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CERTIFICATE OF AMENDMENT OF DECLARATION OF COVENANTS AND RESTRICTIONS FOR MCGREGOR RESERVE

THE UNDERSIGNED being the President and Secretary of MCGREGOR RESERVE COMMUNITY ASSOCIATION, INC., a Florida non-profit corporation, do hereby certify that the attached Amendments to the Declaration of Covenants and Restrictions for McGregor Reserve originally recorded in Official Record Book 2639, at Page 1228, et. seq., of the Public Records of Lee County, Florida and the amendments to the Articles and Bylaws of McGregor Reserve Community Association, Inc., were duly approved, adopted and enacted by the affirmative vote of the proper percentage of voting interests in the Association at a members meeting called for that purpose at which a quorum was present held on June 1, 2015 and properly continued, reconvened and concluded on June 22, 2015. Dated this 7th day of July 2015.

WITNESSES:

(Sign) E. Kelly Gabourel

(Print) E. Kelly Gabourel

(Sign) Diana Cook

(Print) Diana Cook

MCGEGOR RESERVE COMMUNITY ASSOCIATION, INC.

BY: Barry Bolinger
President of the Association
Barry Bolinger

STATE OF FLORIDA
COUNTY OF LEE

The foregoing instrument was acknowledged before me this 7th day of July 2015 by Barry Bolinger, as President of MCGREGOR RESERVE COMMUNITY ASSOCIATION, INC., a Florida non-profit corporation, on behalf of said corporation. Said person is personally known to me or has produced N/A as identification and did take an oath.

E. KELLY GABOUREL
Notary Public - State of Florida
Commission # FF 207294
My Comm. Expires Jan 25, 2018
Bonded through National Notary Assn.

NOTARY PUBLIC: E. Kelly Gabourel
STATE OF FLORIDA (SEAL)

WITNESSES:

(Sign) E. Kelly Gabourel

(Print) E. Kelly Gabourel

(Sign) Diana Cook

(Print) Diana Cook

MCGEGOR RESERVE COMMUNITY ASSOCIATION, INC.

BY: Mary Graham
Secretary of the Association
Mary Graham

STATE OF FLORIDA
COUNTY OF LEE

The foregoing instrument was acknowledged before me this 7th day of July 2015 by Mary Graham, as Secretary of MCGREGOR RESERVE COMMUNITY ASSOCIATION, INC., a Florida non-profit corporation, on behalf of said corporation. Said person is personally known to me or has produced N/A as identification and did take an oath.

E. KELLY GABOUREL
Notary Public - State of Florida
Commission # FF 207294
My Comm. Expires Jan 25, 2018
Bonded through National Notary Assn.

NOTARY PUBLIC: E. Kelly Gabourel
STATE OF FLORIDA (SEAL)

E. KELLY GABOUREL
Notary Public - State of Florida
Commission # FF 207294
My Comm. Expires Jan 25, 2018
Bonded through National Notary Assn.

NOTARY PUBLIC: E. Kelly Gabourel
STATE OF FLORIDA (SEAL)
My Commission Expires:

AMENDED AND RESTATED DECLARATION OF COVENANTS AND RESTRICTIONS OF McGREGOR RESERVE

NOTE: THE FOLLOWING IS A SUBSTANTIAL AMENDMENT OF THE ENTIRE DECLRATION. FOR COMPARISON SEE THE ORIGINAL DECLARATION.

KNOW ALL PERSONS BY THESE PRESENTS that on September 29, 1995 the original Declaration of Covenants and Restrictions was recorded in Official Record Book 2639, at Page 1228 *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.

The land subject to this Declaration (hereinafter the "Property") is legally described in Exhibit "1" and Exhibit "2" to the original Declaration and said descriptions as amended are combined and incorporated herein by reference and renamed Exhibit "A". The land is also described in the following Plats which are also incorporated herein by reference:

McGregor Reserve Phase 1 PB 57 PG 96 Public Record of Lee County, Florida
McGregor Reserve Phase 2 PB 63 PG 87 Public Record of Lee County, Florida
McGregor Reserve Phase 3 PB 81 PG 73 Public Record of Lee County, Florida
McGregor Reserve Phase 4 PB 60 PG 89 Public Record of Lee County, Florida
McGregor Reserve Phase 5 PB 81 PG 71 Public Record of Lee County, Florida
McGregor Reserve Phase 6 Inst. No. 2007000267824 Public Record of Lee County, Florida

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 AND INTERPRETATION.

1.1 Definitions. The following words and terms when used in this Declaration, and amendments thereto (unless the context shall prohibit or unless defined by applicable law on the date of recording this Declaration) shall have the following meanings:

1.1.1 "Architectural Review Committee" or "ARC" means and refers to the committee appointed by the Board of Directors pursuant to Section 14 hereof to exercise the powers and duties set forth therein and other duties, if any, as may be delegated to it by the Board of Directors from time to time.

1.1.2 "Architectural Review" means and refers to the requirements of this Declaration that Owner's plans including but not limited to Home plans, site plans and remodeling plans for improvements on, alterations to, and landscaping of Lots and Homes thereon, as well as repair or restoration thereof, be reviewed and approved. Where the context indicates, Architectural Review means the administrative process of Section 14.

1.1.3 "Articles" or "Articles of Incorporation" means and refers to the Articles of Incorporation of the Association, as amended from time to time, a copy of which are attached hereto as Exhibit "B."

1.1.4 "Assessment" means and refers to a charge against a particular Owner and his Lot made by the Association in accordance with this Declaration as further defined in Section 4

1.1.5 "Association" means and refers to McGregor Reserve Community Association, Inc., a Florida corporation not for profit.

1.1.6 "Board" or "Board of Directors" means and refers to the Board of Directors of the Association.

1.1.7 "By-Laws" means and refers to the By-Laws of the Association, as amended from time to time, a copy of which are attached hereto as Exhibit "C."

1.1.8 The "City" means and refers to the City of Fort Myers, Florida, either as a geographical area or as a political subdivision and government of the State of Florida as the context requires.

1.1.9 "Common Areas" means and refers to the real and personal property maintained by the Association, whether or not owned by or dedicated to it, for the general benefit of the Members and The Properties. The Common Areas, including the Recreation Area, (but excluding the Maintenance Common Areas within recorded easements or those shown on the plat of McGregor Reserve, Phase I recorded in Plat Book 57, Pages 96 through 101 on April 3, 1996, which has not be conveyed to the Association), has been conveyed to the Association. The Common Areas consist of the portions of The Properties within the following categories:

1.1.9.1 "Exclusive Common Areas"- being those Common Areas which are for the exclusive use and/or benefit of one or more, but not all, Member and Owners.

1.1.9.2 "General Common Areas" – being those Common Areas which are for the general use and/or benefit of all of the Members and Owners.

1.1.9.3 "Maintenance Common Areas" – being property within or without The Properties which is not owned by the Association but is nevertheless to be maintained or administered by it pursuant to an easement, license or agreement with the County, the City or any other person or entity, which maintenance/administration affords benefits to the Members and Owners. The Maintenance Common Areas shall include the landscape easement recorded in the Public Records of Lee County, Florida in O.R. Book 2744, Pages 0961 through 0968 on September 13, 1996 (the "landscape easement") which encumbers Lot 13 and Lots 15, 16 and 17 of McGregor Reserve, Phase I according to the plat thereof recorded in Plat Book 57, Pages 96 through 101 on April 3, 1996, which shall be maintained and insured by the Association.

A specific property may be classified as more than one type of Common Area. As used herein, the term "Common Areas" shall include all of the foregoing types thereof unless specifically provided to the contrary or if the context clearly indicates otherwise. The following specific portions of The Properties are hereby declared to be the following types of "Common Areas"

1.1.9.4 The "Recreation Area" – being the area and structures located thereon as to be depicted on an exhibit to a future amendment hereto which shall be a General Common Area.

1.1.10 "Common Expenses" means and refers to the actual and estimated cost of:

1.1.10.1 administration and management of the Association;

1.1.10.2 maintenance, ownership and operation of the Common Areas;

1.1.10.3 any item designated as a Common Expense; and

1.1.10.4 any material, service, tax, premium, assessment or charge reasonably or necessarily incurred by the Association arising from its ownership, operation, maintenance, management, administrative or other obligations set forth herein, in the Articles, By-Laws, or Rules and Regulations, or which are in furtherance of the purposes of the Association or that are incurred in discharge of any obligation expressly or impliedly imposed on the Association hereby.

1.1.11 "Community Service System" means and refers to a system of facilities, installations, ownerships, rights, licenses, uses, improvements, equipment or fixtures devoted to and intended for the common use, benefit and enjoyment of the Members, Owners and occupants of McGregor Reserve, and their guests, whether in whole or in part deemed Common Area, or located within and being a part of a Lot, or otherwise. By way of explanation, and not limitation, a Community Service System may include the storm water management system, bike paths, sidewalks, Recreational Area facilities, private roads, facilities to provide utilities, street lighting, administrative support programs, and where reasonably required for implementation of those systems, appropriate ownerships, interests, easements, servitudes, licenses and other use rights. "Community Service System" also means and refers to any and all cable television, telecommunication, alarm/monitoring or other lines, conduits, wires, amplifiers, towers, antennae equipment, materials, installations and fixtures (including those based on, containing or serving future technological advances not now in general use) installed within The Properties and serving more than one Lot.

1.1.12 "County" means and refers to Lee County, Florida, either as a geographical area or as a political subdivision and government of the State of Florida, as the context requires.

1.1.13 "Declaration" means and refers to this Declaration and all exhibits thereto, including any amendments.

1.1.14 "Governing Documents" means and refers to any declarations of covenants, and restrictions; association articles and by-laws; and deed restrictions or covenants affecting the use and occupancy of parts of McGregor Reserve that have been imposed upon parts of McGregor Reserve or other plats, surveys, plot plans or graphic descriptions filed among the public records.

1.1.15 "Home" means and refers to the individual residential structure constructed on a Lot; provided however, that no portion of any Community System, even if installed in a Home, shall be deemed to be a part of a Home unless and until it is made so pursuant to Section 3 hereof, if at all.

1.1.16 "Lot" means and refers to:;

1.1.16.1 any Lot on any plat of all or a portion of The Properties, or by any other recorded instrument to be subject to this Declaration

1.1.16.2 any Lot shown upon any resubdivision of any plat;

Provided, however, that no portion of any Community Service System shall be deemed to be part of a Lot unless and until it is so made pursuant to Section 3 hereof, if at all. When a Home has been constructed on a lot any reference to a Lot shall include the Home and other improvements constructed thereon even though the Home is not referred to.

1.1.17 "McGregor Reserve" means and refers to all of the real property now or hereafter subject to this Declaration.

1.1.18 "Member" means and refers to all those Owners who are Members of the Association as provided in Section 2.

1.1.19 "Member's Permittee" means and refers to a person described in Section 7.3 hereof.

1.1.20 "Owner" means and refers to an owner or owners if applicable of a Lot within McGregor Reserve.

1.1.21 "Parcel" means and refers to any part of the property now or hereafter subject to this Declaration other than Lots, Common Areas, streets, roads or other lands owned by or dedicated to a governmental unit or agency or public utility company. To the extent any Parcel is converted to a Lot or Lots it shall cease to be a Parcel.

1.1.22 "The Properties" means and refers to all real property, and additions thereto, as are now subject to this Declaration.

1.1.23 "Surface Water Management System" means and refers to the natural and artificial conditions and improvements (including lakes, canals, grading and drainage structures) for the management of surface water within The Properties as described in and regulated pursuant to permit number 36-0022-5 issued by the South Florida Water Management District, as amended from time to time.

1.1.24 "Voting Member" means and refers to a member present, in person or by proxy, at a meeting of the Association.

1.1.25 Interpretation. The provisions of this Declaration, an amendment thereto as well as those of the Articles, By-Laws and any Rules and Regulations of the Association shall be interpreted by the Board of Directors. The Board's interpretation rendered in good faith shall be final, binding and conclusive if the Board receives a written opinion of the Association's legal counsel, or the legal counsel who drafted this Declaration or other Development Documents, that the interpretation is not unreasonable, which opinion may be rendered before or after the interpretation is adopted by the Board. Notwithstanding any rule of law unreasonable, which opinion may be rendered before or after the interpretation is adopted by the Board. Notwithstanding any rule of law to the contrary, the provisions of this Declaration, an amendment thereto or a Supplemental Declaration, the Articles, By-Laws and the Rules of Regulations of the Association shall be liberally construed so as to effectuate the purposes herein expressed with respect to the efficient operation of the Association and The Properties, the preservation of the value of the Lots and Homes.

1.1.26 "Architectural Review Committee" or "ARC" means and refers to a committee appointed by the Board pursuant to Section 14 to exercise the powers and duties set forth therein and other duties, if any, as may be delegated to it from time to time.

1.1.27. "Architectural Review" means and refers to the requirements of Section 14 of this Declaration that Owner's plans and Specifications including but not limited to Home plans, site plans and remodeling plans for improvements on, alterations to , and landscaping of Lots and Homes thereon, as well as repair or restoration thereof, be reviewed and approved. Where the context indicates, Architectural Review means the administrative process of Section 14.

2. MEMBERSHIP IN THE ASSOCIATION.

2.1 Membership. Only owners of Lots and Parcels shall be Members of the Association. Each Owner accepts membership and agrees to be bound by the Declaration, the Articles, By-Laws and the Rules and Regulations adopted pursuant thereto. Membership may not be transferred separate and apart

from a transfer of ownership of a Lot or Parcel. Membership commences upon acquisition and terminates upon sale or transfer of an Owner's interest in a Lot or Parcel whether voluntary or involuntary.

2.2 Voting Rights. For purposes of voting rights only, the Association has one category of membership: Regular Membership.

2.2.1. Regular Membership. Regular Members are entitled to one vote for each Lot; provided, however, that multiple Owners of a Lot have a total of only one vote for that Lot. Regular Members who own Parcels are entitled to one vote for each index point assigned to that Parcel at the time the vote is taken. The voting rights of Regular Members are delegated as provided by this Declaration and by the By-Laws.

2.2.2. Election of Board of Directors. Directors of the Association shall be elected and removed and vacancies on the Board shall be filled as provided in the Articles and By-Laws.

2.2.3 Successor by Foreclosure. In the event that a Mortgagee or other party acquires title to a Lot through foreclosure or deed in lieu of foreclosure, that party shall have the category of membership last held by the Owner of Lot from whom title was acquired.

2.2.4 General Matters. When reference is made herein, or in the Articles, By-Laws, Rules and Regulations, management contracts or otherwise, to a majority or specific percentage of the votes of Members represented at a duly constituted meeting (i.e., one for which proper notice has been given and at which a quorum exists) and not of all the Members themselves.

2.2.5 Effect of Dissolution. In the event of the termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the Surface Water Management System shall be transferred to and accepted by an entity which is approved by the South Florida Water Management District, the County and City prior to termination, dissolution or liquidation.

3. COMMON AREAS; RECREATION AREAS; CERTAIN EASEMENTS; COMMUNITY SERVICE SYSTEMS; CERTAIN MAINTENANCE DUTIES.

3.1 Members' Easement. Except for Exclusive Common Areas and Maintenance Common Areas as herein specified, each Member, and each Member's Permittee, shall have a non-exclusive permanent and perpetual easement over and upon the Common Areas for the intended use and enjoyment thereof in common with all other Members, Member's Permittees, their agents and invitees, but only in the manner as may be reasonably regulated by the Association.

3.2 Without limiting the generality of the foregoing, rights of use and enjoyment of the Common Areas are hereby made subject to the following:

3.2.1 The right and duty of the Association to Levy Assessments against each Lot and Owner for the purpose of, among other things, maintaining the Common Areas and any facilities located theron in compliance with the provisions of this Declaration and with the restrictions on the plats of portions of The Properties from time to time recorded.

3.2.2 The right of the Association to suspend the Member's (and his Member's Permittees) right to use the Common Areas (including Recreation Area and facilities if any) for any period during which any Assessment against his Lot remains unpaid for more than thirty (30) days; and for a period not to exceed sixty (60) days for any infraction of this Declaration or the Association's lawfully adopted Rules and Regulations. However, suspension of Common Area use rights shall not impair the right of an Owner or his tenant to have vehicular and pedestrian ingress to and egress from the parcel, including but not limited to, the right to park.

3.2.3 The right of the Association to adopt at any time, and from time to time, and enforce Rules and Regulations governing the use of the Lots and Common Areas (including Recreation Areas and facilities) at any time situated thereon, including the right to fine Members as hereinafter provided. Any rule and/or regulation so adopted by the Association shall apply until rescinded or modified as I originally set forth at length in this Declaration.

3.2.4 The non-exclusive right to the use and enjoyment of the Common Areas (including Recreation Areas and facilities thereon) shall extend to all Members' Permittees, subject and regulation from time to time by the Association as set forth in its lawfully adopted and published Rules and Regulations including those relating to the gatehouse(s) and other entry and traffic control procedures.

3.2.5 The right of the Association to have, grant and use general ("blanket") and specific easements over, under and through the common areas.

3.2.6 The right of the Association, by a two thirds (2/3rds) affirmative vote of the Voting Members, to dedicate or convey (subject to the Owner's easements as herein provided) portions of the Common Areas to any other association having similar functions, or any public or quasi-public agency or similar entity under terms as the Association deems appropriate.

3.2.7 Section 7 of this Declaration (with respect to transfer of rights).

3.2.8 The right of the Association to limit the number of guests of Members and to limit the use of the Common Areas by Member not in possession of a Lot.

3.2.9 The right of the Association to borrow money for the purposes of improving , replacing, restoring or expanding the Common Areas, or adding new Common Areas, and in furtherance thereof to mortgage the Common Areas. In order to mortgage the Common Areas, the prior affirmative vote of not less than two-thirds (2/3rds) of the total votes of Regular Members shall be required. The rights of mortgagees shall be subordinate to the rights of the Members. In the event of a default upon any mortgage on the Common Areas, the lender's right thereunder shall be limited to a right, after taking possession of the property, to charge admission and other fees as a condition to continued enjoyment of the Members, and if necessary, to open the enjoyment of the Common Areas to a wider public until the mortgage debt is satisfied, whereupon the possession of and title to the Property shall be returned to the Association and all rights of the Members hereunder shall be fully restored. The Association's authority to mortgage hereunder shall not extend to any part of the Exclusive Common Areas, or Maintenance Common Areas providing drainage or other essential services.

3.2.10 The right of the Association to grant additional non-exclusive easements forming a part of the Common Areas or over Common Areas to Owners of real property not part of McGregor Reserve, for the purposes of access, ingress, egress, utilities or drainage. The grant shall ordinarily be on the condition that non-members contribute in a fair and equitable manner to the maintenance of the portion of the Common Areas within which those rights are granted. The Association shall establish a method of determining the ratable contribution at the time the easements are granted.

3.3 WITH RESPECT TO THE USE OF THE COMMON AREAS AND THE PROPERTIES GENERALLY, ALL PERSONS ARE REFERRED TO SECTION 13, WHICH SHALL AT ALL TIMES APPLY THERETO.

3.4 Recreation Areas. Prior to the Recreation Areas becoming available for use, the Association shall adopt Rules and Regulations for the use, maintenance, repair and operation of the Recreation Areas. Subject to those Rules and Regulations, each Owner and his Member's permittees shall have the right to use the Recreation Areas for its intended purposes.

3.5 Once the aforesaid Rules and Regulations are adopted, they may be amended from time to time by the Board of Directors.

3.6 Easements Appurtenant. The easements provided in Section 3.1 shall be appurtenant to and shall pass with the title to each Lot, as applicable, but shall not be deemed to grant or convey any ownership interest in the Common Area, subject thereto.

3.7 Maintenance. The Association shall at all times maintain in good repair, manage, operate insure, and replace as often as necessary, the Common Areas and, to the extent not otherwise provided for, the paving, drainage structures, landscaping, improvements and other structures (except public utilities and Community Service Systems, to the extent they have not been made Common Areas) situated on the Common Areas, if any, all work to be done as ordered by the Board of Directors of the Association, Without limiting the generality of the foregoing, the Association shall assume all of responsibilities to the City and County and their governmental and quasi-governmental subdivisions and similar entities of any kind with respect to the Common Areas.

3.7.1 It is contemplated that the Association may enter into one or more agreements with the City and County whereby the Association performs some or all of the maintenance of landscaping or other features within property owned by or dedicated to the City or County. Accordingly, to the extent that an agreement (which may be in the form of a contract, easement or other instrument) provides for maintenance, then the areas to be so maintained shall be deemed Maintenance Common Areas hereunder so as to authorize an agreement, the performance of maintenance duties pursuant thereto, and the imposition and expenditure of Assessments necessary to fund those activities.

3.7.2 All work performed pursuant to this Section 3.7, and all expenses incurred or allocated to the Association pursuant to this Declaration, shall be paid for by the Association through Assessments imposed in accordance herewith.

3.7.3 No Owner may waive or otherwise avoid liability for Assessments by non-use (whether voluntary or involuntary) of the Common Areas or abandonment of use or right to use the Common Areas.

3.8 Surface Water Management System; Conservation Easement. The Association shall be responsible for the operation and maintenance of the Surface Water Management System, which shall be deemed a Maintenance Common Area, in accordance with sound drainage management practices and the permit(s) issued by the South Florida Water Management District ("SFWMD") including, without limitation, all general and special conditions thereof and amendments thereto.

3.8.1 The Association is and shall be responsible for compliance with, a Deed of Conservation Easement, if any, in favor of SFWMD recorded or to be recorded in the Public Records of Lee County, Florida. Without limiting the generality of the foregoing, the Association shall neither conduct nor permit any of the prohibited activities in or on the "Property" described in the Deed of Conservation Easement. For purposes hereof, the Association shall be deemed the successor-in-interest to the "Grantor" of the Deed of Conservation Easement.

3.8.2 The Association shall not abandon the Surface Water Management System or any duties with respect thereto or with respect to the Deed of Conservation Easement, except in accordance with all applicable SFWMD requirements and with the consent thereof including, without limitation, the requirement that those duties be transferred to a responsible entity meeting those requirements.

3.8.3 Maintenance Easement, a 20'-foot wide strip along the rear of each lot abutting the two lakes in the subdivision. This easement, unlike the utility easements is for the purpose of

maintaining the lake and the banks thereof. No structures of any kind, nor landscaping of any kind, other than sod, is permitted to be placed within the area of this easement, unless the Lot done at the Owner's risk and the landscaping is subject to removal by order of the ARB, without warning, at any future date.

3.9 Utility and Community Service Systems Easements. Use of the Common Areas for utilities, as well as use of the other utility easements as shown on relevant plats, shall be in accordance with the applicable provisions of this Declaration and the plats. In addition, the Association its affiliates and its and their designees shall have a perpetual easement over, upon and under the Common Areas for the installation, operation, maintenance, repair, replacement, alteration and expansion of Community Service Systems and other utilities.

3.10 Public Easements. Fire, police, health and sanitation, park maintenance and other public service personnel and vehicles shall have a permanent and perpetual easement for ingress and egress over and across the Common Areas for the performance of their respective duties.

3.11 Ownership of Common Areas. The Common Areas are hereby dedicated non-exclusively to the joint and several use, in common, to the Owners of all Lots that may from time to time constitute part of The properties, all Member's Permittee's, and their tenants, guests and invitees, all as provided and regulated herein or otherwise by the Association, subject to Section 3 hereof. The Common Areas other than Maintenance Common Areas has been conveyed by quit claim deed to the Association, which shall be deemed to have automatically accepted the conveyance.

3.12 Commencement of Maintenance; Taxes. The Association shall be responsible for the maintenance, insurance and administration of Common Areas (whether or not then conveyed or to be conveyed to the Association), all of which shall be performed in a continuous and satisfactory manner without cost to the general taxpayers of the County. It is intended that any and all real estate taxes and assessments levied against the Common Areas shall be (or have been, because the purchase prices of the Lots have already taken into account their proportionate shares of the values of the Common Areas), proportionally assessed against and payable as part of the taxes of the applicable Lots within The Properties. However, in the event that, notwithstanding the foregoing, any taxes or assessments are assessed directly against the Common Areas, the Association shall be responsible for the payment (subject to protest or appeal before or after payment) thereof, including taxes on any improvements and any personal property located thereon, which taxes accrue from and after the date this Declaration is recorded.

3.13 Effect of Dissolution of Association. Notwithstanding anything in this Section, this Declaration or in the Articles of Incorporation and By-Laws to the contrary, no merger, consolidation or dissolution of the Association which affects Owners' easements in and to the Common Areas shall be effective without the approval of two-thirds (2/3rds) of the votes cast by the Regular Members and the written consent of Declarant prior to turnover. Upon dissolution of the Association, its assets shall be conveyed to a similar association or appropriate public agency having a purpose or purposes similar to those of the Association.

3.14 Community Service Systems. Any Community Service System or portions thereof shall be deemed Common Areas hereunder and the Association's rights, duties and obligations with respect thereto shall be the same as those applicable to other Common Areas unless otherwise provided.

3.15 In recognition of the intended increased effectiveness and potentially decreased installation and maintenance costs and user fees arising from the connection of all or a large number of Homes in The Properties to the applicable Community Service Systems, each Owner and occupant of a Home shall by virtue of the acceptance of the deed or other right of occupancy thereof, be deemed to have consented to and ratified any and all agreements to which the Association is a party which is based upon (in terms of pricing structure or otherwise) a requirement that all or a large number of Homes be so connected. The foregoing shall not, however, prohibit the Association or Community Service Systems provider from making exceptions to any bulk use requirement in its reasonable discretion.

WITH RESPECT TO COMMUNITY SERVICE SYSTEMS, ALL PERSONS ARE REFERRED TO SECTION 13 HEREOF, WHICH SHALL AT ALL TIMES APPLY TO THIS SECTION.

3.16 Common Irrigation System. Upon the installation of any portion of a system, it will be deemed part of the Common Areas to be operated, maintained, repaired and replaced by the Association. To the extent that any portion of the irrigation system is located on a Lot, the Association is hereby granted an easement over and under Lots for the existence, operation, maintenance, repair and replacement of the system. Accordingly, no Owner shall alter, damage or abut any portion of the irrigation system or otherwise interfere with the use of the aforesaid easement. Expenses for the general operation of the common irrigation system shall be allocated as General Assessments hereunder. As is the case with other types of Assessments, the Association may base allocation upon a formula and need not separately account for each and every expense incurred for that purpose.

4. COVENANT FOR ASSESSMENTS.

4.1 Creation of the Lien and Personal Obligation for Assessments. Except as provided elsewhere herein, for all Lots now or hereafter located within The Properties, hereby covenants and agrees, and each Owner of any Lot by acceptance of a deed or other conveyance thereof, whether or not it shall be so expressed in the deed or other conveyance, shall be deemed to covenant and agree to pay to the Association all Assessments as defined in Section 4.2, including but not limited to charges for the operation of the Association, for the maintenance, management, operation and insurance of the Common Areas, any applicable Community Service Systems as provided elsewhere herein, and a common irrigation system, if any, including reasonable reserves as the Association may deem necessary, and all other charges and Assessments hereinafter referred to or lawfully imposed by or on the Association, all Assessments to be fixed, established and collected from time to time as herein provided. **All persons are hereby notified that the Association may be a party to a contract for cable television service serving The Properties and that, if so provided in a contract, the Assessments payable as to each Lot will include charges payable by the Association under that contract, regardless of whether or not the Owner or Member's Permittees of a Lot elect to receive cable television service.**

4.1.1 Assessments, together with interest thereon and costs of collection thereof as hereinafter provided, shall be a charge and continuing lien upon the Lot against which each Assessment is made. Each Assessment, together with interest thereon and costs of collection thereof as hereinafter provided, shall also be the personal obligation of the person or entity, or the joint and several obligation of the persons or entities who own the Lot at the time when the Assessment became due, including all subsequent Owners, until paid, except as provided in this Section.

4.1.2 Reference herein to Assessments shall be understood to include reference to any and all charges whether or not specifically mentioned.

4.2. Types of Assessments. Each Assessment levied hereunder shall be one (1) of the following types (although two (2) or more types of Assessments may be payable by an Owner as a single sum):

4.2.1 Individual Assessments shall be for those expenses directly related to providing a service or maintenance to one (1) or more Lots, whether at the request of the Owner or as an exercise of an Association remedy hereunder, and shall also include fines levied pursuant to Section 8 hereof. If an Individual Assessment is levied upon more than one (1) Lot, then it shall be allocated between or among the applicable Lots as the Board directs, absent which they shall be prorated equally. The fact that Individual Assessments are authorized hereby shall not require the Association to provide any particular service (maintenance or otherwise) to a Lot or to Lots. Costs, charges and fees incurred by the Association including, but not limited to, bad checks tendered for any purpose and legal fees for pre-suit enforcement of the governing documents shall also be considered an Individual Assessment.

4.2.2 Regular Assessments (or "Common Assessments") shall be for those expenses which are incurred primarily for payment of recurring periodic budgeted common expenses for the benefit of all Owners, as primary benefit is determined by the Board of Directors. By way of example only, Common Assessments shall be levied for expenses relating to General Common Areas. Common Assessments shall be levied upon all Lots at an equal rate.

4.2.3 Special Assessments shall be for those expenses which otherwise would be Common Assessments but for the fact that they are of a nonrecurring and/or unforeseen nature (i.e., they cannot be paid by budgeting therefor as part of Common expenses), including (without limitation) the costs of capital additions or uninsured casualty losses. Special Assessments shall be levied against all applicable Lots subject thereto at an equal rate.

4.3 Establishment of Budgets and Assessments. The Board of Directors shall, by appropriate resolution duly adopted, establish the first operating budget (and thereafter an annual budget) for the Association (including Regular Assessments) and the rates of Assessments thereunder in accordance with this Article. The budget shall reflect the estimated revenues and expenses for that year and the estimated surplus or deficit as of the end of the current year. The budget shall set out separately all fees or charges for recreational amenities, whether owned y the Association or other person.

4.3.1 After adopting the initial budget (and thereafter an annual budget) and Regular Assessments as provided above, the Board of Directors shall fix the amount of the Regular Assessment against the Lots subject to the Association's jurisdiction for each Assessment period, to the extent practicable, at least ten (10) days in advance of the date or period, and shall, at that time, prepare a roster of the Lots an Regular Assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

4.3.2 Written notice of the Regular Assessment and the budget or notice that the budget is available upon request at no charge to a Member within ten (10) days of request, shall thereupon be sent to every Owner subject thereto thirty (30) days prior to the date payment of the first installment thereof is due, except as to Individual and Special Assessments. In the event no notice of the Regular Assessments for a new Assessment period is given, the amount payable shall continue to be the same as the amount payable for the previous period, until changed in the manner provided for herein.

4.3.3 The Association, through the action of its Board of Directors, shall have the power, but not the obligation, to enter into an agreement or agreements from time to time with one or more persons, firms or corporations for management services, including the administration of budgets and Assessments as herein provided.

4.3.4 The Board may establish reserve accounts funded from Regular Assessments in reasonable amounts and in categories as are determined by the Board for deferred maintenance and repair, including maintenance of all Common Areas, emergency repairs as a result of casualty loss, recurring periodic maintenance or initial cost of any new service to be performed by the Association.

4.3.5 All Assessments shall be payable in the amount specified and no setoffs shall be permitted for any reason, including without limitation, a claim that the Association is not properly exercising its responsibilities and authorities as provided in this Declaration.

4.4 Purpose of Assessments. The Assessments levied by the Association shall be used for the purposes expressed in this Article and for other purposes as the Association shall have within its powers and from time to time elect to undertake.

4.5 The Regular Assessments shall be payable in advance in monthly, annual, semi- or quarter-annual installments if so determined by the Board of Directors (absent which determination they shall be payable monthly)

4.5.1 The due date of any Individual or Special Assessment shall be fixed in the Board resolution authorizing the Assessment.

4.6 Effect of Non-Payment of Assessment; the Personal Obligation, the Lien; Remedies of the Association. If the Assessments (or installments) provided for herein are not paid on the date(s) when due (being the date(s) specified herein or pursuant hereto), then those Assessments (or installments) shall become delinquent and shall, together with late charges, interest and the cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the Lot which shall bind that property in the hands of the then owner, his heirs, personal representatives, successors and assigns. Except as provided in Section 4.7 to the contrary, the personal obligation of Owner to pay an Assessment shall pass to his successors in title and recourse may be had against either or both jointly and severally.

4.6.1 If any installment of an Assessment is not paid within fifteen (15) days after the due date, at the option of the Association the next twelve (12) months' installments may be accelerated and become immediately due and payable in full. Further, all overdue sums (regardless of whether they are accelerated or not) shall bear interest from the dates when due until paid at the rate of eighteen percent (18%) per annum. The Association may pursue all or any of the following: (1) bring an action at law against the Owner(s) or, if applicable his successors in title, personally obligated to pay the Assessments; (2) record a claim of lien (as evidence of its lien rights as hereinabove provided for) against the Lot on which the Assessments and interest are unpaid; (3) foreclose the lien against the Lot on which the Assessments and interest are unpaid; and (4) pursue one or more remedy simultaneously or successively, and attorneys' fees and costs actually incurred in preparing and filing the claim of lien and the complaint, if any, and prosecuting a lawsuit, shall be added to the amount of the Assessments and interest secured by the lien, and in the event a judgment is obtained, that judgment shall include all sums as herein described and attorney's fees actually incurred together with the costs of the action, through all applicable appellate levels.

4.6.2 In the case of an acceleration of the next twelve (12) months' installments, each installment so accelerated shall be initially deemed equal to the amount of the then most current delinquent installment, provided that if any installment so accelerated would have been greater in amount by reason of a subsequent increase in the applicable budget, the Owner of the Lot whose installments were so accelerated shall continue to be liable for the balance due by reason of the increase and Individual Assessments against the Lot and Owner shall be levied by the Association for that purpose.

4.6.3 In addition to the rights of collection of Assessments stated in this Article 4, any and all persons acquiring title to or an interest in a Lot as to which the Assessment is delinquent, including without limitation persons acquiring title by operation of law and by judicial sales, shall not be entitled to the possession of a Lot or the use and enjoyment of the Common Areas until all unpaid and delinquent Assessments and other sums due and owing from the selling or conveying Owner have been fully paid; provided, however, that the provisions of this sentence shall not be applicable to the mortgagees and purchasers contemplated by Section 4.7 of this Article.

4.6.4 All Assessments, interest, attorney's fees and other sums provided for herein shall accrue to the benefit of the Association.

4.7 Subordination of the Lien. The lien of the Assessments provided for in this Article 4 shall be subordinate only to real property tax and the lien of any first mortgage but as to all other encumbrances the Association's lien shall be superior and shall relate back and to and be effective from the date the original Declaration was recorded; provided, however, that any mortgage lender when in possession or

any receiver, and in the event of a foreclosure, any purchaser at a foreclosure sale, and any mortgage lender or its affiliate acquiring a deed in lieu of foreclosure, and all persons claiming by, through or under a purchaser or mortgage lender, shall hold title subject to the liability and lien of any Assessment coming due after foreclosure (or conveyance in lieu of foreclosure). Any unpaid Assessment which cannot be collected as a lien against any Lot by reason of the provisions of this Section 4.7 shall be deemed to be an Assessment divided equally among, payable by and a lien against all Lots subject to Assessment by the Association, including the Lot(s) as to which the foreclosure (or conveyance in lieu of foreclosure) took place. All persons or entities that take title to a Lot, including purchasers at a foreclosure sale, shall be obligated to pay all amounts due and owing to the Association on the day of the sale as required in Section 720.3085, Florida Statutes, as amended from time to time hereafter.

5. **MAINTENANCE.**

5.1 Maintenance of Homes, Lots and exclusive Common Areas by Owners.

5.1.1 Exteriors of Home. Unless otherwise provided in an appropriate Supplemental Declaration, the Owner of a Home shall have the responsibility to maintain at Owner's sole expense his Home and all exterior surfaces, roofs, fascias and soffits of the Home and other improvements located on the Lot (including driveway and sidewalk surfaces and fences) in a neat, orderly and attractive manner. The aforesaid maintenance shall include maintaining screens (including screen enclosures), windows and doors (including the wood and hardware of garage doors and sliding glass doors). The minimum (though not sole) standard for the foregoing shall be consistency with the general appearance of the Home as initially constructed and otherwise improved (taking into account, however, normal weathering and fading of exterior finishes, but not to the point of unsightliness). The Owner shall clean, repaint or restain, as appropriate, the exterior portions of each Home (with the same colors as initially used on the Home), including exterior surfaces of garage doors, as often as is necessary to comply with the foregoing standards. The Board of Directors may adopt rules as to specific frequencies of required cleaning, repainting/re-staining and the like.

5.1.2 Lots and Exclusive Common Areas. Unless otherwise provided in an appropriate Supplemental Declaration, an Owner at his sole expense shall maintain and irrigate the trees, shrubbery, grass and other landscaping on his Lot and Exclusive Common Areas, in a neat, orderly and attractive manner and consistent with the general appearance of The Properties as a whole. The minimum (though not sole) standard for the foregoing shall be the general appearance of the Home and Lot as initially landscaped (this standard being subject to being raised by virtue of the natural and orderly growth and maturation of applicable landscaping, as properly trimmed and maintained).

5.1.3 Without limiting the generality of the foregoing, each Owner shall be responsible for the maintenance of any portion of his driveway located in his respective Exclusive Common Area as well as any sidewalk, trees, shrubs, grass or other plant material located therein; provided, however, that if the Board of Directors of the Association so elects, the Association may perform all or any portion of those maintenance obligations, on an ongoing or isolated basis for the purpose of achieving an economy of scale or providing for uniform appearance throughout the Properties.

5.2 Maintenance by Association. The Association shall be responsible for the maintenance, repair and replacement of the following, notwithstanding that title or other ownership interests may not have been transferred to the Association:

5.2.1 The General, Neighborhood and Maintenance Common Areas, including all improvements, facilities, equipment and supplies.

5.2.2 Landscape and aesthetic facilities and installations within those Common Areas as follows:

5.2.2.1 Entry walls, signs, lighting, landscaping and irrigation systems located on either side of the primary entry road to McGregor Reserve, and any facilities located in any median located within the roadway. The Association's obligation shall include installations and landscaping within the right of way for the primary entry road as well as any facilities located within any easement for those purposes adjacent to the right of way.

5.2.2.2 Other areas of landscaping within or adjacent to public streets within McGregor Reserve as may be designated as the responsibility of the Association. Maintenance obligations under this Section 5.2 shall include but not be limited to, irrigation systems, landscaping, walls, fences, signs, electrical and utility installations and structures as may be located within rights of way or easements for aesthetic, artistic or decorative purposes, other than street improvements and public utilities. Nothing contained herein shall prohibit the Board from determining to maintain any landscaping within or adjacent to any public street within McGregor Reserve to the extent that it is not maintained by public authorities at an acceptable level, as determined by the Board. The Association shall have no responsibility for any landscape, buffer or similar easement, maintenance of which is the responsibility of an Owner.

5.2.3 Community Service Systems within McGregor Reserve, to the extent not the responsibility of a provider of service, a government having jurisdiction or an Owner.

5.2.4 The storm water management system, including but not limited to, all lakes, ponds, canals, ditches, culverts, lines, structures and in-flow and out-flow facilities not dedicated to and maintained by public authorities, and to the extent so dedicated, to the extent not maintained by public authorities, and to the extent so dedicated, to the extent not maintained by public authorities to a level acceptable to the Board. The storm water management system shall be maintained to not less than the minimum standards and requirements imposed by the governmental approvals.

5.2.4.1 Any storm water management system within McGregor Reserve, and any storm water discharge facility within McGregor Reserve as exempted or permitted by the Florida Department of Environmental Protection. With respect thereto, the Board may establish appropriate rules and regulations, assess the Owners for the cost thereof and contract for services to provide for the operation and maintenance of the system and facility.

5.2.5 Any part of public street within McGregor Reserve improved with paver brick as to which the Association has signed a maintenance or other agreement with the County Provided, however, that if the Association signs any agreement and thereafter a Neighborhood committee shall assume the duties of the Association, then thereafter the Association shall have no responsibility for the maintenance.

5.2.6 The monitoring of water quality and quantity in accordance with and as required by the governmental approvals. The obligation of the Association hereunder may not be amended, modified or eliminated until five (5) years after completion of all parts of McGregor Reserve as provided by the Development Plan, except with the written consent of Declarant and the County. The association's obligation to conduct monitoring shall terminate if monitoring responsibility is transferred to a governmental entity.

5.2.7 The Expense of Maintenance. The expense of the maintenance contemplated or implied by this Section 5.2 shall be a Common Expense except as otherwise expressly provided. If an item or maintenance, repair or replacement is the result of any intentional or negligent act of an

Owner or Member, his family, agents, tenants, contractors, invitees or licensees, then the cost of such maintenance, repair or replacement, to the extent so caused, shall be the responsibility of the Owner and his Lot. Even though the cost thereof may be advanced as a Common expense, it shall be billed to the Owner and his Lot for reimbursement as an Individual Assessment.

5.2.8 Repair and Maintenance by Owners. No Owner shall have repair and maintenance responsibility with respect to the Common Areas (except Exclusive Common Areas) or other items to be maintained by the Association in this Section 5.2, except for obligations provided in Section 5.2.7 and any maintenance obligations specifically assigned to a particular Owner or group of Owners.

5.2.9 Right of Association to Repair or Maintain Upon Non-Compliance Herewith.

(1) The Association and its agents may enter any Lot upon reasonable notice and during reasonable hours to inspect the Lot and improvements and landscaping thereto, in accordance with this Declaration, the terms and conditions of Architectural approval, or both. After written notice and a reasonable opportunity to cure to the Owner (except in an emergency) the Board may cause that maintenance to be performed or repair or reconstruction to be carried out to the extent that the Owner has failed to do so. All costs of maintenance, repair or reconstruction shall be assessed to the particular Owner and Lot as an Individual Assessment.

(2) Provided, however, that nothing contained herein shall obligate the Board or the Association to carry out any maintenance, repair or reconstruction. Failure to carry out maintenance, repair or reconstruction shall not waive the right of the Board or the Association to do so subsequently, nor shall doing so in any one or more instance establish any obligation of the Board or the Association to continue to do so or to do so in any particular circumstance.

(3) The Board may, in its discretion, establish uniform levels of maintenance and upkeep for Lots, and may rely upon those standards in carrying out its responsibilities hereunder.

5.2.10 Transfer of Maintenance to Governmental Authority. The Association may transfer any maintenance responsibility for any part of the Common Areas, any Community Service System or any other item or items for which the Association has maintenance responsibilities, to any special tax district, taxing unit, other public agency, authority or entity organized or having jurisdiction of those matters without the necessity of Member approval provided that governmental approvals. If transfer of responsibility is affected, the Association shall retain the authority to supplement maintenance to the extent public authority does not maintain those items to an acceptable level, as determined by the Board.

6. CERTAIN USE RESTRICTIONS.

6.1 Applicability. The provisions of this Article 8 shall be applicable to all of The Properties.

6.2 Land Use and Building Type. No Lot or Home shall be used except for residential purposes. No Home or other improvement shall be erected, altered, placed or permitted to remain on any Lot other than one Home. No changes may be made in Homes or other improvements without the consent of the Board of Directors.

The use of a Home which involves business activities shall not be deemed a violation hereof as long as that use conforms to applicable zoning requirements and does not involve customers, clients, patients, suppliers or others regularly visiting the Home, although express service and similar deliveries shall be allowed. Notwithstanding the foregoing, the privilege of conducting business activities within a Home

shall not entitle the Owner or other persons conducting the activities to any exemption or variance from, or special treatment under, the other use restrictions set forth herein or in Rules and Regulations (including any manual adopted by the Architectural Review Committee) of the Association.

6.3 Easements. Easements for the installation and maintenance of utilities, Community Service Systems and the common irrigation systems are reserved as shown on the recorded plats covering The Properties and/or as provided herein. The area of each Lot covered by an easement and all improvements in that area shall be maintained continuously by the Association to the extent provided herein, except for installations for which a public authority or utility company is responsible.

6.3.1 Utility companies, telephone company, the Association, and its designees, and their respective successors and assigns, shall have a perpetual easement for the installation and maintenance, all underground, of water lines, sanitary sewers, storm drains, and electric, gas, telephone and Community Service System lines, cables and conduits, under and through the utility easements as shown on the plats. These requirements are in addition to any set forth on the recorded plats of The Properties.

6.4 Nuisances: Nothing shall be done or maintained on any Lot which may be or become an unreasonable annoyance or nuisance to the occupants of other Lots. Any activity on a Lot which interferes with television, cable or radio reception on another Lot shall be deemed a nuisance and a prohibited activity.

6.5 Temporary structures; Shed, Gas Tanks; Other Outdoor Equipment. No structure of a temporary character, or trailer, mobile home or recreational vehicle, shall be permitted on any Lots within The Properties at any time or used at any time as a residence, either temporarily or permanently. No gas tank, gas container, or gas cylinder shall be permitted to be placed on or about the outside of any Home or on or about any ancillary building, except for gas tanks which are used for swimming pool heaters which are screened from view, one (1) gas cylinder connected to a barbecue grill and/or another tank as is designed and used for house hold purposes and approved by the Board of Directors. The foregoing, notwithstanding buried propane gas tanks, are permitted with Board approval. Any shed and outdoor equipment such as, but not limited to, a/c units and equipment, pool pumps and water softening devices shall be reasonably screened from the view of anyone not standing on the Lot by the use of landscaping or other means (in any event, as approved by the Board of Directors); provided, however, that the use of screening shall not obviate the requirement that the installation of any shed or equipment nevertheless be approved by the Board of Directors.

6.6 Signs. No sign or billboard of any kind shall be displayed to the public view from any Lot or Home except as follows:

6.6.1. Directional and informational signs associated with the Common Areas, development of McGregor Reserve in general, or as may be approved by the Board.

6.6.2. One professional sign no larger than 18" x 24" advertising a Lot/Home for sale or lease. The sign shall be removed promptly after the sale or rental of the Lot/Home.

6.6.3. Small address and family nameplates as may be approved by the Board.

6.6.4 Other signs, whether free standing, attached, lighted, moving, informational, directional, promotional or for other purposes as may be approved by the Board.

6.6.5 Security signs issued by an alarm company may be placed within ten feet (10') of the front, rear and side entrances to the Home.

6.6.6 Political signs of no more than one (1) per candidate and one (1) per ballot measure may be placed on a Lot no sooner than thirty (30) days before the election and

must be removed within twenty-four (24) hours after the election. Political signs shall not be larger than 18" by 24".

6.7. Oil and Mining, Operation; Water Wells. Oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall not be permitted upon or in The Properties, or on dedicated areas. Water wells, oil wells, tanks, tunnels, mineral excavations or shafts shall not be permitted upon or in The Properties, except for wells and other irrigation devices installed by or on behalf of the Association, or an Owner for irrigation of his Lot. Derricks or other structures designed for use in boring for oil or natural gas shall not be erected, maintained or permitted upon any portion of the real property subject to these restrictions.

6.8 Pets, Livestock and Poultry. No animals, reptiles, wildlife, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except no more than four (4) household pets may be kept, provided they are not kept, bred or maintained for any commercial purpose, and provided that they do not become a nuisance or annoyance to any neighbor by reason of barking or otherwise. No dogs or other pets shall be permitted to have excretions on any Common Areas, except areas designated by the Association for that purpose, if any, and the pet's Owners shall be responsible to clean-up any excretions. For purposes hereof, "household pets" shall mean dogs, cats and other animals expressly permitted by the Association, if any. ALL PETS SHALL BE KEPT ON A LEASH WHEN NOT IN THE APPLICABLE HOME. Pets shall also be subject to all applicable Rules and Regulations. Nothing contained herein shall prohibit the keeping of fish or domestic (household-type) birds, as long as the latter are kept indoors and do not become an unreasonable source of annoyance to neighbors.

6.9 Visibility at Intersections. No obstruction to visibility at street intersections or Common Area intersections shall be permitted; provided that neither the Association nor the Directors or Officers shall be liable in any manner to any person or entity, including Owners, their families, guests, agents, contractors and Members' Permittees, for any damages, injuries or deaths arising from any violations of this Section 6.9.

6.10 Commercial Vehicles, Trucks, Trailers, Campers and Boats. No trucks (other than those of a type, if any, expressly permitted by the Association) or commercial or public service vehicles, or campers, mobile homes, motorhomes, house trailers or trailers of every other description, recreational vehicles, boats, boat trailers, horse trailers or horse vans, shall be permitted to be parked or to be stored at any place on The Properties, or in dedicated areas, except in: (i) enclosed garages; or (ii) spaces for some or all of the above specifically designated by the Association, if any. For purposes of this Section 6.10, "commercial vehicles" and "public service vehicles" shall mean those which are not designed and used for customary, personal/family purposes. The absence of lettering or graphics on a vehicle shall not be dispositive as to whether it is a commercial or public service vehicle.

6.10.1. The prohibitions on parking contained in this Section shall not apply to temporary parking of any vehicles for construction use or providing pick-up and delivery and other commercial services, nor to passenger-type vans with windows for personal use which are in acceptable condition in the sole opinion of the Board (which favorable opinion may be changed at any time). Also, the Board of Directors may adopt Rules and Regulations permitting temporary parking of recreational and other otherwise prohibited vehicles for purposes such as loading and washings.

6.10.2. All Owners and other occupants of Homes are advised to consult with the Association prior to purchasing, or bringing onto The Properties, any type of vehicle other than a passenger car inasmuch as other types of vehicle may not be permitted to be kept within The Properties.

6.10.3. Subject to applicable laws and ordinances, any vehicle parked in violation of these or other restrictions contained herein or in the Rules and Regulations now or hereafter adopted may be towed by the Association at the sole expense of the vehicle's Owner if the vehicle remains in violation for a period of 24 hours from the time a notice of violation is placed on the vehicle. The Association shall not be liable to the vehicle's Owner for trespass, conversion or otherwise, or be guilty of any criminal act, by reason of towing and once the notice is posted, neither its removal, nor failure of the Owner to receive it for any other reason, shall be grounds for relief of any kind. For purposes of this paragraph, "vehicle" shall also mean campers, mobile homes and trailers. An affidavit of the person posting the aforesaid notice stating that it was properly posted shall be conclusive evidence of proper posting.

6.11. Parking, on Common Areas and Lots/Garages. No vehicles of any type shall be parked on any portion of the Common Areas (including swales and roadways) except to the extent, if at all, a portion (s) of the Common Areas is specifically designated for that purpose or parking is for a temporary social or similar event. The use of vehicle covers is not permitted when the vehicle is parked outside of the garage.

6.11.1. All Owners and Members' Permittees shall use at least one (1) space in their garages for parking a vehicle. In the event that a party keeps a boat on a trailer (or some other vehicle or trailer) in the party's garage, the other space shall still be used for vehicular parking. Garage doors shall be kept closed at all times except when in actual use and during reasonable limited periods when the garage is being cleaned or other activities are being conducted therefrom which reasonably require the doors to be left open.

6.11.2. No parking shall be permitted on any portion of a Lot except its driveway and garage. Further, no "stacking" of vehicles shall occur on a regular basis where prohibited by any applicable code or land use condition. No parking is allowed on the grass or sidewalk.

6.11.3 No abandoned, inoperable or oversized vehicle of any kind shall be stored or parked on any portion of any Lot or on any of the Common Areas. "Abandoned or inoperable vehicle" means any vehicle which has not been driven under its own propulsion for a period of seventy-two (72) hours or longer, provided, however, this shall not include vehicles parked in an enclosed garage or an operable vehicle left on the Lot by its Owner while on vacation. "Oversized vehicle" means a vehicle which does not fit in the Home's garage. A written notice describing the "abandoned or inoperable vehicle", or the "oversized vehicle" as the case may be, and requesting removal thereof may be personally served upon the Owner or posted on the vehicle; and if the vehicle has not been removed within seventy-two (72) hours thereafter. McGregor Reserve Community Association, Inc. shall have the right to remove it without liability to it, and the expenses thereof shall be charged against the Owner as an Individual Assessment.

6.12 Garbage and Trash Disposal. No garbage, refuse, trash or rubbish (including materials for recycling) shall be placed outside of a Home except as permitted by the Association. The requirements from time to time of the applicable governmental authority or other company or association for disposal or collection of waste shall be followed. All equipment for the storage or disposal of material shall be kept in a clean and sanitary condition. Except for "dumpsters" used by Neighborhood Associations or the Association, which shall be kept in appropriate enclosures, containers must be rigid plastic, no less than 20 gallons or more than 32 gallons in capacity, and shall be well sealed. Containers may not be placed out for collection sooner than 24 hours prior to scheduled collection and must be removed within 12 hours of collection. When not placed out for collection the containers must be kept so they are not visible from the street. In the event that

an Owner or occupant of a Lot keeps containers for recyclable materials thereon, those shall be deemed to be refuse containers for the purposes of this Section 6.12.

6.13 Drying. Clothesline Drying is allowed with ARC approval but only at rear of the home.

6.14 Waterfront Property. As to all portions of The Properties which have a boundary contiguous to a lake or other body of water, the following additional restrictions and requirements shall be applicable:

6.14.1. No boathouse, dock, wharf or other structure of any kind shall be erected, placed, altered or maintained on the shores of the lake.

6.14.2. No boat, boat trailer or vehicular parking or use of lake slope or shore areas shall be permitted. No boats of any type shall be used on any body of water which is part of the Common Areas, except those used by the Association or any contractor of either for maintenance or other lawful purposes.

6.14.3. No solid or liquid waste, litter or other materials may be discharged into/onto or thrown into/onto any lake or other body of water or the banks thereof.

6.14.4. No landscaping, fences, structures or other improvements (regardless of whether or not permanently attached to the land or to other improvements) shall be placed within any lake maintenance or similar easements around lakes or other bodies of water, unless the Lot Owner has filed with the ARB, a letter of understanding that any landscaping placed thereon is done at the Owner's risk and the landscaping is subject to removal by order of the ARB, without warning, at any future date.

6.14.5. Any boats kept on The Properties shall be subject to Section 6.11 hereof.

6.14.6. Any boats operated on lakes or other waterbodies owned by, or dedicated to, any public authority shall be subject to all regulations of that authority and not to regulation by the Association (which will have no jurisdiction over those areas).

WITH RESPECT TO WATER LEVELS AND QUALITY AND OTHER WATERBODY RELATED MATTERS, ALL PERSONS ARE REFERRED TO SECTION 13 HEREOF.

6.15 Unit Air Conditioners and Reflective Materials. No building shall have any aluminum foil placed in any window or glass door or any reflective substance or other materials (except standard window treatments) placed on any glass, except such as may be approved by the Board of Directors for energy conservation purposes. Air conditioning units, including window units, shall not be placed in the front of the home and in all other locations must be screened from view from the street.

6.16 Exterior Antennas. Exterior antennas, satellite dishes or similar equipment no greater than one (1) meter shall be permitted on any Lot or improvement thereon with the approval of the Board of Directors. The Board can require the dish to be placed in a location it chooses as long as it does not unreasonably delay or prevent use of the dish; (2) unreasonably increases the cost of the dish; or (3) preclude the reception of an acceptable quality signal. Association shall have the right to install and maintain Community Service Systems.

6.17 Renewable Resource Devices. Nothing in this Declaration shall be deemed to prohibit the installation of energy devices based on renewable resources (e.g., solar collector panels); provided, however, that they shall be installed only in accordance with the reasonable standards adopted from time to time by the Board of Directors. Standards shall comply with Florida Statute

163.04 (1994) and shall be reasonably calculated to maintain the aesthetic integrity of The Properties without making the cost of the devices prohibitively expensive.

6.18 Artificial Vegetation. No artificial grass, plants or other artificial vegetation, or rocks or other landscape devices, shall be placed or maintained upon the exterior portion of any Lot without the prior approval of the Board of Directors.

6.19 Conservation Easement. There shall be no development activity within, or removal of native vegetation from, any property subject to a Deed of Conservation Easement. Further, conservation areas, if any, are hereby dedicated as Common Maintenance Areas. They shall be the perpetual responsibility of the Association and may in no way be altered from their natural state. Activities prohibited within the conservation areas 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; excavation, dredging or removal of soil materials; diking or fencing; and any other activities detrimental to drainage, flood control, water conservation, erosion control or fish and wildlife habitat conservation or preservation.

6.20 Gatehouse Procedures, Roving, Patrols. All Owners shall be responsible for complying with and ensuring that their Members' Permittees and invitees comply with procedures adopted, if any, for controlling access to and upon The Properties through any gatehouse serving The Properties or any portion thereof as well as Common Area roadways and other portions of the Common Areas, as such procedures and restrictions are adopted and amended from time to time.

6.20.1. **All Owners and other occupants of Homes are advised that any gatehouse staff and system, as well as any roving patrol/surveillance personnel, serving The Properties are not law enforcement officers and are not intended to supplant law enforcement officers; those persons being engaged, if at all, only for the purpose of monitoring access to The Properties and observing activities therein which are readily apparent to them.**

THE FOREGOING IS SUBJECT AT ALL TIMES TO THE DISCLAIMER OF DUTIES AND LIABILITIES AS SET FORTH IN ARTICLE 16 OF THIS DECLARATION.

6.21 Variances. The Board of Directors of the Association shall have the right and power to grant variances from the provisions of this Article 8 and from the Association's Rules and Regulations for good cause shown, as determined in the reasonable discretion of the Board. No variance granted as aforesaid shall alter, waive or impair the operation or effect of the provisions of this Article 8 in any instance in which the variance is not granted.

6.22 Unsightly Items. Weeds, rubbish, debris or other unsightly materials or objects of any kind shall be regularly removed from a Lot by its Owner and shall not be allowed to accumulate thereon. Prior to the construction of improvements on a Lot, the Owner thereof shall cause the underbrush and weeds to be cut or mowed at least monthly, with weekly cuttings during the growing season (May to October). If any Owner fails to remove unsightly items or objects or to clear and mow its Lot, then after reasonable notice to Owner, the Association or its agents may enter upon the Lot and remove the unsightly items. The cost thereof shall be an Individual Assessment against the Owner and his Lot. The Association and those acting for it shall not be responsible for any damages on account of the disposition of any accumulated materials so removed so long as the Board exercises good faith. Garbage containers, lawn trimmings and trash stored for pickup shall comply with collection service rules of applicable governmental authorities and providers of service. With the exception of garbage and trash properly stored for pickup, no refuse or unsightly objects or items shall be permitted to accumulate on or adjacent to an Owner's Lot.

6.23 Drainage. First floor levels, grading and contours of each Lot, and where applicable all Common Areas, shall be performed as to provide proper drainage of the Lot, and where applicable all Common Areas, without adversely affecting adjacent Lots or Common Areas. Once a proper drainage pattern is established, no filling or grading shall be done that would adversely affect the drainage pattern. All slopes and swales providing drainage shall be maintained. Protective slopes around all buildings shall be provided on every Lot by the respective Owner and swales and other drainage facilities shall be planned in accordance with sound engineering practices and maintained and preserved to prevent standing water. No grass clippings, plant trimmings or other landscape or other debris shall be deposited in a swale, ditch, lake, pond or any other drainage, detention or retention facility within The Properties, whether part of the storm water management system or not. Any Owner that causes or permits alteration of the contours of land or drainage or otherwise interferes with the storm water management system shall be responsible for any damage caused thereby to other parts of The Properties. The Association shall have no liability to any person or entity for inadequate drainage or water retention so long as the Developer complies with its applicable permits.

THE FOREGOING IS SUBJECT AT ALL TIMES TO THE DISCLAIMER OF DUTIES AND LIABILITIES AS SET FORTH IN SECTION 13 OF THIS DECLARATION.

6.24 Restriction on Right to Withdraw Water. No Owner shall have the right to withdraw or use water from any lake, pond, retention facility or drainage ditch forming a part of the storm water management system without the prior written approval of the Board. The right if granted, shall exist exclusively for irrigation purposes. Any approval may be given unconditionally or conditioned upon terms and limitations as the Board may deem appropriate, in its sole discretion, including but not necessarily limited to the imposition of a charge to take and use water. Any approval once given may be revoked or suspended by the Board if the Board, in its sole discretion, determines that the right has been abused or that circumstances have changed so that it is in the best interest of the Association that authorization be withdrawn. Likewise, the Board may impose additional conditions or alter those already imposed. Nothing contained herein shall be deemed to impose any obligation upon the Board to permit the withdrawal and use of water by any Owner and the Board may be arbitrary in reaching any determination hereunder. Provided, however, that those in substantially similar situations shall be treated in a uniform, fair and reasonable manner. If, however, the Board has determined that there are a limited number of Owners who may withdraw water from any given source, the Board may limit the number who may so withdraw and use the water, and establish priorities as they deem appropriate.

6.25 Additional Rules and Regulations. In addition to the Rules and Regulations which may be adopted and amended from time to time by the Board, the Board may adopt Rules and Regulations governing the maintenance and use of The Properties (including Lots and Common Areas). The Board shall make reasonable efforts to publicize the Rules and Regulations, including any amendments thereto which may be made by the Board from time to time, but shall not be required to record them in the public records of the County. Any Rules and Regulations shall be either: (i) in furtherance of specific provisions of this Declaration; or (ii) reasonably calculated to enhance the orderly and peaceful appearance, use and operation of The Properties but, in either case, shall not conflict with any provision of this Declaration, the Articles or By-Laws. Subject to the foregoing standard, the Rules and Regulations may prohibit (as opposed to simply regulate) certain uses or installations notwithstanding that prohibition of those uses or installations set forth herein.

6.26 Hurricane Shutters. Any hurricane or other protective devices visible from outside a Home shall be of a type as approved by ARC. Hurricane shutters may not be continuously left up or closed during hurricane season. Any such approved hurricane shutters may only be installed or closed up to forty-eight (48) hours prior to the expected arrival of a hurricane and must be removed or opened within seventy-two (72) hours after the end of a hurricane watch or warning or as the Board may determine otherwise.

7. **RESALE, LEASE AND OCCUPANCY RESTRICTIONS.**

7.1 Estoppel Certificate; Documents. No Owner may sell or convey his interest in a Lot unless all sums due the Association are paid in full and an estoppel certificate in recordable form confirming payment in full (the "Certificate") shall have been received by the Owner. If all those sums are paid, the Association shall deliver the Certificate to the Owner within fifteen (15) days of a written request therefor. The Owner requesting the Certificate may be required by the Association to pay to the Association a reasonable sum to cover the costs of examining records and preparing the Certificate.

7.1.2. Owners shall be obligated to deliver the documents originally received from their Seller containing this and other declarations and documents, to any grantee of that Owner.

7.1.3 Resale Capital Contribution. The purchaser of each Lot, at the time of closing the conveyance from seller to purchaser, shall pay to the Association a working capital contribution. The amount of the working capital contribution shall be as determined by the Board of Directors of the Association but shall in no event be greater than the amount of the regular bi-annual quarterly assessment for the current calendar quarter in which the closing occurs. The funds derived from the working capital contribution shall be used at the sole discretion of the Board of Directors as needed to meet necessary and proper Association expenses. The working capital contribution, together with interest, costs and reasonable attorney's fees, shall be the personal obligation of the purchaser of the Unit and shall also be a charge against the Lot secured by a continuing lien upon the Lot. The lien shall have the same priority as a lien for unpaid assessments. Said lien may be foreclosed in the same manner as provide herein for an assessment lien. For purposes of this Section, the term "conveyance" shall mean the transfer of record legal title to a Lot by deed or other authorized means of conveyance, with or without valuable consideration, and shall also refer to a transfer of possession and beneficial ownership by means of an agreement for deed. The foregoing notwithstanding the term "conveyance" does not refer to a transfer of title to the holder of a first mortgage resulting from a foreclosure sale or deed in lieu of foreclosure, a transfer to a devisee as the result of a death of the transferee, nor to a transfer of title to the transferor's spouse without changing occupancy, solely for estate planning or tax reasons.

7.2 Leases. No portion of a Lot or Home (other than an entire Lot and Home) may be leased or rented. All leases shall be in writing and shall provide (or be automatically deemed to provide) that the Association shall have the right to terminate the lease in the name of and as agent for the lessor upon default by tenant in observing any of the provisions of this Declaration, the Articles of Incorporation, the By-Laws, and its applicable Rules and Regulations or other applicable provisions of any agreement, document or instrument governing The Properties or administered by the Association. Leasing of Lots and Homes shall also be subject to the prior written approval of the Association, which approval shall not be unreasonably withheld but may be denied for good cause and which shall be deemed given if the Association does not deny approval within fifteen (15) days of its receipt of a request for approval together with a copy of the proposed lease and all supporting information reasonably requested by the Association which supporting information may include but not be limited to a criminal background check, credit check and personal interview. The Association may charge a transfer application fee of up to $100.00 per applicant/occupant eighteen years of age or older. No approval of a lease shall be denied on the basis of its duration if the duration is for a term of at least one year. The Association is an equal opportunity provider of housing and no lease shall be denied for an illegal discriminatory reason.

7.2.1 Disapproval. A proposed lease shall be disapproved only if a majority of the whole Board so votes, and in such case the lease shall not be made. Appropriate grounds for disapproval shall include, but not be limited to, the following:

7.2.1.1 the owner is delinquent in the payment of assessments, fines or other charges at the time the application is considered;

7.2.1.2. the owner has a history of leasing his home without obtaining approval, or leasing to troublesome lessees and/or refusing to control or accept responsibility for the occupancy of his home;

7.2.1.3. the real estate company or rental agent handling the leasing transaction on behalf of the owner has a history of screening lessee applicants inadequately, recommending undesirable lessees, or entering into leases without prior Association approval;

7.2.1.4. the application on its face indicates that the person seeking approval or any of the proposed occupants intend to conduct themselves in a manner inconsistent with the covenants and restrictions applicable to the Association;

7.2.1.5. the prospective lessee or any of the proposed occupants have been convicted of a felony involving violence to persons or property, a felony involving sale or possession of a controlled substance, or a felony demonstrating dishonesty or moral turpitude;

7.2.1.6. the prospective lessee or any of the proposed occupants have a history of conduct which evidences disregard for the rights and property of others.

7.2.1.7. the prospective lessee or any of the proposed occupants evidences a strong possibility of financial irresponsibility;

7.2.1.8. the lessee or any of the proposed occupants, during previous occupancy, has evidenced an attitude of disregard for the Association rules;

7.2.1.9. the prospective lessee or any of the proposed occupants gives false or incomplete information to the Board as part of the application procedure, or the required transfer fees and/or security deposit is not paid;

7.2.1.10. the owner fails to give proper notice of his intention to lease his home to the Board of Directors or allows occupancy of the home before the lease is approved.

7.2.2 No Owner leasing his Lot/Home shall be entitled to transfer any use rights in and to Common Areas (other than access rights over Common Area for ingress and egress) unless Owner first delivers to the Association: (i) a transfer fee in an amount established by the Board; and (ii) a completed transfer application in the form prescribed by the Board. Any transfer of rights may be made for a term of no less than one (1) year. Further, no transfer shall be valid for a period of more than twelve (12) months. A transfer of rights hereunder shall vest in the tenant non-exclusive use rights in and to the Common Areas as are appurtenant to the Lot/Home being transferred and shall divest the Owner of those rights for the period for which the transfer is effective. Accordingly, any and all rights afforded Owners and Members' Permittees under this Declaration with respect to the Common Areas (again, other than access) shall be subject to the requirements of this Section 7.2.

7.2.3 The Owner shall be jointly and severally liable with the tenant to the Association for any amount required by the Association to affect repairs or to pay any claim for injury or damage to property caused by the negligence of the tenant, or of its family, guests, invitees and agents.

7.2.4 The Association shall be deemed a Landlord only for the purpose of bringing an action for eviction and is authorized to evict tenants pursuant to Chapter 83, Florida Statutes. The Owner and Tenant shall be jointly and severally liable for all attorneys fees and costs incurred in such action.

7.3 Members' Permittees. No Lot or Home shall be occupied by any person other than the Owner(s) thereof and his family or the applicable Members' Permittees and in no event other than as a residence. For purposes of this Declaration, a Member's Permittees shall be the following persons and his family, provided that the Owner or other permitted occupant must reside with his/her family: (i) an individual Owner(s), (ii) an officer, director, stockholder or employee of a corporate Owner, (iii) a partner in or employee of a partnership Owner, (iv) a fiduciary or beneficiary of an ownership in trust, or (v) occupants named or described in a lease or sublease, but only if approved in accordance with this Declaration. Under no circumstances may more than one family reside in a home at one time.

7.3.1. As used herein, "family" or words of similar import shall be deemed to include spouses, children, parents, brothers, sisters, grandchildren and other persons permanently cohabiting the Home as or together with the Owner or permitted occupant thereof. As used herein, "guest" or words of similar import shall include only those persons who have a principal residence other than the Home. Unless otherwise determined by the Board, a person occupying a Home for more than one (1) month shall not be deemed a guest but, rather, shall be deemed a lessee for purposes of this declaration (regardless of whether a lease exists or rent is paid) and shall be subject to the provisions of this Declaration which apply to leases and lessees. The purpose of this Section 7.3 is to prohibit the circumvention of the provisions and intent of this Article 7 and the Board shall enforce, and the Owners comply with, this Section 7.3 with due regard for this purpose.

8. ENFORCEMENT; ARBITRATION; LITIGATION.

8.1 Compliance by Owners. Every Owner and Member's Permittee shall comply with the restrictions and covenants set forth in this Declaration and any and all Rules and Regulations which from time to time may be adopted by the Board.

8.2 Violations. Failure of an Owner or his Member's Permittee to comply with this Declaration or Rules and Regulations shall be grounds for immediate action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof, all to the extent of the Owner's liability under this Declaration and applicable law. The Association shall have the right to suspend the rights of use of Common Recreation Areas and facilities of defaulting Owners. The defaulting Owner shall be responsible for all costs of enforcement including attorneys' fees actually incurred and court costs.

8.2.1 Fines. In addition to all other remedies, and to the maximum extent lawful, in the sole discretion of the Board, a fine, fines or suspension may be imposed upon an Owner for failure of an Owner or his Member's Permittees to comply with this Declaration or the Rules and Regulations.

8.2.2 Notice: The Association shall notify the Owner in writing of the alleged infraction or infractions. Included in the notice shall be the place, date and time of a

hearing before a committee of at least three Members appointed by the Board who are not officers, directors or employees of the Association, or the spouse, parent, child, brother or sister of an officer, director or employee of the Association, at which time the Owner shall present reasons why a fine(s), suspension or both should not be imposed. At least fourteen (14) days' notice of the hearing shall be given to Owner.

8.2.3 Hearing: The alleged infraction(s) shall be presented to the committee described in Section 8.2.2 above. If the committee, by majority vote, does not approve a proposed fine or suspension, they may not be imposed. A written decision of the committee shall be submitted by the Board to the Owner no later than twenty-one (21) days after the hearing. The Owner shall have a right to be represented by counsel and to cross examine witnesses.

8.2.4 Amounts of Fine and Length of Suspension: The Board (if the committee's findings are made against the Owner) may impose a suspension of an Owner and Individual Assessments against the Owner and the Lot owned by the Owner, except as limited by law, as follows: a fine not in excess of one hundred dollars ($100.00) per day per infraction and suspension for a reasonable length of time of the Member's rights (including voting rights) and those of his family, tenants, guests, invitees, and Members' Permittees to use the Common Areas. A fine may accrue to the maximum amount of $5,000.00 for a continuing violation. Fines accrued to $1,000.00 or more shall become a lien on the Lot.

8.2.5 Payment of Fines: Fines shall be paid not later than five (5) days after notice of the imposition of the fine.

8.2.6 Collection of Fines: Fines shall be treated as an Individual Assessment subject to the provisions of this Declaration for the collection of Assessments, and the lien securing them, as set forth herein.

8.2.7 Application of Proceeds: All money received from fines shall be allocated as directed by the Board.

8.2.8 Non-exclusive Remedy: Fines and suspension shall not be construed to be mutually exclusive or the exclusive remedies, and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled; provided, however, any penalty paid by the offending Owner shall be deducted from or offset against any damages which the Association may otherwise be entitled to recover by law from the Owner.

8.2.9 Hearing Panel: The requirements of this Section 8.2 shall not apply to the imposition of suspensions or fines upon any Member because of the failure of the Member to pay Assessments.

8.2.10 Suspension of Common Area use rights shall not impair the right of an Owner or Member's Permittee to have vehicular and pedestrian ingress to and egress from his Lot.

8.2.11 The Association may suspend the voting rights of a Member.

8.3 Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of the Members as required by law.

9. **DAMAGE OR DESTRUCTION TO COMMON AREAS.** Damage to or destruction of all or any portion of the Common Areas shall be addressed in the following manner, notwithstanding any provision in this Declaration to the contrary:

9.1 In the event of damage to or destruction of the Common Areas, if available insurance proceeds are sufficient to effect total restoration, then the Association shall cause those portions of the Common Areas to be repaired and reconstructed substantially as it previously existed.

9.2 If available insurance proceeds are within One Hundred Thousand Dollars ($100,000.00) or less of being sufficient to effect total restoration, then the Association shall cause those portions of the Common Areas to be repaired and reconstructed substantially as they previously existed and the difference between the available insurance proceeds and the estimated cost of the restoration work shall be levied as a Special Assessment against each of the Owners in equal shares, overall basis as appropriate, in accordance with the provisions of Section 4 of this Declaration.

9.3 If available insurance proceeds are insufficient by more than One Hundred Thousand Dollars ($100,000.00) to effect total restoration, then by written consent or vote of a majority of each category of the Members, they shall determine, subject to Article 13 hereof, whether: (1) to rebuild and restore the Common Areas in substantially the same manner as they existed prior to damage and to raise the necessary funds in excess of the insurance proceeds by levying Special Assessments against all Members; (2) to rebuild and restore in a manner which is less expensive than restoring the Common Areas in substantially the same manner as they existed prior to being damaged; or (3) subject to the approval of the Board, to not restore and to retain the available insurance proceeds.

9.4 Each Member shall be liable to the Association for any damage to the Common Areas which may be sustained by reason of the negligence or willful misconduct of any Member (including the Member's family, guests, invitees, agents, tenants and contractors) or his Member's Permittees. Notwithstanding the foregoing, the Association reserves the right to charge that Member an Assessment equal to the increase, if any, in the insurance premium directly attributable to the damage caused by that Member. In the case of joint ownership of a Lot or Home, the liability of the Members shall be joint and several. The cost of correcting the damage shall be an Individual Assessment against the member (or Members) and may be collected as provided herein in Section 4 for the collection of Assessments.

10. INSURANCE.

10.1 Common Areas. The Association shall keep all improvements (other than foundations, landscaping and other components not usually insured), facilities and fixtures located within the Common Areas insured against loss or damage by fire or other casualty for the full insurable replacement value thereof (with reasonable deductibles and normal exclusions for land, foundations, excavation costs and similar matters), and may obtain insurance against other hazards and casualties as the Association may deem desirable. The Association may also insure any other property, whether real or personal, owned or maintained by the Association, against loss or damage by fire and other hazards as the Association may deem desirable, with the Association as the Owner and beneficiary of insurance for and on behalf of itself and all Members. The insurance coverage with respect to the Common Areas shall be written in the name of, and the proceeds thereof shall be payable to, the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association are common expenses included in the Assessments made by the Association.

10.1.1 To the extent obtainable at reasonable rates, the insurance policy(ies) maintained by the Association shall contain provisions, or be accompanied by endorsements, for: agreed amount and inflation guard, demolition costs, contingent liability from operation of building laws and increased costs of construction.

10.1.2 All insurance policies shall contain standard mortgagee clauses, if applicable.

10.1.3 The Association shall also maintain flood insurance on the insurable improvements on the Common Areas in an amount equal to the lesser of 100% of the replacement costs of all customarily insurable improvements (if any) within the Common Areas or the maximum amount of coverage available under the National Flood Insurance Program, in either case if the insured improvements are located within a flood zone as to which mortgage lenders customarily require flood insurance.

10.2 Replacement or Repair of Property. Subject to the provisions of Article 11 of this Declaration, the Association shall repair or replace damage to or destruction of any portion of the Common Areas using the insurance proceeds available.

10.3 Waiver of Subrogation. As to each policy of insurance maintained by the Association which will not be voided or impaired thereby, the Association hereby waives and releases all claims against the Board, the Members, and their agents and employees, with respect to any loss covered by insurance, that insurance proceeds are received in compensation for a loss.

10.4 Liability and Other Insurance. The Association shall have the power to and shall obtain and maintain comprehensive public liability insurance, including medical payments and malicious mischief, with coverage of at least $1,000,000.00 (if available at reasonable rates and upon reasonable terms) for any single occurrence, insuring against liability for bodily injury, death and property damage arising from the activities of the Association or with respect to property under its jurisdiction, including, if obtainable, a cross liability endorsement insuring each Member against liability to each other Member and to the Association and vice versa and coverage for legal liability resulting from lawsuits related to employment contracts. Concerning insurance for the landscape easement referenced in Section 3: the Association shall provide a comprehensive general liability insurance policy naming the owners of lots encumbered by the landscape easement ("easement lot owners"), as additional insured's. In addition, the Association shall indemnify and hold the easement lot owners and their insurance carriers harmless from any and all damages, including attorneys' fees and costs ("claims"), incurred by the easement lot owners and their insurance carriers, except for those claims which result from the acts or omissions of one or more of the easement lot owners. The Association may also obtain Worker's Compensation insurance and other liability insurance as it may deem desirable, insuring each Member and the Association and its Board of Directors and officers, from liability in connection with the Common Areas. The Association may also obtain and maintain other insurance as the Board deems appropriate. All insurance policies shall be reviewed at least annually by the Board of Directors and the limits increased in its discretion. All premiums for insurance policies authorized or required herein shall be Common Expenses and included in the Assessments made against the Members.

10.5 The Board may also obtain errors and omissions insurance, indemnity bonds, fidelity bonds and other insurance as it deems advisable, insuring the Board or any committee thereof. At a minimum, however, there shall be blanket fidelity bonding of anyone (compensated or not) who handles or is responsible for funds held or administered by the Association, with the Association to be an obligee thereunder. The bonding shall cover the maximum funds to be in the hands of the Association or management company during the time the bond is in force. In addition, the fidelity bond coverage must at least equal the sum of three (3) months' of regular Assessments, plus all reserve funds.

10.6 "Blanket" Insurance. The requirements of this Article may be met by way of the Association being an insured party under any coverage obtained by the Association together with any other association(s) as long as coverage is in accordance with the amounts and other standards stated in this Section 11.

10.7 Owners' Duties. The Association shall not obtain any insurance on behalf of an Owner, nor shall the Association insure the Lots or Homes in any manner. By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with McGregor Reserve Community Association, Inc. that each Owner shall carry public liability insurance even when the Lot is vacant and blanket all-risk casualty insurance on the Lot(s) and Homes constructed thereon. All policies of insurance required by the terms of this 10.7 shall name McGregor Reserve Community Association, Inc. as additional insured's and shall require that the McGregor Reserve Community Association, Inc. be given at least thirty (30) days' prior written notice of any cancellation, substantial modification, or non-renewal. It shall be the responsibility of each Owner, at its expense, to obtain hazard insurance on the improvements, personal property and furnishings on its Lot. In addition, each Owner may obtain other insurance coverage on and in relation to its Lot and Home as the Owner may determine.

10.7.1 Destruction of Improvements. The following provisions shall apply to the damage or destruction to improvements located on a Lot.

(1) If any structure upon a Lot shall be substantially damaged or destroyed, it shall be the obligation of the Owner to repair, rebuild or reconstruct the improvements as soon after the casualty as may be practical. All repair, replacement and reconstruction shall require Architectural Review as provided herein.

(2) Notwithstanding damage to or destruction of the improvements to a Lot, the Owner shall remain liable to the Association for all Assessments in connection with his Lot. Liability shall continue unabated, even though the Lot is not fit for occupancy or habitation, and even though improvements are not reconstructed. In addition to liability for Regular Assessment, the Lot and its Owner may be liable for Special and Individual Assessments in connection with the Lot, including those in accordance with this Section 10.7.

(3) As soon as practical after damage or destruction, the Owner shall cause to be removed all debris and portions of the improvements that cannot be preserved for incorporation into the replacement structure. All dangerous conditions shall be removed immediately. All debris shall be removed from the Lot no later than thirty (30) days after the date upon which the casualty occurs.

(4) The Owner shall, within thirty (30) days of the date of the casualty, notify the Board in writing of his intention to rebuild or reconstruct. Failure to so notify shall be deemed evidence of Owner's intention not to rebuild. Owner shall initiate Architectural Review within ninety (90) days of notification, and shall commence rebuilding or reconstruction (the "work") within sixty (60) days after final Architectural Committee approval and prosecute the work diligently to completion. If for any reason the Owner does not notify, initiate Architectural Review, commence or diligently pursue the work within the time limits established herein, then he shall be deemed to have elected not to rebuild and the Association shall have the rights and duties hereinafter specified. An Owner may at any time notify the Association in writing of an election not to rebuild.

(5) If an Owner elects not to rebuild the improvements, or is deemed to have so elected under the provisions of this Section 10.7, then the Owner shall be obligated at his expense to remove all portions of the improvements remaining, except underground utility lines, which shall be secured. The Owner shall cause to be removed all parts of the improvements then remaining, including the slab and foundation. The Owner shall provide fill and install sod so that the property shall thereupon give the appearance of a landscaped open space. Clearing and

the restoration shall be completed not later than thirty (30) days after the date upon which the Owner elects or is deemed to have elected not to rebuild.

(6) If an Owner fails to comply with any of the provisions of this Section then the Association may perform these acts as are the responsibility of the Owner and the cost shall be treated initially as a Common Expense, but charged against and be payable by the Owner and his Lot as an Individual Assessment in accordance with Section 4.

(7) Upon written application of an Owner, any of the time periods set forth in this Section 10.7 may be extended by the Board for good cause.

(8) The duties of the Association hereunder shall be performed by the Board.

11 **MORTGAGEE PROTECTION.** The following provisions are included herein for the purpose of complying with various requirements relating to mortgage loans for Lots/Homes and to the extent these provisions conflict with any other provisions of the Declaration, these provisions shall control:

11.1 The Association shall be required to make available for inspection to all Owners and mortgagees, and to insurers and guarantors of any first mortgage, upon request, during normal business hours or under other reasonable circumstances, current copies of : (1) this Declaration (with all supplements and amendments); (2) the Articles; (3) the By-Laws; (4) the Rules and Regulations; and (5) the books and records of the Association. Furthermore, those persons shall be entitled, upon written request, to: (i) receive a copy of the Association's Financial statement for the immediately preceding fiscal year; (ii) receive notices of and attend the Association meetings; (iii) receive notice from the Association of an alleged default by an Owner in the performance of the Owner's obligations under this Declaration, the Articles of Incorporation, the By-Laws of the Association, or Rules and Regulations, which default is not cured within thirty (30) days after the default is discovered by the Association; and (iv) receive notice of any substantial damage or loss to the Common Areas.

11.2 Any holder, insurer or guarantor of a Mortgage on a Lot or Home shall have, if first requested in writing, the right to timely written notice of: (1) any condemnation or casualty loss affecting a material portion of the Common Areas; (2) a sixty (60) day delinquency in the payment of the Assessments on a mortgaged Lot or Home; (3) the occurrence of a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and (4) any proposed action which requires the consent of a specified number of mortgage holders.

11.3 Unless at least two-thirds (2/3rds) of first mortgagees (based upon one vote for each mortgage owned), and the Members holding at least two-thirds (2/3rds) of the votes entitled to be cast by them, have given their prior written approval, neither the Association nor the Owners shall:

11.3.1. by act or omission seek to sell or transfer the Common Areas and any improvements thereon which are owned by the Association except for: (1) granting easements for utilities or for other purposes consistent with the intended use of property by the Association (2) the transfer of the Common Areas to another similar association including the Owners in accordance with the Articles of Incorporation of the Association; or (3) the dedication of such property to the public;

11.3.2. change the basic methods of determining the obligations, Assessments, dues or other charges which may be levied against a Lot or Home, except as provided herein with respect to future Lots;

11.3.3. by act or omission, waive or abandon any regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of The Properties;

11.3.4. fail to maintain fire and extended insurance on insurable portions of the Common Areas as provided herein; or

11.3.5. use hazard insurance proceeds for losses to any Common Areas for other than the repair, replacement or reconstruction of those improvements.

12. GENERAL PROVISIONS.

12.1. Duration. The covenants and restrictions of this Declaration shall run with and bind the Properties, and shall inure to the benefit of and be enforceable by the Association, the Board of Directors, and the Owner of any land subject to this Declaration, and their respective legal representatives, heirs, successors and assigns, for a term of ninety-nine (99) years from the date this Declaration is recorded, after which time the covenants and restrictions shall be automatically extended for successive periods of ten (10) years each unless an instrument signed by the then Owners of 75% of all the Lots subject hereto and of 100% of the mortgagees thereof has been recorded, agreeing to revoke the covenants and restrictions; provided, however, that no agreement to revoke shall be effective unless made and recorded in advance of the effective date of revocation, and unless written notice of the proposed agreement is sent to every Owner at least ninety (90) days in advance of any signatures being obtained.

12.2. Notice. 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 when personally delivered or mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of mailing.

12.3. Severability. Invalidation of any one of these covenants or restrictions or any part, clause or word, (hereinafter "provision") or the application thereof in specific circumstances, by judgment or court order shall not affect any other provision or application in other circumstances, all of which shall remain in full force and effect.

12.4. Amendment. In addition to any other manner herein provided for the amendment of this Declaration, the covenants, restrictions, easements, charges and liens of this Declaration may be amended, changed, deleted or added to at any time and from time to time: upon the execution and recordation of an instrument executed by the Association alone provided that any amendment: shall be consistent with the general plan of the development of The Properties or be required by a governmental agency, FNMA/FHLMC, VA or FHA or the like; or alternatively by approval of not less than 66 2/3% votes of the entire membership of the Association cast by their Voting Members. No amendment hereto which effects the Surface Water Management System or the Deed of Conservation Easement if any described in Section 3 shall be made without the approval of the South Florida Water Management District.

12.5. Effective Date. This Declaration shall become effective and the Community of McGregor Reserve shall be deemed created upon the date of the recording of this Declaration in the Public Records of the County.

12.6. Conflict. This Declaration shall take precedence over conflicting provisions in the Articles of Incorporation, By-Laws or Rules and Regulations of the Association; and the Articles shall take precedence over the By-Laws and Rules and Regulations; and the By-Laws shall take precedence over the Rules and Regulations.

12.7. Easements. Should the intended creation of any easement provided for in this Declaration fail by reason of the fact that at the time of creation there may be no grantee in existence having the capacity to take and hold the easement or no separate ownership of the dominant and servient estates, then the grant

of easement deemed not to have been so created shall nevertheless be considered as having been granted directly to the Association as agent for the intended grantees, or to be a "springing easement" for the purpose of allowing the original party or parties to whom, or the original party to which, the easements were originally intended to have been granted the benefit of the easement, and the Owners designate hereby the Association (or either of them) as their lawful attorney-in-fact to execute any instrument on those Owners' behalf as may hereafter be required or deemed necessary for the purpose of later creating the easement as it was intended to have been created herein. Formal language of grant or reservation with respect to those easements, as appropriate, is hereby incorporated in the easement provisions hereof to the extent not so recited in some or all provisions.

12.8. Covenants Running With the Land. Anything to the contrary herein notwithstanding and without limiting the generality (and subject to the limitations) of Section 12, it is the intention of all parties affected hereby (and their respective heirs, personal representatives, successors and assigns) that these covenants and restrictions shall run with the land and with title to The Properties. If any provision or application of this Declaration would prevent this Declaration from running with the land as aforesaid, that provision and/or application shall be judicially modified, if at all possible, to come as close as possible to the intent of that provision or application and then be enforced in a manner which will allow these covenants and restrictions to so run with the land; but if that provision and/or application cannot be so modified, that provision and/or application shall be unenforceable and considered null and void in order that the paramount goal of the parties (that these covenants and restrictions run with the land as aforesaid) be achieved.

12.9. Use of Name. All persons are hereby notified that the name "McGregor Reserve" is the property of the Association. Accordingly, no person acquiring title to or any interest in any portion of The Properties shall, by virtue thereof, acquire any right to use any of those or similar names in any manner.

12.10. No Partition of a Lot. No Owner shall have the right to partition, split, or separate a Lot into more than one Lot.

12.11. Combination of Lots. An Owner of two (2) or more contiguous Lots may combine Lots to make one Lot, if approved in accordance with Section 14 and approved by any government authority necessary. However, the Lots shall thereafter remain identified on the Plat as previously identified and the duties and liabilities of the Owner shall not be modified, including but not limited to the duty to pay Assessments on the number of Lots prior to combination

13. DISCLAIMERS.

13.1 NOTICES AND DISCLAIMERS CONCERNING COMMUNITY SERVICE SYSTEMS.

THE ASSOCIATION, OR THEIR SUCCESSORS, ASSIGNS OR FRANCHISEES AND ANY APPLICABLE CABLE TELECOMMUNICATIONS SYSTEM OPERATOR (AN "OPERATOR"), MAY ENTER INTO CONTRACTS FOR THE PROVISION OF SECURITY SERVICES THROUGH ANY COMMUNITY SERVICE SYSTEMS.

13.1.1 THE ASSOCIATION, OPERATORS AND THEIR FRANCHISEES, AND ANY OPERATOR, DO NOT GUARANTEE OR WARRANT, EXPRESSLY OR IMPLIEDLY, THE MERCHANTABILITY OR FITNESS FOR USE OF ANY COMMUNITY SERVICE SYSTEM, SECURITY SYSTEM OR SERVICES, OR THAT ANY SYSTEM OR SERVICES WILL PREVENT INTRUSIONS, FIRES OR OTHER OCCURRENCES, OR THE CONSEQUENCES OF THOSE OCCURRENCES, REGARDLESS OF WHETHER OR NOT THE SYSTEM OR SERVICES ARE DESIGNED TO MONITOR SAME; AND EVERY OWNER OR OCCUPANT OF A LOT/HOME SERVICED BY THE COMMUNITY SERVICE SYSTEM S ACKNOWLEDGES THAT THE ASSOCIATION OR ANY SUCCESSOR, ASSIGN OR FRANCHISEE OR ANY OF THE OTHER AFORESAID ENTITIES AND ANY OPERATOR, ARE NOT INSURERS OF THE

OWNER OR OCCUPANT'S PROPERTY OR OF THE PROPERTY OF OTHERS LOCATED ON THE PREMISES AND WILL NT BE RESPONSIBLE OR LIABLE FOR LOSSES, INJURIES OR DEATHS RESULTING FROM THOSE OCCURRENCES.

13.1.2 IT IS EXTREMELY DIFFICULT AND IMPRACTICAL TO DETERMINE THE ACTUAL DAMAGES, IF ANY, WHICH MAY PROXIMATELY RESULT FROM A FAILURE ON THE PART OF A SECURITY SERVICE PROVIDER TO PERFORM ANY OF ITS OBLIGATIONS WITH RESPECT TO SECURITY SERVICES AND, THEREFORE, EVERY OWNER OR OCCUPANT OF A LOT/HOME RECEIVING SECURITY SERVICES THROUGH THE COMMUNITY SERVICE SYSTEMS AGREES THAT THE ASSOCIATION OR ANY SUCCESSOR, ASSIGN OR FRANCHISEE THEREOF AND ANY OPERATOR ASSUMES NO LIABILITY FOR LOSS OR DAMAGE TO PROPERTY OR FOR PERSONAL INJURY OR DEATH TO PERSONS DUE TO ANY REASON, INCLUDING, WITHOUT LIMITATION, FAILURE IN TRANSMISSION OF AN ALARM, INTERRUPTION OF SECURITY SERVICE OR FAILURE TO RESPOND TO AN ALARM BECAUSE OF : (1) ANY FAILURE OF THE OWNER'S SECURITY SYSTEM; (2) ANY DEFECTIVE OR DAMAGED EQUIPMENT, DEVICE, LINE OR CIRCUIT; (3) NEGLIGENCE, ACTIVE OR OTHERWISE, OF THE SECURITY SERVICE PROVIDER OR ITS OFFICERS, AGENTS OR EMPLOYEES; OR (4) FIRE, FLOOD, RIOT, WAR, ACT OF GOD OR OTHER SIMILAR CAUSES WHICH ARE BEYOND THE CONTROL OF THE LOT/HOME OBTAINING SECURITY SERVICES THROUGH THE COMMUNITY SERVICE SYSTEMS FURTHER AGREES FOR HIMSELF, HIS GRANTEES, TENANTS, GUESTS, INVITEES, LICENSEES, AND FAMILY MEMBERS THAT IF ANY LOSS OR DAMAGE SHOULD RESULT FROM A FAILURE OF PERFORMANCE OR OPERATION, OR FROM DEFECTIVE PERFORMANCE OR OPERATION, OR FROM IMPROPER INSTALLATION, MONITORING OR SERVICING OF THE SYSTEM, OR FROM NEGLIGENCE, ACTIVE OR OTHERSWISE, OF THE SECURITY SERVICE PROVIDER OR ITS OFFICERS, AGENTS, OR EOMPLOYEES, THE LIABILITY, IF ANY, OF THE ASSOCIATION, ANY FRANCHISEE OF THE FOREGOING AND THE OPERATOR OR THEIR SUCCESSORS OR ASSIGNS, FOR LOSS, DAMAGE, INJURY OR DEATH SUSTAINED SHALL BE LIMITED TO A SUM NOT EXCEEDING TWO HUNDRED FIFTY AND NO/100 ($250.00) U.S. DOLLARS, WHICH LIMITATION SHALL APPLY IRRESPECTIVE OF THE CAUSE OR ORIGIN OF THE LOSS OR DAMAGE AND NOTWITHSTANDING THAT THE LOSS OR DAMAGE REULTS DIRECTLY OR INDIRECTLY FROM NEGLIGENT PERFORMANCE, ACTIVE OR OTHERWISE, OR NON-PERFORMANCE BY AN OFFICER, AGENT OR EMPLOYEE OF THE ASSOCIATION OR ANY FRANCHISEE, SUCCESSOR OR DESIGN OF ANY OF SAME OR ANY OPERATOR. FURTHER, IN NO EVENT WILL DECLARANT, THE ASSOCIATION, ANY OPERATOR OR ANY OF THEIR FRANCHISEES, SUCCESSORS OR ASSIGNS, BE LIABLE FOR CONSEQUENTIAL DAMAGES, WRONGFUL DEATH, PERSONAL INJURY OR COMMERCIAL LOSS.

13.1.3 IN RECOGNITION OF THE FACT THAT INTERRUPTIONS IN CABLE TELEVISION AND OTHER COMMUNITY SERVICE SYSTEMS SERVICES WILL OCCUR FROM TIME TO TIME, NO PERSON OR ENTITY DESCRIBED ABOVE SHALL IN ANY MANNER BE LIABLE, AND NO USER OF ANY COMMUNITY SERVICE SYSTEM SHALL BE ENTITLED TO ANY REFUND, REBATE, DISCOUNT OR OFFSET IN APPLICABLE FEES, FOR ANY INTERRUPTION IN COMMUNITY SERVICE SYSTEMS SERVICES, REGARDLESS OF WHETHER OR NOT CAUSED BY REASONS WITHIN THE CONTROL OF THE THEN-PROVIDER(S) OF THOSE SERVICES.

13.2 <u>NOTICES AND DISCLAIMERS CONCERNING WATER BODIES.</u>

13.2.1 THE ASSOCIATION AND THEIR OFFICERS, DIRECTORS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVELY, THE 'LISTED PARTIES') SHALL NOT BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE SAFETY, WATER QUALITY OR WATER LEVEL OF/IN THE LAKE OR OTHER WATER BODY WITHIN THE PROPERTIES, EXCEPT AS THAT RESPONSIBILITY AS 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 DAMAMGE, PERSONAL INJURY OR DEATH OCCURRING IN, OR OTHERWISE RELATED TO, ANY WATER BODY, ALL PERSONS USING THEM DOING SO AT THEIR OWN RISK.

13.2.2 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, THAT 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 THOSE BODIES.

13.2.3 ALL PERSONS ARE HEREBY NOTIFIED THAT FROM TIME TO TIME ALLIGATORS AND OTHER WILDLIFE MAY INHABIT OR ENTER INTO WATER BODIES WITHIN OR NEARBY THE PROPERTIES AND MAYPOSE A THREAT TO PERSONS, PETS AND PROPERTY, BUT THAT THE LISTED PARTIES ARE UNDER NO DUTY TO PROTECT AGAINST, ANY DEATH, INJURY OR DAMAGE CAUSED BY WILDLIFE.

13.3 <u>DISCLAIMER CONCERNING ASSOCIATION.</u>

NOTWITHSTANDING ANYTHING CONTAINED HEREIN OR IN THE ARTICLES OF INCORPORATION, BY-LAWS, ANY RULES OR 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 THOSE PERSONS. WITHOUT LIMITING THE GENERALITY OF THE FORGOING:

13.3.1 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;

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

13.3.3 ANY PROVISIONS OF THE ASSOCIATION DOCUMENTS SETTING FORTH THE USES OF ASSESSMENTS WHICH RELATE TO 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) OR ENTITIES.

13.3.4 AS USED IN THIS ARTICLE, "ASSOCIATION" SHALL INCLUDE WITHIN ITS MEANING ALL OF THE ASSOCIATION'S DIRECTORS, OFFICERS, COMMITTEE MEMBERS, BOARD MEMBERS, EMPLOYEES, AGENTS, CONTRACTORS (INCLUDING MANAGEMENT COMPANIES), SUBCONTRACOTRS, SUCCESSORS AND ASSIGNS.

13.4 EACH OWNER (BY VIRTUE OF HIS ACCEPTANCE OF TITLE TO HIS LOT) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING ANY USE OF, ANY PORTION OF THE PROPERTIES (BY VIRTUE OF ACCEPTING THAT INTEREST OR LIEN OR MAKING USE THEREOF) SHALL BE BOUND BY THIS SECTION 13 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 IN THIS ARTICLE.

14. CONSTRUCTION REQUIREMENTS AND RESTRICTIONS: ARCHITECTURAL CONTROL.

14.1 Purpose of Construction Restrictions and Requirements and Architectural Control Established. To establish and maintain consistent design and construction of Homes compatible with the McGregor Reserve themes, to preserve the value of Homes and Lots in McGregor Reserve, and to promote the general welfare of the residents of McGregor Reserve, the following conditions, procedures, requirements, restrictions, enforcement powers and remedies have been established.

14.2 Construction Requirements and Restrictions.

14.2.1 Home Locations and Minimum Set Backs. All Homes and other approved structures shall be located in compliance with the requirements, restrictions, conditions and procedures of the subdivision plat, the Declaration and all amendments thereto, all architectural review standards, criteria and procedures; and in compliance with municipal, county, state and federal permits, laws and ordinances. Except as provided in 20.2.2 below for corner lots, the minimum set- backs for all Lots shall be: twenty-five feet (25') front set back; ten feet (10') rear set back; and seven and one-half feet (7.5') side set back unless otherwise approved pursuant to architectural review in accordance with 14.3.

14.2.2 Corner Lots. Lots 13, 14, 20, 29, 34 and 78 in Phase 1 shall be considered corner lots. Corner lots are deemed to have two (2) front yards with front yard set-backs observed adjacent to each street. Owners of corner lots shall also provide sidewalk ramps for wheelchair accessibility as required by any governmental authority, subject to approval in accordance with 14.3.

14.2.3 Lot Preparation. Each Lot Owner shall be solely responsible at its own expense to clear, fill and grade the Lot in full compliance with the clearing grading and drainage plan of McGregor Reserve as it may be amended from time to time. Prior to commencing clearing, filling or grading, drainage plan showing proposed elevations, surface water flow and finished floor elevations of the living area of two feet two inches (2'2") above the crown of the street immediately adjacent to the Lot, consistent with the clearing, grading and drainage plan of McGregor Reserve, the requirements of this Declaration and all existing permits including the South Florida Water Management permit. The Lot Owner's clearing, grading and drainage plan is subject to Architectural Review in accordance with 14.3. Any modification of the elevation of

the existing grade of a Lot may only be approved in a manner that assures that the modification does not increase the surface water run-off from the Lot.

14.2.4 Temporary and Permanent Driveway Entrances and Driveways. In order to avoid damage to subdivision streets, curbs, sidewalks, street shoulders and pavement edges, suitable temporary and permanent driveway entrances shall be constructed by or on behalf of a Lot Owner at its sole expense prior to any trucks or construction vehicles entering the Lot related to Lot clearing, filling, grading or construction on that Lot. The Lot Owner shall be fully responsible to the Association for any and all damage caused by a Lot Owner or its agents or contractors. In conjunction with the construction of its Home, each Lot Owner shall install a concrete driveway a minimum of sixteen (16) feet in width from the subdivision street edge to the garage. All driveways shall be constructed only of brick, brick paver, or stamped concrete, scored concrete, or other materials as may be approved pursuant to Architectural Review in accordance with 14.3. The Lot Owner shall also install a driveway apron of the same material used to construct the driveway. The driveway apron must comply with all requirements of the City of Fort Myers and be designed and constructed to assure proper drainage in accordance with the clearing, grading and drainage plan of McGregor Reserve as it may be amended from time to time.

14.2.5 Utilities Connections. Each Lot Owner shall be solely responsible at its expense to tie in and connect its Home to the appropriate utility source for underground electric, power, phone, TV, cable, sewer, water and other applicable utilities. Each Lot Owner shall be solely responsible at its expense to pay all applicable impact fees, hook-up fees, meter fees and other charges of the utilities providers.

14.2.6 Construction Completion Deadline. After a Lot Owner (including the Lot Owner's contractors and agents) begin the Construction of a Home or other approved improvements on the Lot Owner's Lot, construction shall proceed at a reasonable rate of progress and must be completed within six (6) consecutive calendar months of the date the building permit is issued, unless a written extension is granted by the Association in its sole discretion.

14.2.7 Minimum Square Footage of Homes. The Home to be constructed on a Lot must contain no fewer than that number of square feet of enclosed air-conditioned residential floor area described herein. The floor area of garages, porches, patios and similar areas shall not be included in calculating the floor area of a Home. The minimum number of square feet of enclosed air-conditioned floor area for a Home ("Minimum Square Footage") shall be as follows:

(1) For a Lot of 11,000 or fewer square feet, the Minimum Square Footage shall be 1,750 Square feet.

(2) For a Lot of 11,001 or more square feet, the Minimum Square Footage shall be 2,000 Square feet.

(3) For a Lot bordering on the lake described as Tract C in the Plat of McGregor Reserve, Phase 1, the Minimum Square Footage shall be 2,700 square feet regardless of the square foot area of the Lot.

14.2.8 Exterior and Roof Materials: The exterior surface of a Home may be of wood frame, stucco, brick, or other material approved in accordance with 14.3. Trim may be wood, stone, cedar, other natural materials, or other material approved in accordance with 14.3. Siding materials such as T-111, and aluminum are prohibited; however aluminum soffits and fascia are allowed. Reflective glass is prohibited. The variety of a Home's exterior materials shall be kept to a minimum. Roof materials may be galvanized metal, cedar shake, tile or 240 pound (or greater) fiberglass, mildew resistant shingles, or other roof materials approved in accordance with 14.3. Exterior and roof materials may only be used in the manner commonly accepted for that

particular material. Exterior and roof materials shall be subject to Architectural Review in accordance with 14.3.

14.2.9 Exterior Home Colors: The exterior colors of Homes shall be harmonious and compatible with colors of natural surroundings, other adjacent Homes and with the colors already established in McGregor Reserve. Natural materials should be protected but remain natural. Exterior Home colors shall be subject to Architectural Review in accordance with 14.3.

14.2.10 Similar Exterior: One of the goals of Architectural Review is to develop and maintain a subdivision with sufficient contrast between adjacent Homes. Homes that have identical or similar elevations shall be separated by no fewer than three (3) Lots. Further, no Home shall be constructed with a substantially similar entry or front elevation as the Home on a contiguous Lot. Special exterior features such as, but not limited to, balconies, porches, awnings, canopies, shutters and window boxes are subject to Architectural Review in accordance with 14.3.

14.2.11 Garages: Each Home shall have a minimum two (2) car, fully enclosed garage which shall be attached to and made an integral part of the Home.

14.2.12 Roof Pitch and Home Height: Each Home shall have a minimum 6/12 pitched roof. Flat deck roofs shall not be permitted. The height of a Home more than one story shall be subject to Architectural Review in accordance with 14.3. The height of a Home shall be measured from the finished floor elevation (as defined in 14.2.19) to the ridge of the roof or any element of the Home including chimneys, flues and vents. The purpose of restricting the height of a Home shall be to preserve views and aesthetics for the benefit of McGregor Reserve.

14.2.13 Prohibited Structures: No prefabricated or modular type homes shall be constructed or located upon any Lot. No mobile home shall be permitted on any Lot. No trailer, shack, tent, garage or other outbuilding shall be used as a permanent or temporary residence on any Lot.

14.2.14 Fences, Walls and Hedges. No fence or wall more than six (6') feet in height shall be erected or maintained on a Lot. Fences, and walls may only be located on side and back property Lot lines. From the rear lot line fences, and walls shall not extend past the front of the home. In no case shall the fence, or wall be located within the front set-back. Only pvc, iron, aluminum, or black vinyl coated chain link fences are permitted. No wooden or uncoated chain link fences shall be permitted. All air conditioning equipment, pool equipment, pumps, filters, and water conditioning equipment shall be screened from the view of adjoining Homes and streets by privacy walls, fences, or hedges. All fences, walls, or other boundary structure or improvement shall be subject to Architectural Review in accordance with 14.3.

14.2.15 Rubbish. No garbage, refuse, trash or rubbish, including materials for recycling (hereinafter collectively "rubbish"), shall be placed on a Lot except as permitted by the Association. Lot Owners shall follow the requirements of the applicable governmental authority or other company or association for disposal or collection of rubbish. Rubbish containers shall be hidden or screened from view and kept in a clean and sanitary condition. Rubbish containers may not be placed out for collection sooner than twelve (12) hours prior to scheduled collection and must be removed within twelve (12) hours of collection. In the event that a Lot Owner or occupant of a Lot keeps containers for recyclable materials thereon, those shall be deemed to be rubbish containers for the purposes of this 14.2.15.

14.2.16 Construction Activity and Construction Rules and Regulations. During any construction activity by or on behalf of a Lot Owner within McGregor Reserve, the construction area shall be maintained in a neat and orderly manner. All debris shall be contained on the Lot Owner's Lot. A container of adequate size and construction shall be placed on the Lot and all construction debris and rubbish shall be deposited in the container not less than each day. The construction debris and rubbish shall be collected on a regular basis. No temporary trailer shall be placed on

any Lot without the prior written approval of the Association. Construction vehicles shall be parked so as not to block or interfere with the use of streets within McGregor Reserve. All Owners and their contractors shall comply with the Construction Rules and Regulations, if any, as adopted and amended by the Association from time to time. The Association shall have the power to promulgate, adopt and amend Construction Rules and Regulations (which may be in the form of a manual) as it deems necessary to govern construction of Homes and Improvements and activities related thereto. The Construction Rules and Regulations promulgated by The Association may provide requirements and restrictions concerning construction activity including, but not limited to, rubbish and construction debris removal; temporary sanitary facilities; parking areas; permissible times of access and construction; outside storage; restoration of damaged property; conduct and behavior of contractors, their agents and employees, or any other person involved in the construction; conservation of landscape materials; and fire protection.

14.2.17 Landscaping Requirements. As part of the construction of a Home, the Lot shall be landscaped in accordance with: this provision; a "landscaping materials approved list" furnished to the Lot Owner by The Association; and shall include an adequate sprinkler irrigation system (hereinafter collectively referred to as "Lot Landscaping"). Each Lot Owner is responsible for providing and maintaining Lot Landscaping to the street pavement. Lot Landscaping requirements are established to maintain landscaping compatibility throughout McGregor Reserve by preserving the natural character of the land and ensuring that new Lot Landscaping achieves the landscaping functions defined in 1.a,b,c and d below. Close attention shall be paid to the preservation and enhancement of the Lot's existing native vegetation, the preservation of the Lot's botanical and scenic features, the conservation of ground forms, and the development of a harmonious residence, pleasant paths of movement and attractive use areas. A Lot Owner, while preserving the landscape integrity of the community, may add an individual touch to Lot landscaping as long as additions are in conformity with the requirements of these Lot Landscaping requirements and are approved in accordance with 14.3.

1. Landscaping Functions. The functions of landscaping within McGregor Reserve include:

a. Architectural: privacy control, screening objectionable views and developing paths of movement;

b. Engineering: erosion control, drainage, glare reduction and noise control;

c. Climate control: heat reduction (shade) and wind protection;

d. Aesthetic uses: maintaining visual continuity through the enhancement and complementing of architecture using background and accent Lot landscaping.

These functions are to be achieved by Lot Landscaping.

2. Plant Restrictions. No Brazilian Pepper, Melaleuca or other exotic plants and trees shall be permitted on any Lot or within the Common Area. No tree or shrub, the trunk of which exceeds four (4) inches in diameter, shall be cut down or otherwise destroyed without prior approval in accordance with 14.3. No artificial grass, plants, or other artificial vegetation shall be placed or maintained upon any Lot. No rock, shell or other minerals or non-plant material shall be placed or maintained upon any Lot.

3. Lot Landscaping Plan. A Lot Owner shall submit a Lot Landscaping Plan as part of the plans and specifications requirement for Architectural Review in 14.3. The Lot Landscaping Plan shall at a minimum include: (1) a list of the plants describing the size

of the plants at the time of planting; (2) a site plan showing the location, diameter and species of all existing trees and a designation of all trees to be removed; the proposed planting areas, sodded areas, and all shrub and tree locations; and all existing and proposed improvements, including but not limited to driveways, sidewalks, patios, pool decks, decks, porches, gazebos, and other landscape features.

4. Vacant Lot Maintenance. Each vacant Lot must be kept mowed and clear of rubbish, weeds and high grass by the Lot Owner. If the Lot Owner cannot or does not provide regular and adequate maintenance of its vacant Lot, the Association, or their authorized agent, ten (10) days after written notice to the Owner at the Owner's address set forth in records of the Association, shall have the right (but not the duty) as it deems necessary to perform Lot maintenance. In the event, pursuant to this subparagraph, the Association provides Lot maintenance for the Lot Owner's Lot, it shall be repaid on demand by the Lot Owner the actual cost thereof plus thirty percent (30%) of the cost thereof. The Association shall have the right, power and authority to file and enforce a claim of lien against the Lot Owner and its Lot to recover the cost of maintenance (plus 30%) as set forth in this 14.2.17.4, including the right to recover additional costs, interest and attorneys' fees.

14.2.18 Finished Floor Elevation. The Finished Floor Elevation of each Home shall be two feet two inches (2'2") above the crown of the street immediately adjacent to the Home.

14.3 Architectural Review. No Home, improvement or structure, any modification thereof or addition thereto of any nature (hereinafter collectively an "Improvement") shall be constructed, built, erected, placed, altered or relocated on any Lot, or removed there from (hereinafter collectively "Construction"), until the construction plans and specifications (which shall at least include a plan showing the location of the improvement, a landscaping plan and a Lot clearing, grading and drainage plan), have been approved in writing by the Board of Directors of the Association (hereafter "Board of Directors"), and Owner obtains all necessary governmental permits. Each Improvement, together with landscaping, shall be Constructed only in accordance with the plans and specifications approved by The Association and applicable governmental permits and requirements. The Association's disapproval of plans and specifications may be based on any grounds, including purely aesthetic ones, based solely on its subjective judgment. Any change in the appearance of any Improvement and any material change in the appearance of landscaping, shall be deemed an Improvement requiring the Association's approval; provided, however, that lights, flags and other decorations customary for holidays shall not require the Association's approval hereunder (but may be regulated by the Association as to size, quantity, nature and length of time they may remain in place). The Association may adopt a schedule of reasonable fees for Association's review of plans and specifications submitted to it for approval, which may also include the requirement for a compliance/damage bond in an amount determined by the Association in its sole discretion to secure the owner's compliance with this section 14 and the payment of damages. The schedule may set different fees and bond requirements for different classifications of Improvements. For example, the fees applicable to the review of plans and specifications of a Home may differ from the fees applicable to the review of plans and specifications of a fence; the fees applicable to the review of plans and specifications of a 5,000 square foot Home may differ from those of a 1,750 square foot Home. The schedule may also provide for additional fees for the review of any resubmitted plans and specifications. The Lot Owner shall pay all fees to the Association in cash at the time the plans and specifications are submitted or resubmitted.

14.3.1 Application for Architectural Review and Plan Submittal. Prior to the Construction of an Improvement on a Lot, the Owner shall submit to the Association two (2) sets of the plans and specifications described above, along with requisite fee set forth under the schedule of fees for review of plans and specifications. Approval shall be conditioned upon the Lot Owner's evidence of compliance with the applicable compliance/damage bond requirement set forth in the adopted schedule of fees.

14.3.2 Improvement Requiring Approval. In addition to Homes, other Improvements requiring the Association approval under this 14.3 include, but are not limited to, fences, walls, hedges and other boundary structures, driveways, sidewalks, pools, pool decks, gazebos, Jacuzzis, screen enclosures, decks, patios or extensions, exterior paint or finish, exterior or roof materials, awnings, shutters, hurricane protection, outside storage sheds, play apparatus and similar structures, swales, sidewalk/driveway surfaces or treatments, antennas and satellite dishes or other Improvements of any kind, even if not permanently affixed to the Lot or to other Improvements.

14.3.3 Approval or Disapproval. The Association shall approve plans and specifications submitted for its approval only if it determines in its sole discretion that the Improvement meets the purpose of architectural control (14.1), complies with the construction requirements and restrictions (14.2) and the procedures of this 14.3. The Association may condition its approval of plans and specifications as it deems appropriate, and may require submission of additional detail in plans and specifications, other information, or additional plans and specifications, including without limitation, floor plans, plot plans, site plans, drainage plans, elevation drawings and descriptions or samples of exterior materials and colors. The Association's final written approval must be obtained prior to Lot Owner, its agent or contractor applying to the City of Fort Myers for a building permit. If, following Association's review of the plans and specifications, The Association disapproves the plans and specifications, Association shall notify the Lot Owner of the items thereof which were objectionable. In the event the Lot Owner corrects the objectionable portions, the Lot Owner may resubmit the plans and specifications, as corrected, for approval. Upon the Association's approval of a Lot Owner's plans and specifications either as originally submitted or resubmitted, the Association shall indicate its approval in writing on the plans and specifications. After the Association's approval, the Association shall return one set of the plans and specifications to the Lot Owner and the Association shall retain the other set.

14.3.4 Approval or Disapproval Deadline. Except as otherwise provided herein, the Association shall act on submissions to it within thirty (30) days after receipt of the plans and specifications, applicable review fees and all further documentation required by the Association, or else the request shall be deemed approved. Until receipt of all required plans and specifications, applicable review fees and all further documentation required by the Association, the Association may postpone review of any plans and specifications submitted or resubmitted for its approval. No request for approval shall be valid or require any review or response unless and until the Lot Owner has paid all Assessments on the Lot (and any interest, costs and attorneys' fees due thereon) or while any other violation of this Declaration or the Association's Rules and Regulations remains uncured. Approval shall be conditioned upon the Lot Owner's evidence of compliance with the applicable compliance/damage bond requirement set forth in the adopted schedule of fees.

14.3.5 Consent of Other Lot Owners. The Association may, but shall not be obligated to, require any request for its approval under 14.3 be accompanied by the written consent of the Owners of the Lots [up to five (5)] adjoining or nearby the Lot proposed to be improved.

14.3.6 No Liability for Approval or Disapproval. The Association's approval of plans and specifications shall not constitute or be implied or construed to constitute The Association's warranty as to plans of the Association, its Board of Directors, or an Architectural Review Committee, shall be liable for, the approval or disapproval of plans and specifications, for design of plans and specifications, or for the safety, soundness, materials or usefulness for any purpose of any Improvement, or as to compliance with governmental or industry codes or standards. By submitting a request for the approval of plans and specifications hereunder, the requesting Lot Owner shall be deemed to have automatically agreed to hold harmless and indemnify the aforesaid persons and entities from and for any loss, claim or damages connected with the aforesaid aspects of the Improvements.

14.3.7 No Waiver of Future Disapprovals. The Association's approval of plans and specifications, or of any other matter requiring The Association's approval under 14.3, shall not constitute or be implied or construed to constitute a waiver of The Association's right to disapprove any similar plans and specifications or matters, whatsoever subsequently or additionally submitted to the Association for approval under 14.3.

14.3.8 Architectural Review Committee. The Association shall have the right (but not the duty) to appoint an Architectural Review Committee and to vest in it all or any portion of the Association's powers under this Article 14.3. If the Association appoints an Architectural Review Committee and assigns to it all or a portion of the Association's powers under this 14.3, then the Association's Board of Directors shall establish reasonable procedures to govern that committee.

14.3.9 Variance. The Association may authorize variances from compliance with any of the provisions of this Article 14 when the Association in its sole discretion determines circumstances including, but not limited to, topography, natural obstructions, hardship, aesthetic, environmental or other considerations require. The variance shall be evidenced in writing and shall be signed by the Association in order to be valid. If the Association grants a variance, no violation of this Declaration shall be deemed to have occurred with respect to the specific matter for which the variance is expressly granted. The Association's grant of a variance shall not, however, operate to waive any of the terms, provisions, restrictions, requirements, or conditions of this Declaration for any purpose, except as to the particular Lot, and particular matter expressly addressed in the variance, nor shall the variance affect in any way the Lot Owner's obligation to comply with all governmental laws, regulations and ordinances affecting the Lot Owner's use of its Lot, including but not limited to, zoning ordinances, set-backs or requirements imposed by any governmental or municipal authority.

14.4 Remedies. In the event of any Lot Owner is in violation of this Article 14, and after giving the Lot Owner fifteen (15) calendar days' prior written notice of the violation, the Association (its agents, assigns and designees) shall have all rights and remedies lawfully available to it as well as the specific right (including an easement and license) to enter upon the applicable Lot and remove or otherwise remedy the violation. The Association's cost of removal or remediation of the violation plus a surcharge of a minimum of $25.00 (but in no event more than twenty percent (20%) of the cost) shall be an Individual Assessment against the Lot (and Lot Owner), which Individual Assessment shall be payable upon demand and secured by the lien for Assessments provided for in this Declaration. In the event any improvement for which approved plans and specifications is required under this Article 14 is not completed in substantial compliance with approved plans and specifications or within governing time deadlines for completion, the Association may proceed in accordance with the remedies set forth herein.

EXHIBITS

EXHIBIT "A" – Real property descriptions as amended attached to original declaration. Incorporated herein by reference only.

EXHIBIT "B" - Amended and Restated Articles Of Incorporation.

EXHIBIT "C" - Amended and Restated Bylaws.

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

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
MCRGREGOR RESERVE COMMUNITY ASSOCIATION, INC.

Pursuant to Section 617.1007, Florida Statutes, these Articles of Incorporation of McGregor Reserve Community Association, Inc., a Florida corporation not for profit, which was originally incorporated under the same name on September 9, 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 * Association, Inc., shall henceforth be as follows:

ARTICLE I

NAME: The name of the corporation is McGregor Reserve Community Association, Inc., sometimes hereinafter referred to as the "Association".

ARTICLE II

PRINCIPAL OFFICE: The principal office of the corporation shall be at 1665 McGregor Reserve Drive, Fort Myers, Florida 33901.

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 and Restrictions of McGregor Reserve originally recorded in the Public Records of Lee County, Florida, at O.R. Book 2639 at Page 1228 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 consistent with these Articles, the Bylaws of the corporation, and with said Declaration 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:

(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 Board;

(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;

(J) to grant, modify or move easements.

(K) 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.

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. 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 amend assigned to any non-profit corporation, association, trust or other organization which 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 a majority (50%+1) 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 * 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.

(A) Indemnity. The Association shall indemnify any officer, Director, or committee member who was or is a party or is threatened to be made a party to any threatened, pending, or contemplated action, suit or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a Director, officer, or committee member of the Association, against expenses (including attorney's fees and appellate attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding, unless (i) a court of competent jurisdiction finally determines, after all appeals have been exhausted or not pursued by the proposed indemnitee, that he did not act in good faith or in a manner he reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe his conduct was unlawful, and (ii) such court also determines specifically that indemnification should be denied. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he

reasonably believed to be in or not opposed to the best interest of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. It is the intent of the membership of the Association, by the adoption of this provision, to provide the most comprehensive indemnification possible to their officers, Directors, and committee members as permitted by Florida law.

(B) Defense. To the extent that a Director, officer, or committee member of the Association has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Section (A) above, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorney's fees and appellate attorney's fees) actually and reasonably incurred by him in connection therewith.

(C) Advances. Expenses incurred in defending a civil or criminal action, suit, or proceeding shall be paid by the Association in advance of the final disposition of such action, suit, or proceeding upon receipt of an undertaking by or on behalf of the affected Director, officer, or committee member to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Association as authorized by this Article IX.

(D) Miscellaneous. The indemnification provided by this Article IX shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any Bylaw, agreement, vote of members, or otherwise, and shall continue as to a person who has ceased to be a Director, officer, or committee member and shall inure to the benefit of the heirs and personal representatives of such person.

(E) Insurance. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, committee member, employee, or agent of the Association, or a Director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

(F) Amendment. Anything to the contrary herein notwithstanding, the provisions of this Article IX may not be amended without the approval in writing of all persons whose interest would be adversely affected by such amendment.

NOTE: SUBSTANTIAL AMENDMENTS OF ENTIRE BYLAWS.
FOR ORIGINAL TEXT SEE ORIGINAL BYLAWS.

AMENDED AND RESTATED BYLAWS OF MCGREGOR RESERVE COMMUNITY ASSOCIATION, INC.

1. GENERAL. These are Bylaws of McGregor Reserve Community Association, Inc., a corporation not for profit, which was originally incorporated under the same name on September 29, 1995, hereinafter the "Association." The corporation is 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 1462 Friendship Walkway, Fort Myers Florida 33901 unless otherwise changed 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 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 Lot in 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 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. The total number of possible votes (the voting interests) of the Association is the total number of residential Lots in McGregor Reserve. The vote of a residential Lot is not divisible. The right to vote may be suspended for non-payment of any

monetary amounts that are delinquent in excess of 90 days. If 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. If the owner of a residential Lot is other than a natural person, the vote of that residential Lot shall be cast by the residential Lot's primary occupant. All votes must be cast by an Owner or primary occupant.

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 first 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 or electronic transmission. The members are responsible for providing the Association with any change of address. The notice must be mailed, transmitted 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 or transmitted, 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.

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.

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 Lot 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 must be members.

3.7 Participation at Meeting By Remote Communication. Unless prohibited by the Chapter 720, F.S., if authorized by the Board of Directors as provided in Section 617.0721 F.S., and subject to such guidelines and procedures as the Board of Directors may adopt, members and proxy holders who are not physically present at a meeting may, by means of remote communication:

(A) Participate in the meeting.

(B) Be deemed to be present in person and vote at the meeting if:

1. The corporation implements reasonable means to verify that each person deemed present and authorized to vote by means of remote communication is a member or proxy holder; and

2. The corporation implements reasonable measures to provide such members or proxy holders with a reasonable opportunity to participate in the meeting and to vote on matters submitted to the members, including an opportunity to communicate and to read or hear the proceedings of the meeting substantially concurrent with the proceedings.

3.8 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 which 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.

3.9 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) Reading or disposal of minutes of last members' meeting

(C) Reports of Officers

(D) Reports of Committees

(E) Election of Directors (annual meeting only)

(F) Unfinished Business

(G) New Business

(H) Adjournment

3.10 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.

3.11 Parliamentary Rules. Roberts' Rules of Order (latest 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 which shall constitute the whole Board of Directors shall be three (3). In order to create a system of staggered terms retroactive

to the 2015 annual meeting and election, the two Directors that received the greatest number of votes shall serve two (2) year terms and the third Director shall serve a one (1) year term. Thereafter all Directors shall serve two (2) year terms. 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.

4.2 Qualifications. Each Director must be a residential Lot owner or primary occupant or the spouse of a residential Lot owner or primary occupant. In the case of a Lot owned by a corporation, any officer is eligible for election to the Board of Directors. If a Lot is owned by a partnership, any partner is eligible to be a Director. If a Lot is held in trust, the trustee, grantor or settlor of the trust, or any one of the beneficial owners residing in the Lot is eligible to be elected to the Board of Directors.

4.3 Nominations and Elections. Nominations for election to the Board of Directors shall be made in writing at least thirty (30) days in advance of the day of election. Election to the Board Directors shall be by 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 appointed by the Board at a special meeting of the Board of Directors of the Association. The successor so appointed shall fill the term of the Director being replaced until the next annual meeting. 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 nor 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 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, shall be posted conspicuously in the community at least forty-eight (48) continuous hours in advance of each Board meeting, except in an emergency. Notice of any Board meeting at which rules affecting the use of a parcel or special assessments are to be considered shall specifically contain a statement that rules or special assessments will be considered and the nature of the rule or assessments and shall be mailed, delivered or electronically transmitted and posted at least 14 days in advance.

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, if 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 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, 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 McGregor Reserve 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.

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 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 office 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 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.

6.4 Reserves. The Board of Directors may establish in the budget one (1) or more reserve accounts for capital expenditures, deferred maintenance, or contingency reserves for unanticipated operating expenses. Board adopted reserve funds are not controlled by Chapter 720 Florida Statutes and therefore may be spent, waived or used as approved by the Board. Membership adopted reserves are restricted by Chapter 720, Florida Statutes and therefore Membership adopted reserves may only be used, waived or reduced on a yearly basis according to Chapter 720 Florida Statutes. 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 bi-annual installments, in advance, due on the first day of the January 1 and July 1 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 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. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within ten (10) days after the due date shall accrue interest from the due date at the highest rate allowed by law and shall incur a late fee in the highest amount allowed by law.

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. Special assessments are due on the day specified in the resolution of the Board approving such assessment. 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.

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 acquired 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 ninety (90) days after the close of each fiscal year, the Board shall cause to be prepared a financial report as prescribed in 720.303, Florida Statutes. The Association shall provide each member with a copy of the financial report or a written notice that a copy of the financial report is available upon request at no charge to the member.

6.9 Audits. A formal, certified audit of the accounts of the Association, if required by law, 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. Regardless of any restrictive endorsement all payments on account by a Lot owner shall first be applied to late fees, interest, costs, attorney fees, other charges, fines and then to regular or special assessments.

6.11 Fiscal Year. The fiscal year for the Association shall begin on the first day of January of each calendar year and end on December 31 that same 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, the Lots and the operation of the Association. Copies of such rules and regulations shall be furnished to each residential Lot owner.

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 $2,000.00. As allowed by law accrued fines of $1,000 or more shall be secured by a lien on the Owner's Lot. Suspensions of the use of common areas, facilities and common non-essential services (e.g. bulk cable tv and/or internet) 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 Lot owners appointed by the Board none of whom may then be serving as Directors or officers, or who are employees of the Association, or the spouse, 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 a 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.

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.