the opportunity to lease a Lot shall be given to the Lot owner who's name is first on the list. A request to be placed on the waiting list shall be made in writing and delivered to the Association by certified mail. No verbal requests shall be allowed or honored. A Lot owner who leases his or her Lot within the parameters hereof shall be allowed to renew the lease as long as the occupants, the lessee and the lessor remain the same and the renewal lease is not otherwise denied for good cause. If however the occupants, the lessee or the lessor change the lease shall be considered a new request to lease and may only be made if the Owner is listed on the waiting list in the first position. The Board of Directors is authorized to adopt additional procedures, rules and forms designed to implement the provisions hereof. The Board of Directors is also authorized to make limited exceptions to these restrictions in order to avoid severe undue hardship, which said exceptions may include but not be limited to allowing one or more Lots to be leased beyond the maximum 20 leased Lots limit. Such exceptions shall not be deemed a waiver of these restrictions and shall not vest any person granted an exception with any rights not expressly granted to said person by the Board in writing. The Board may attach conditions it deems necessary and desirable in granting an exception.

10.6 All of the provisions of the governing documents and the rules and regulations of the Association shall be applicable and enforceable against any person occupying a Lot and home as a lessee or guest to the same extent as against the owner. A covenant on the part of each occupant to abide by the rules and regulations of the Association and the provisions of the governing documents, designating the Association as the owner's agent with the authority to terminate any lease agreement and evict the tenants in the event of breach of such covenant, shall be deemed to be included in every lease agreement, whether oral or written and whether specifically expressed in such agreement or not. Moreover, any purported lease or occupancy of a Lot and home in violation of the maximum 20 leased Lots restriction found in Section 10.5 above shall be void and the Association shall be entitled to evict such occupants. In any action to remove a tenant or occupants for any reason the Association is entitled to collect its reasonable attorney fees and costs from the lessees, occupants and the owner jointly and severally. All owners shall, at least twenty (20) days before allowing a lessee to take occupancy of their home, provide notice of leasing and the name of the lessee and his or her family members occupying the home to the Association and such other information the Association may reasonably require. The Board of Directors may adopt forms and procedures to be utilized in obtaining the information and may require the lessee to acknowledge in writing the governing documents and agree to abide by the restrictions contained therein. The Association may charge a lease processing fee of up to \$100.00 for each lease.

11. WATER MANAGEMENT SYSTEM AREA RESTRICTIONS AND EASEMENTS

11.1 Improvements. No improvements, planting or other material (other than sod) of any kind shall be constructed, erected or installed, nor shall an Owner in any way change, alter, impede, revise or otherwise interfere with the flow and the volume of water, in any portion of a Water Management System reserved for, or intended to be reserved for, drainage ways, sluice-ways or for the accumulation of run-off waters, as reflected in any plat or instrument of record, without the specific written permission of the Varsity Lakes Owners' Association and all other entities with oversight authority over the water management system.

11.2 Ingress and Egress. An Owner shall in no way deny or prevent ingress and egress by Varsity Lakes Owners' Association or any other entity with oversight authority to any Water Management System for maintenance or landscape purposes. The right of ingress and egress, and easements therefore, are hereby granted in favor of the Varsity Lakes Owners' Association, and all appropriate governmental or quasi-governmental agencies that may reasonably require such ingress and egress, and easements therefore, are hereby specifically reserved and created.

11.3 Modification; Use or Discharge of Water. No Lot shall be increased in size by the filling in of any water retention or Water Management System on which it abuts. Owners shall not fill, dike, rip-rap, block, divert or change the established water retention, swales or swale areas and Water Management Systems that have been or may be created by easement. No Owner may draw water for irrigation or other purposes from any lake, pond or other Water Management System nor is any swimming in such areas allowed. No Owner may discharge or cause to be discharged any water or other liquid into any lake, pond or other Water Management System.

11.4 Prohibitions. The conservation lands and conservation buffer zones, may not be altered from their natural state other than to remove exotic vegetation, or to install and maintain Common Area facilities, or to provide the utilities and drainage as shown on the plat and approved construction plans. Each Owner of a Lot containing a conservation buffer zone shall retain use of the conservation buffer zone, but the Owner may in no way alter such area from its natural state as noted above. Activities prohibited within the conservation lands and conservation buffer zones include, but are not limited to, construction or placing of buildings on or above the ground; dumping or placing soils or other substances such as trash; removal or destruction of trees, shrubs or other vegetation, with the exception of exotic vegetation removal; dredging or removal of soil material; diking or fencing; and any other activities detrimental to drainage, flood control, water conservation, erosion control or fish and wildlife habitat conservation or preservation. Each Owner or other beneficiary of any conservation lands, conservation buffer zones, or Common Areas, shall have the right to institute litigation to ensure that said properties and easements therefore are properly and continually maintained.

11.5 Responsibility. Unless lawfully the responsibility of some other entity all Water Management Systems within the Property will be the ultimate responsibility of the Varsity Lakes Owners' Association. The Varsity Lakes Owners' Association may enter any Lot or Common Area and make whatever improvements or repairs are deemed necessary to restore proper water management. The costs shall be an expense of Varsity Lakes Owners' Association. In addition thereto, any Owner or other beneficiary of the Water Management System shall have the right to

institute litigation against the Varsity Lakes Owners' Association to ensure that the Water management System, and easements therefore, are properly and continuously maintained.

11.6 Construction. Nothing in this Section shall be construed to allow construction of any new water management facility or alteration of Water Management Systems without first obtaining the necessary permits from all governmental regulatory agencies having jurisdiction.

12. AMENDMENTS; TERMINATION.

12.1 Duration. The conditions of this Declaration shall run with the land and shall inure to the benefit of and be enforceable by the Association, the Master Association or the owner of any real property subject to this Declaration, their respective legal representatives, heirs, successors and assigns for a period of thirty (30) years from the date the original Declaration was recorded. Thereafter, this Declaration shall be automatically renewed and extended for successive ten (10) year periods. The number of ten (10) year renewal periods hereunder shall be unlimited with this Declaration being automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period; provided, however, and subject to existing laws and ordinances, that there shall be no renewal or extension of this Declaration if prior to one (1) year in advance of an effective date of a proposed termination, at least two-thirds (2/3rds) of all owners of Lots and two-thirds (2/3rds) of all Institutional Mortgagees on Lots affirmatively vote, in person or by proxy, at a duly held meeting of members of the Association in favor of terminating this Declaration. It shall be required that written notice of any meeting at which such proposal to terminate this Declaration is to be considered, setting forth the fact that such a proposal will be considered, to be given at least ninety (90) days in advance of said meeting. If the Association votes to terminate this Declaration, the President and Secretary shall execute a certificate which shall set forth the resolution of termination adopted by the Association, the date of the meeting of the Association at which such resolution was adopted, the date that notice of such meeting was given, the total number of votes of members of the Association, the total number of votes required to constitute a quorum at a meeting of the Association, the number of votes necessary to adopt a resolution terminating this Declaration, and the total number of votes cast against such resolution. Said certificate shall be recorded in the Public Records of Lee County, Florida at least one (1) year prior to the effective date of termination, and may be relied upon for the correctness of the facts contained therein as they relate to termination of this Declaration.

12.2 Amendments by Members. Except as otherwise provided herein or by law, this Declaration may be amended at anytime by the affirmative vote of at least two-thirds (2/3rds) of the voting interests present and voting, in person or by proxy, at a duly called meeting of the members of the Association. A copy of each adopted amendment shall be attached to a certificate that the amendment was duly adopted as an amendment to the Declaration, which certificate shall identify the Book and Page of the Public Records where the Declaration is recorded, and shall be executed by the President of the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Public Records of Lee County, Florida.

13. ENFORCEMENT; GENERAL PROVISIONS.

13.1 Enforcement. Enforcement of these covenant, conditions and restrictions may be by a proceeding at law or in equity and may be instituted by the Association, its successors or assigns, or by any owner, against any person or persons violating or attempting to violate or circumvent any covenant, condition or restriction, either to restrain violation or to recover damages, and against any Lot to enforce any lien created by these covenants. Failure of the Association or any owner to enforce any covenants, condition or restriction herein contained for any period of time shall not be deemed a waiver or estoppel of the right to enforce same thereafter.

13.2 Owner and Member Compliance. The protective covenants, conditions, restrictions and other provisions of the governing documents and the rules promulgated by the Association shall apply to members and all persons to whom a member has delegated his right of use in and to the Common Areas, as well as to any other person occupying any home under lease from the owner or by permission or invitation of the owner or his tenants (express or implied), and their licensees, invitees or guests. Failure of any owner to notify any person of the existence of the rules, or the covenants, conditions, restrictions, and other provisions of the governing documents shall not in any way act to limit or divest the Association of the power to enforce these provisions. Each Lot owner shall be responsible for any and all violations by his tenants, licensees, invitees or guests and by the guests, licensees and invitees of his tenants, at any time.

13.3 Litigation. Enforcement actions for damages, or for injunctive relief, or both, on account of any alleged violation of law, or of the governing documents or Association rules, may be brought by any owner, or the Association or the Master Association against:

(A) the Association;

(B) the Lot owner;

(C) anyone who occupies or is a tenant or guest of a Lot; or

(D) any officer or Director of the Association who willfully and knowingly fails to comply with these provisions.

13.4 Attorney Fees. In any legal proceeding arising out of an alleged failure of a guest, tenant, residential Lot owner, officer, Director or the Association to comply with the requirements of the law, or the governing documents, as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such attorney fees as may be awarded by the court.

13.5 No Election of Remedies. All rights, remedies and privileges granted to the Association or owners under the law and the governing documents shall be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party from exercising any other rights, remedies, or privileges that may be available.

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

13.6 Notices. Any notice required to be sent to any member or owner under the provisions of this Declaration shall be deemed to have been properly sent, and notice thereby given, when mailed, with the proper postage affixed to the last known address of the owner appearing in the records of the Association, or to the address of the member's home. Notice to one of two or more co-owners of a Lot shall constitute notice to all co-owners. It shall be the obligation of every member to immediately notify the Secretary of the Association in writing of any change of address. The Association may utilize electronic transmission of notices as provided by law.

13.7 Severability. Should any covenant, condition or restriction herein contained, or any section, subsection, sentence, clause, phrase or term of this Declaration or its recorded exhibits be declared to be void, invalid, illegal, or unenforceable, for any reason, by any court having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect. Nothing contained in this Amended and Restated Declaration of Restrictions is intended to affect vested rights. If any provision contained herein is deemed by a competent court of law to have such affect, then such provision will be deemed null and void but have no affect on the remaining provisions herein.

13.8 Interpretation; disputes. The Board of Directors is responsible for interpreting the provisions of this Declaration, its exhibits and rules promulgated by the Board. Such interpretation shall be binding upon all parties unless wholly unreasonable. A written opinion rendered by legal counsel retained by the Board that an interpretation adopted by the Board is not unreasonable shall conclusively establish the validity of such interpretation. In the event there is any dispute as to whether the use of the Property complies with the covenants and restrictions contained in this Declaration, its exhibits or the rules promulgated by the Board the matter shall be referred to the Board and the determination of the Board with respect to such dispute shall be dispositive on the issue and binding on all parties.

13.9 Non-Profit Status. Notwithstanding anything contained herein to the contrary, the Association will perform no act nor undertake any activity inconsistent with its non-profit status under applicable state or federal law.

13.10 Use of Singular and Plural and Gender. Whenever the context so permits, the use of the singular shall include the plural and the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

13.11 Headings. The headings used in the governing documents are for reference purposes only, and do not constitute substantive matter to be considered in construing the terms and provisions of these documents.

13.12 Disclaimer. NOTWITHSTANDING ANYTHING CONTAINED HEREIN OR IN THE ARTICLES OF INCORPORATION, BYLAWS, ANY RULES AND REGULATIONS OF THE ASSOCIATION OR ANY OTHER DOCUMENT GOVERNING, BINDING ON OR ADMINISTERED BY THE ASSOCIATION (COLLECTIVELY, THE "ASSOCIATION DOCUMENTS"), THE ASSOCIATION SHALL NOT BE LIABLE OR RESPONSIBLE FOR, OR IN ANY MANNER A GUARANTOR OR INSURER OF, THE HEALTH, SAFETY OR

WELFARE OF ANY OWNER, OCCUPANT OR USER OF ANY PORTION OF THE PROPERTIES INCLUDING, WITHOUT LIMITATION, RESIDENTS AND THEIR FAMILIES, GUESTS, INVITEES, AGENTS, SERVANTS, CONTRACTORS OR SUBCONTRACTORS OR FOR ANY PROPERTY OF ANY SUCH PERSONS. WITHOUT LIMITING THE FOREGOING:

A. IT IS THE EXPRESS INTENT OF THE ASSOCIATION DOCUMENTS THAT THE VARIOUS PROVISIONS THEREOF WHICH ARE ENFORCEABLE BY THE ASSOCIATION AND WHICH GOVERN OR REGULATE THE USES OF THE PROPERTIES HAVE BEEN WRITTEN, AND ARE TO BE INTERPRETED AND ENFORCED, FOR THE SOLE PURPOSE OF ENHANCING AND MAINTAINING THE ENJOYMENT OF THE PROPERTIES AND THE VALUE THEREOF;

B. THE ASSOCIATION IS NOT EMPOWERED, AND HAS NOT BEEN CREATED, TO ACT AS AN ENTITY WHICH ENFORCES OR ENSURES THE COMPLIANCE WITH THE LAWS OF THE UNITED STATES, STATE OF FLORIDA, LEE COUNTY AND/OR ANY OTHER JURISDICTION OR THE PREVENTION OF TORTIOUS ACTIVITIES.

C. ANY PROVISIONS OF THE ASSOCIATION DOCUMENTS SETTING FORTH THE USES OF ASSESSMENTS WHICH RELATE TO THE HEALTH, SAFETY AND/OR WELFARE SHALL BE INTERPRETED AND APPLIED ONLY AS LIMITATIONS ON THE USES OF ASSESSMENT FUNDS AND NOT AS CREATING A DUTY OF THE ASSOCIATION TO PROTECT OR FURTHER THE HEALTH, SAFETY OR WELFARE OF ANY PERSON(S), EVEN IF ASSESSMENT FUNDS ARE CHOSEN TO BE USED FOR ANY SUCH REASON.

D. EACH OWNER AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON ANY PORTION OF THE PROPERTIES SHALL BE BOUND BY THESE DISCLAIMERS AND SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ANY AND ALL RIGHTS, CLAIMS, DEMANDS AND CAUSES OF ACTION AGAINST THE ASSOCIATION ARISING FROM OR CONNECTED WITH ANY MATTER FOR WHICH THE LIABILITY OF THE ASSOCIATION HAS BEEN DISCLAIMED HEREIN.

E. AS USED HEREIN "ASSOCIATION" SHALL INCLUDE WITH ITS MEANING ALL OF THE ASSOCIATION'S DIRECTORS, OFFICERS, COMMITTEE MEMBERS, EMPLOYEES, AGENTS, CONTRACTORS (INCLUDING MANAGEMENT COMPANIES), SUBCONTRACTORS, SUCCESSORS AND ASSIGNS.