

Return to: (enclose self-addressed stamped envelope)

Name:

Boynton Beach Associates XXIII, LLLP
1600 Sawgrass Corporate Parkway, Suite 400
Sunrise, Florida 33323
Attn: Steven M. Helfman, Esq.

This Instrument Prepared by:

Mark F. Grant, Esq.
Ruden, McClosky, P.A.
200 East Broward Boulevard, 15th Floor
Fort Lauderdale, Florida 33301

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**DECLARATION OF COVENANTS, RESTRICTIONS
AND EASEMENTS FOR**



CANYON
TRAILS

TABLE OF CONTENTS

ARTICLE I	DEFINITIONS.....	1
Section 1.	ADDITIONAL PLAT.....	1
Section 2.	ADDITIONAL PROPERTY	1
Section 3.	AMENDMENT(S).....	2
Section 4.	ARCHITECTURAL CONTROL COMMITTEE or COMMITTEE	2
Section 5.	ARTICLES	2
Section 6.	ASSESSMENT	2
Section 7.	ASSOCIATION.....	2
Section 8.	ASSOCIATION PROPERTY	2
Section 9.	BOARD.....	3
Section 10.	BYLAWS.....	3
Section 11.	CANAL LOT	3
Section 12.	CANYON TRAILS	3
Section 13.	CANYON TRAILS DOCUMENTS.....	3
Section 14.	COMMUNITY SYSTEMS	3
Section 15.	COMPLETED LOT.....	3
Section 16.	COMPLETED LOT OWNER.....	3
Section 17.	COUNTY.....	3
Section 18.	DECLARANT	4
Section 19.	DECLARATION.....	4
Section 20.	DIRECTOR.....	4
Section 21.	DOMINANT LOT	4
Section 22.	DRAINAGE SYSTEM.....	4
Section 23.	HOME.....	4
Section 24.	IMPROVEMENT	4
Section 25.	INCOMPLETE LOT	5
Section 26.	INCOMPLETE LOT OWNER.....	5
Section 27.	INSTITUTIONAL MORTGAGE	5
Section 28.	INSTITUTIONAL MORTGAGEE OR INSTITUTIONAL LENDER	5
Section 29.	INTEREST	5
Section 30.	LAKES.....	5
Section 31.	LAKE LOT	5
Section 32.	LEGAL FEES	5
Section 33.	LOT.....	5
Section 34.	MEMBERS.....	6
Section 35.	NOTICE AND HEARING	6
Section 36.	OPERATING EXPENSES	6
Section 37.	OWNER.....	6
Section 38.	PLAT.....	6
Section 39.	PROPERTY	6
Section 40.	SERVIENT LOT	6
Section 41.	SUPPLEMENTAL DECLARATION	7
Section 42.	TURNOVER DATE	7
Section 43.	WATER MANAGEMENT DISTRICT	7
Section 44.	WATER MANAGEMENT DISTRICT PERMIT.....	7

ARTICLE II	DESCRIPTION OF CANYON TRAILS	7
Section 1.	GENERAL PLAN OF DEVELOPMENT	7
Section 2.	ASSOCIATION PROPERTY	8
Section 3.	LAKE LOTS AND CANAL LOTS	13
Section 4.	COSTS	14
Section 5.	PRIVATE USE	15
Section 6.	PRIVACY FENCES AND HEDGES.....	15
Section 7.	MODEL ROW	15
Section 8.	COMMUNITY SYSTEMS	16
ARTICLE III	ADDITIONS TO AND WITHDRAWALS FROM THE PROPERTY; CONVEYANCE OF ASSOCIATION PROPERTY	16
Section 1.	ADDITIONS.....	16
Section 2.	DESIGNATION OF ADDITIONAL ASSOCIATION PROPERTY	17
Section 3.	DISCLAIMER OF IMPLICATION	17
Section 4.	ABSENCE OF OBLIGATION.....	17
Section 5.	WITHDRAWAL.....	17
Section 6.	TITLE TO THE ASSOCIATION PROPERTY	17
Section 7.	PARKING RIGHTS	19
ARTICLE IV	OWNERS PROPERTY RIGHTS.....	19
Section 1.	OWNERS' EASEMENTS OF ENJOYMENT.....	20
Section 2.	DELEGATION OF USE	22
Section 3.	RECOGNITION OF EASEMENTS.....	22
Section 4.	EASEMENTS FOR VEHICULAR TRAFFIC.....	22
Section 5.	ACCESS EASEMENT	22
Section 6.	GRANT AND RESERVATION OF EASEMENTS.....	22
Section 7.	REAR YARD DRAINAGE SWALE EASEMENT.....	26
Section 8.	EASEMENT FOR COMMUNITY SYSTEMS	27
Section 9.	ASSIGNMENTS; ADDITIONAL EASEMENTS	27
ARTICLE V	MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION; BOARD; DURATION OF THE ASSOCIATION	27
Section 1.	MEMBERSHIP AND VOTING RIGHTS	27
Section 2.	BOARD.....	27
Section 3.	DURATION OF ASSOCIATION.....	27
ARTICLE VI	COVENANT TO PAY ASSESSMENTS; ESTABLISHMENT OF LIENS; COLLECTION OF ASSESSMENTS; COLLECTION BY DECLARANT; CERTAIN RIGHTS OF DECLARANT AND INSTITUTIONAL MORTGAGEES	27
Section 1.	AFFIRMATIVE COVENANT TO PAY ASSESSMENTS	28
Section 2.	ESTABLISHMENT OF LIENS	29
Section 3.	COLLECTION OF ASSESSMENTS.....	29
Section 4.	COLLECTION BY DECLARANT.....	30
Section 5.	RIGHTS OF DECLARANT AND INSTITUTIONAL MORTGAGEES TO PAY ASSESSMENTS AND RECEIVE REIMBURSEMENT	30
Section 6.	COMMUNITY SYSTEMS SERVICES.....	31
Section 7.	CENTRAL IRRIGATION SYSTEM(S).....	31

ARTICLE VII	METHOD OF DETERMINING ASSESSMENTS AND ALLOCATION OF ASSESSMENTS.....	31
Section 1.	DETERMINING AMOUNT OF ASSESSMENTS	31
Section 2.	ASSESSMENT PAYMENTS	32
Section 3.	SPECIAL ASSESSMENTS	32
Section 4.	LIABILITY OF OWNERS FOR INDIVIDUAL LOT ASSESSMENTS.....	33
Section 5.	ASSESSMENTS PAYABLE BY DECLARANT; DECLARANT SUBSIDIES	33
Section 6.	GUARANTEED ASSESSMENT DURING GUARANTEE PERIOD	34
Section 7.	DECLARANT'S GUARANTEED ASSESSMENT NOT THE OBLIGATION OF INSTITUTIONAL MORTGAGEES.....	35
Section 8.	WORKING FUND CONTRIBUTION	36
Section 9.	WAIVER OF USE.....	36
ARTICLE VIII	ARCHITECTURAL CONTROL COMMITTEE.....	36
Section 1.	MEMBERS OF THE COMMITTEE	36
Section 2.	REVIEW OF PROPOSED CONSTRUCTION	36
Section 3.	SECURITY DEPOSIT FOR IMPROVEMENTS; INDEMNIFICATION	38
Section 4.	MEETINGS OF THE COMMITTEE.....	39
Section 5.	NO WAIVER OF FUTURE APPROVALS	40
Section 6.	COMPENSATION OF MEMBERS.....	40
Section 7.	INSPECTION OF WORK.....	40
Section 8.	NONLIABILITY OF COMMITTEE MEMBERS.....	41
Section 9.	VARIANCE.....	41
Section 10.	DECLARANT EXEMPTION	41
ARTICLE IX	MAINTENANCE AND REPAIR OBLIGATIONS	42
Section 1.	BY THE ASSOCIATION.....	42
Section 2.	BY THE OWNERS	44
Section 3.	DAMAGE TO BUILDINGS	47
ARTICLE X	USE RESTRICTIONS.....	47
Section 1.	ENFORCEMENT	47
Section 2.	NUISANCES	49
Section 3.	PARKING AND VEHICULAR RESTRICTIONS	49
Section 4.	NO IMPROPER USE	49
Section 5.	LEASES.....	49
Section 6.	ANIMALS AND PETS	51
Section 7.	ADDITIONS AND ALTERATIONS.....	51
Section 8.	INCREASE IN INSURANCE RATES	52
Section 9.	SLOPES AND TREES	52
Section 10.	SIGNS	52
Section 11.	TRASH AND OTHER MATERIALS.....	52
Section 12.	TEMPORARY STRUCTURES	53
Section 13.	OIL AND MINING OPERATIONS	53
Section 14.	SEWAGE DISPOSAL.....	53
Section 15.	WATER SUPPLY	53
Section 16.	FENCES.....	53
Section 17.	ANTENNAE.....	55

Section 18.	DECLARANT EXEMPTION	55
ARTICLE XI	DAMAGE OR DESTRUCTION TO ASSOCIATION PROPERTY	56
ARTICLE XII	INSURANCE AND CONDEMNATION	57
Section 1.	CASUALTY INSURANCE	57
Section 2.	PUBLIC LIABILITY INSURANCE.....	57
Section 3.	FIDELITY COVERAGE.....	58
Section 4.	DIRECTORS' COVERAGE	58
Section 5.	OTHER INSURANCE	58
Section 6.	CANCELLATION OR MODIFICATION.....	58
Section 7.	FLOOD INSURANCE	58
Section 8.	CONDEMNATION.....	58
Section 9.	WAIVER OF SUBROGATION.....	58
ARTICLE XIII	GENERAL PROVISIONS	58
Section 1.	CONFLICT WITH OTHER CANYON TRAILS DOCUMENTS	59
Section 2.	NOTICES.....	59
Section 3.	ENFORCEMENT	59
Section 4.	INTERPRETATION.....	59
Section 5.	SEVERABILITY	59
Section 6.	CERTAIN RIGHTS OF DECLARANT	60
Section 7.	DISPUTES AS TO USE.....	62
Section 8.	AMENDMENT AND MODIFICATION.....	62
Section 9.	DELEGATION.....	63
Section 10.	TERM	63
Section 11.	RIGHTS OF MORTGAGEES.....	64
Section 12.	APPROVAL OF ASSOCIATION LAWSUITS BY OWNERS	64
Section 13.	COMPLIANCE WITH PROVISIONS.....	65
Section 14.	SECURITY	65
Section 15.	COVENANT RUNNING WITH THE LAND.....	66
Section 16.	NO PUBLIC RIGHT OR DEDICATION.....	66
Section 17.	NO REPRESENTATIONS OR WARRANTIES.....	67
Section 18.	BUS STOP	67
Section 19.	NOISE ABATEMENT/FLORIDA TURNPIKE.....	67
Section 20.	MANDATORY RECLAIMED WATER ZONE	67
Section 21.	CERTAIN RESERVED RIGHTS OF DECLARANT WITH RESPECT TO COMMUNITY SYSTEMS.	67
Section 22.	SURROUNDING AGRICULTURAL USES.....	68
Section 23.	ASSOCIATION AND DECLARANT AS ATTORNEY-IN-FACT.	68
Section 24.	DECLARANT'S RESERVATION OF RIGHTS.	69

**DECLARATION OF COVENANTS, RESTRICTIONS
AND EASEMENTS FOR CANYON TRAILS**

THIS DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR CANYON TRAILS ("Declaration") is made as of the ____ day of _____, 20____, by BOYNTON BEACH ASSOCIATES XXIII, LLLP, a Florida limited liability limited partnership, its successors and assigns ("Declarant"), and is joined in by CANYON TRAILS HOMEOWNERS ASSOCIATION, INC., a Florida corporation not for profit ("Association").

WHEREAS, Declarant desires to develop a planned community to be known as "Canyon Trails" (as hereinafter defined) on certain real property more particularly described on Exhibit "A" attached hereto and made a part hereof (the "Property"); and

WHEREAS, in order to develop and maintain Canyon Trails as a planned community and to preserve the values and amenities of such community, it is necessary to declare, commit and subject the Property and the improvements now or hereafter constructed thereon to certain land use covenants, restrictions, reservations, regulations, burdens, liens, and easements; and to delegate and assign to the Association certain powers and duties of ownership, administration, operation, maintenance and enforcement; and

WHEREAS, the Association is joining in this Declaration in order to acknowledge its duties, responsibilities and obligations hereunder.

NOW, THEREFORE, in consideration of the premises and covenants herein contained, Declarant hereby declares that the Property shall be owned, held, used, transferred, sold, conveyed, demised and occupied subject to the covenants, restrictions, easements, reservations, regulations, burdens and liens hereinafter set forth, all of which shall run with the Property and any part thereof and which shall be binding upon all parties having any right, title or interest in the Property or any part thereof, their heirs, successors and assigns.

**ARTICLE I
DEFINITIONS**

The terms used in this Declaration shall be defined as set forth herein unless expressly provided otherwise.

Section 1. "ADDITIONAL PLAT" shall mean the plat of any portion of the Property which is not included in the Plat, if any, and the plat of any Additional Property provided a Supplemental Declaration for such Additional Property is recorded amongst the Public Records of the County. "Additional Plat" shall also mean the replat of all or any portion of the Plat or any other plat of all or any portion of the Property.

Section 2. "ADDITIONAL PROPERTY" shall mean any real property (other than the Property) that may be submitted by Declarant to the terms and provisions of this Declaration by a Supplemental Declaration which shall be executed by the owner of the Additional Property and need not be joined in by any other person or Owner. No portion of any Additional Property shall be encumbered by this Declaration unless and until such property is added by a Supplemental

Declaration executed by the fee owner thereof and Declarant. In the event any Additional Property becomes encumbered by this Declaration, then, and only then in such event, the term "Property" as used herein shall also mean the Additional Property.

Section 3. "AMENDMENT(S)" shall mean any and all amendments to this Declaration, all of which shall be consecutively numbered beginning with the "First Amendment to the Declaration of Covenants, Restrictions and Easements for Canyon Trails" and each of which shall be properly adopted pursuant to the terms of the Canyon Trails Documents and recorded in the Public Records of the County; provided, however, the failure to so consecutively number such amendments shall not impair their validity hereunder and such amendments to the extent not otherwise numbered will be deemed to have been numbered in chronological order of their appearance in the Public Records of the County. "Amendment(s)" shall also mean any and all amendments to any Supplemental Declaration, as recorded in the Public Records of the County.

Section 4. "ARCHITECTURAL CONTROL COMMITTEE" or "COMMITTEE" shall mean the committee created pursuant to Article VIII hereof.

Section 5. "ARTICLES" shall mean the Articles of Incorporation of the Association which have been filed in the Office of the Secretary of State of the State of Florida on December 4, 2009, a true copy of which is attached hereto as Exhibit "B" and incorporated herein by this reference, as such Articles may be amended from time to time.

Section 6. "ASSESSMENT" shall mean assessments for which all Owners are obligated to pay to the Association and includes "Individual Lot Assessments" and "Special Assessments" (as such terms are defined in Article VII hereof) and any and all other assessments which are levied by the Association in accordance with the Canyon Trails Documents.

Section 7. "ASSOCIATION" shall mean and refer to CANYON TRAILS HOMEOWNERS ASSOCIATION, INC., a not-for-profit Florida corporation (formerly known as The Trails at Canyon Homeowners Association, Inc.), its successors and assigns, existing pursuant to the Articles, which Association is responsible for the ownership, administration, operation, maintenance, preservation, enforcement and architectural control of Canyon Trails as provided in this Declaration.

Section 8. "ASSOCIATION PROPERTY" shall mean such portions of the Property which are not included in any Lot, except those areas dedicated to the public by the Plat or Additional Plat, if any, and which are or shall be owned or maintained by the Association, as set forth in this Declaration and/or the Plat or Additional Plat, if any, for the common use and enjoyment of the Owners within Canyon Trails, together with landscaping, personal property and any other Improvements thereon, including, without limitation, all of the following if and to the extent located thereon, all structures, gatehouse(s), the recreational tract(s) and park tract as more particularly described in Article II, Section 2(1) hereof, Lakes (as hereinafter defined), open space tracts and focal point tracts, private streets, bridges, asphalt bike paths, sidewalks, irrigation facilities, "Street Lights" and "Decorative Street Lights" (as those terms are hereinafter defined), perimeter fences and walls, entry or other lighting, entrance features, fountains, buffer tracts, monument walls, monument signs, site walls, retaining walls, littoral plantings and decorative street signs, if any, but specifically excluding any public utility installations thereon, and all portions of any "Community Systems" (as hereinafter defined) not made Association

Property pursuant to Article II, Section 8 hereof, and any other property of Declarant not intended to be made Association Property. "Association Property" shall also include such portions of the Property as are declared to be Association Property in any Supplemental Declaration, less whatever portions of the Property are declared to be withdrawn from the provisions of this Declaration in any Supplemental Declaration.

Section 9. "BOARD" shall mean the board of directors or other legally recognized governing body of the Association.

Section 10. "BYLAWS" shall mean the Bylaws of the Association, which have been or will be adopted by the Board, a copy of which is attached hereto as Exhibit "C" and incorporated herein by this reference, as such Bylaws may be amended from time to time.

Section 11. "CANAL LOT" shall mean a Lot within Canyon Trails abutting one of the canals (as described in Article II hereof).

Section 12. "CANYON TRAILS" shall mean that planned development located in Palm Beach County, Florida, which is intended to encompass the Property and Association Property. It is presently anticipated that Canyon Trails will contain both single-family and zero-lot line homes. Canyon Trails will initially consist of the land set forth in Exhibit "A" attached hereto and made a part hereof, and may be expanded to include additional property or reduced by withdrawal of property, all by the recording of one or more Supplemental Declaration(s).

Section 13. "CANYON TRAILS DOCUMENTS" shall mean in the aggregate this Declaration, the Articles, the Bylaws, the Rules and Regulations, the Plat, the Additional Plat, if any, and all of the instruments and documents referred to herein and therein, including, but not limited to, any Amendment(s) and Supplemental Declaration(s), all as may be further amended and/or supplemented from time to time.

Section 14. "COMMUNITY SYSTEMS" shall mean and refer to any and all television (cable, satellite or otherwise), telecommunication, internet access, alarm/monitoring, utility or other lines, conduits, wires, satellites, amplifiers, towers, antennae, equipment, materials, installations and fixtures (including those based on, containing or serving future technological advances not now known) installed by Declarant, an affiliate of Declarant, any other entity in which Declarant or an affiliate of Declarant may have an interest (financial or otherwise), or any third party expressly granted the rights by Declarant or the Association to provide Community Systems within the Property; or pursuant to any grant of easement or authority by Declarant and serving the Association Property and/or more than one Lot.

Section 15. "COMPLETED LOT" shall mean a Lot on which the construction of a Home has been completed, for which Home a certificate of occupancy or equivalent therefor has been issued by the appropriate governmental agency, and the title to such Lot has been conveyed by Declarant.

Section 16. "COMPLETED LOT OWNER" shall mean the Owner of a Completed Lot.

Section 17. "COUNTY" shall mean Palm Beach County, Florida.

Section 18. "DECLARANT" shall mean and refer to Boynton Beach Associates XXIII, LLLP, a Florida limited liability limited partnership, and any successor or assign thereof to which Boynton Beach Associates XXIII, LLLP, specifically assigns all or part of the rights of Declarant hereunder by an express written assignment, whether recorded in the Public Records of the County or not. The written assignment may give notice as to which rights of Declarant are to be exercised and as to which portion of the Property. In any event, any subsequent declarant shall not be liable for any default or obligations incurred by any prior declarant, except as may be expressly assumed by the subsequent declarant. An Owner shall not, solely by the purchase of a Home and/or Lot, be deemed a successor or assign of Declarant under the Canyon Trails Documents unless such Owner is specifically so designated as a successor or assign of such rights in the instrument of conveyance or any other instrument executed by Declarant.

Section 19. "DECLARATION" shall mean this instrument as it may be amended from time to time, together with any Supplemental Declaration(s) or Amendments hereto, which may be recorded amongst the Public Records.

Section 20. "DIRECTOR" shall mean a member of the Board.

Section 21. "DOMINANT LOT" shall mean a Lot to which an easement over a Servient Lot created by Article IV of this Declaration is appurtenant (i.e., a Lot owned by an Owner entitled to access such Owner's Lot over certain portions of an adjoining Lot). A Lot may be both a Dominant Lot and a Servient Lot as to different easements created by Article IV hereof, but not as to the same easement.

Section 22. "DRAINAGE SYSTEM" shall mean a system of structures and other improvements, including, without limitation, control structures, culverts, headwalls and/or swales, which is designed, constructed and installed to collect and convey rainwater runoff from Canyon Trails to the water management tracts (i.e., "Lakes," as hereinafter defined) within the Property and/or canals adjacent to the Property. The Drainage System is located upon and designed to serve the Property and certain off-site roadways and other property as further described in Article II, Section 2(9) below. Except as set forth in this Declaration, the Drainage System is a private drainage system.

Section 23. "HOME" shall mean a residential dwelling unit constructed within Canyon Trails, which is designed and intended for use and occupancy as a single-family residence; 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 same is made such pursuant to Article II, Section 8 hereof, if at all. Upon completion of construction of a Home on a Lot, the Lot and the Improvements thereon are sometimes collectively referred to as a Home in this Declaration and the Canyon Trails Documents.

Section 24. "IMPROVEMENT" shall mean all structures or artificially created conditions and appurtenances thereto of every type and kind located within Canyon Trails, including, but not limited to, buildings, walkways, recreation areas and facilities, parking areas, berms, fountains, sprinkler systems, gatehouses, Streets, Drives, Roads, Roadways, driveways, bridges, fences, retaining walls, underground footers and other foundation supports, stairs, landscaping, trees, hedges, plantings, poles, swings, gym sets and play structures, tennis courts, swimming pools, covered patios, screen enclosures, jogging, bicycling and walking paths, basketball courts,

backboards and hoops, signs, site and perimeter walls, gazebos, benches, mailboxes, Street Lights and Decorative Street Lights and signs.

Section 25. "INCOMPLETE LOT" shall mean a Lot which is not a Completed Lot.

Section 26. "INCOMPLETE LOT OWNER" shall mean the Owner of an Incomplete Lot.

Section 27. "INSTITUTIONAL MORTGAGE" shall mean a mortgage held by an Institutional Mortgagee on any property within Canyon Trails.

Section 28. "INSTITUTIONAL MORTGAGEE OR INSTITUTIONAL LENDER" shall mean any lending institution owning a first mortgage encumbering any Home or Lot within Canyon Trails, which owner and holder of said mortgage shall either be a bank, life insurance company, federal or state savings and loan association, real estate or mortgage investment trust, building and loan association, mortgage banking company licensed to do business in the State of Florida, or any subsidiary thereof, licensed or qualified to make mortgage loans in the State of Florida or a national banking association chartered under the laws of the United States of America or any "secondary mortgage market institution," including the Federal National Mortgage Association ("FNMA"), Government National Mortgage Association ("GNMA"), Federal Home Loan Mortgage Corporation ("FHLMC") and such other secondary mortgage market institutions as the Board shall hereafter approve in writing; any and all lenders, and the successors and assigns of such lenders, which have loaned money to Declarant and which hold a mortgage on any portion of the Property securing any such loan; any pension or profit-sharing funds qualified under the Internal Revenue Code; the Veterans Administration, the Federal Housing Administration or the Department of Housing and Urban Development or such other lender as is generally recognized in the community as an institutional lender; or Declarant, its successors and assigns. Bank of America, N.A., a national banking association, as Agent, is hereby specifically declared to be an Institutional Mortgagee since it has loaned money to Declarant, which loan is secured by a mortgage on the Property.

Section 29. "INTEREST" shall mean the maximum nonusurious interest rate allowed by law on the subject debt or obligation, and if no such rate is designated by law, then eighteen percent (18%) per annum.

Section 30. "LAKES" shall mean those portions of the Property designated on the Plat and/or Additional Plat, if any, as lakes, lake tracts or storm water management tracts.

Section 31. "LAKE LOT" shall mean a Lot within Canyon Trails abutting one of the Lakes.

Section 32. "LEGAL FEES" shall mean reasonable fees for attorney and paralegal services and all costs and court costs through and including all trial and appellate levels and postjudgment proceedings incurred in connection with: (i) negotiation and preparation for mediation, arbitration and/or litigation, whether or not an action is actually begun, and (ii) collection of past due Assessments including, but not limited to, preparation of notices and liens.

Section 33. "LOT" shall mean and refer to any parcel of land within Canyon Trails as shown on the Plat or any Additional Plat, if any, upon which a Home is permitted to be constructed, together with the Improvements thereon, and any portion of the Property within Canyon Trails

that is declared to be a Lot by a Supplemental Declaration and is not subsequently withdrawn from the provisions of this Declaration by a Supplemental Declaration; provided, however, that no portion of any Community System shall be deemed to be part of a Lot unless and until such Community System (or portion thereof) is made a part of a Lot pursuant to Article II, Section 8 hereof, if at all. For purposes of Individual Lot Assessments, a Lot is either a Completed Lot or an Incomplete Lot. Upon completion of construction of a Home on a Lot, such Lot and the Improvements thereon are sometimes collectively referred to as a Lot in this Declaration and the Canyon Trails Documents.

Section 34. "MEMBERS" shall mean and refer to all of the Owners who are also members of the Association, as provided herein.

Section 35. "NOTICE AND HEARING" shall mean written notice and a public hearing before a tribunal appointed by the Board at which the Owner concerned shall have an opportunity to be heard in person or by counsel, at Owner's expense, in the manner set forth in Article X herein.

Section 36. "OPERATING EXPENSES" shall mean the expenses for which Owners are liable to the Association as described in this Declaration and any other Canyon Trails Documents and include, but are not limited to: (a) the costs and expenses incurred by the Association in owning, administering, operating, maintaining, financing, or repairing (but not reconstructing, replacing or improving) the Association Property or any portion thereof and Improvements thereon, all other property owned by the Association (including, without limitation, the Drainage System), and (b) all costs and expenses incurred by the Association in carrying out its powers and duties hereunder or under any other Canyon Trails Documents.

Section 37. "OWNER" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot within Canyon Trails, and includes Declarant for as long as Declarant owns fee simple title to a Lot, but excluding therefrom those having such interest as security for the performance of an obligation.

Section 38. "PLAT" shall mean the plat of TRAILS AT CANYON – PLAT ONE recorded in Plat Book 113, at Page 107 of the Public Records of the County. In the event an Additional Plat is recorded in the Public Records of the County, then the term "Plat" as used herein shall also mean and refer to the Additional Plat(s).

Section 39. "PROPERTY" shall initially mean and refer to that certain real property heretofore described in Exhibit "A" attached hereto and made a part hereof, and thereafter, as applicable, to such additions thereto as may be brought within the jurisdiction of this Declaration and/or the Association; provided, however, Declarant reserves the right to withdraw from the provisions hereof, subject to the prior written approval of the Palm Beach County Attorney's Office, if required, such portion or portions of the Property as Declarant from time to time elects, upon the execution by Declarant of a Supplemental Declaration.

Section 40. "SERVIENT LOT" shall mean a Lot within Canyon Trails over which an easement is created by Article IV of this Declaration in favor of a Dominant Lot (i.e., a Lot over certain portions of which the Owner of an adjoining Lot has a right of access). A Lot may be

both a Servient Lot and a Dominant Lot as to different easements created by Article IV hereof, but not as to the same easement.

Section 41. "SUPPLEMENTAL DECLARATION" shall mean any instrument executed by Declarant which, when recorded in the Public Records of the County, shall: (a) commit Additional Property, if any (provided Declarant is the owner thereof), to the provisions of this Declaration, and shall be the only method of committing such property to the provisions of this Declaration, (b) withdraw any portion(s) of the Property from the lien and effect of this Declaration, (c) designate portion(s) of the Property or Additional Property to be or not to be Association Property hereunder, and/or (d) be for such other purposes as are provided in this Declaration. A Supplemental Declaration may also be used to impose additional covenants, restrictions, reservations, regulations, burdens, liens, and easements upon the Property or any portion thereof and/or remove any of same. The Association shall join in the execution of any Supplemental Declaration at the request of Declarant but such joinder shall not be required to make any such Supplemental Declaration effective. The Owners shall not be required to join in the execution of any Supplemental Declaration but shall nevertheless be bound thereby.

Section 42. "TURNOVER DATE" shall mean the date upon which "Class A Members" (as defined in Article V.D.1 of the Articles), including Declarant, shall assume control of the Association and elect the Board, as more particularly described in Article V.D.2 of the Articles.

Section 43. "WATER MANAGEMENT DISTRICT" shall mean the South Florida Water Management District.

Section 44. "WATER MANAGEMENT DISTRICT PERMIT" shall mean that certain permit issued by the Water Management District under Permit Number 50-09363-P, as same may be amended or modified from time to time, a copy of which is attached hereto as Exhibit "D" and made a part hereof.

ARTICLE II

DESCRIPTION OF CANYON TRAILS

Section 1. GENERAL PLAN OF DEVELOPMENT. Canyon Trails comprises the Property encompassing, or which will encompass, Lots and Association Property, as more particularly defined by this Declaration and, in addition, lands which Declarant may add, but shall in no way be obligated to add, by one or more Supplemental Declaration(s). The Property initially declared hereunder is described in Exhibit "A" attached hereto. It is presently anticipated that Canyon Trails will contain both single-family and zero-lot line Homes. Notwithstanding the foregoing, Declarant has reserved the right to modify its plan of development of Canyon Trails (including, without limitation, the right to modify the site plan of Canyon Trails and the right to supplement, change or reduce the recreational facilities, amenities, the Home product types and the number of homes to be constructed within Canyon Trails) and/or the right to add land to Canyon Trails or to withdraw land from Canyon Trails, all in Declarant's sole discretion. Therefore, in the event Declarant modifies its plan of development of Canyon Trails, adds land to Canyon Trails and/or withdraws land from Canyon Trails, the number of Lots, the layout of Lots and/or the size of Lots within Canyon Trails may change and the Assessments required to be paid pursuant to this Declaration, may increase or decrease, as applicable. Declarant's general plan of development further contemplates that such Homes shall be whatever types of structures Declarant may

choose which are in conformance with this Declaration. Declarant's general plan of development of Canyon Trails may also include whatever facilities and amenities Declarant considers in its sole judgment to be appropriate to Canyon Trails, as well as any changes thereto.

Additional Property will become a part of Canyon Trails if, and only if, Declarant in its sole discretion adds Additional Property to Canyon Trails by recording a Supplemental Declaration to such effect. Declarant hereby reserves an easement for ingress and egress and for utilities and drainage over, under and across the Property for the benefit of any Additional Property; provided, however, no such easement may be granted upon any portion of the Property that lies directly beneath a Home.

Declarant expressly reserves the right as to the Property to (i) commence construction and development of the Property if and when Declarant desires; (ii) develop the Property (including, without limitation, the recreational facilities and amenities) upon such timetable as Declarant, in its sole discretion, chooses; and (iii) modify the plan of development of the Property (including, without limitation, the right to modify the site plan and/or the master plan of Canyon Trails, the right to change the recreational facilities and amenities, and the right to change the Home product types and number of Homes to be constructed within Canyon Trails) in such manner as Declarant, in its sole discretion, chooses. Nothing contained herein shall be construed as obligating Declarant to construct Canyon Trails according to the present plan of development or as obligating Declarant to declare any Additional Property to be Property.

Section 2. ASSOCIATION PROPERTY. The Association Property shall consist of: (a) the property indicated on the Plat and Additional Plat(s), if any, as Association Property or as property reserved for or dedicated to the Association, and (b) any other property designated as Association Property in this Declaration or any Supplemental Declaration. The Association Property shall be used for recreational and social purposes as well as other proper purposes by the Association and the Owners and their family members, guests, invitees and tenants in accordance with the Canyon Trails Documents. Association Property may not be altered, modified, removed or replaced by Owners or their family members, guests, invitees or tenants.

The portions of Canyon Trails described in this Section 2 shall constitute Association Property and shall be used solely in accordance with the covenants, restrictions, reservations, regulations and burdens imposed upon the Association Property including, without limitation, the following:

(1) Recreation Tracts. Canyon Trails is planned to contain one (1) recreation area containing approximately 5.33 acres (the "Recreation Tract") and one (1) secondary park area containing approximately .49 acres (the "Park Tract") as designated on the Plat or Additional Plat(s), if any. The Recreation Tract and the Park Tract shall be part of the Association Property and shall be used for recreational purposes by the Association, and the Owners and their family members, guests, invitees and tenants. Such portions, if any, of the Recreation Tract and Park Tract upon which Declarant has constructed or hereafter constructs Improvements shall be kept and maintained for use in a manner consistent with the nature of such Improvements located or to be located thereon. The Recreation Tract and the Park Tract shall always be kept and maintained by the Association for recreational uses or beautification and attendant uses (e.g., parking spaces within the Recreation Tract shall be used for proper purposes by those using the recreational facilities but only while using such facilities), and shall

be used for such purposes and not for residential, commercial or industrial construction of any kind. The Recreation Tract and the Park Tract shall be maintained, administered, operated and ultimately owned by the Association.

Declarant reserves the right, but shall not be obligated, to construct additional recreational facilities upon the Recreation Tract and Park Tract, and to modify or reduce the facilities and amenities planned for the Recreation Tract and/or the Park Tract. Declarant, at its sole discretion, hereby expressly reserves the right to reduce and/or modify the planned facilities, and to determine the timing of construction of the recreational facilities and installation of amenities. The decision as to whether to construct additional recreational facilities or amenities, to modify the planned facilities or amenities, to reduce the planned facilities and/or the timing of the construction thereof shall be in the sole discretion of Declarant.

Notwithstanding anything contained herein, neither Declarant nor the Association makes any representations whatsoever to commence, complete or construct any of the recreational facilities within any specific time period.

(2) Lakes and Canals. The "Lakes" are those portions of the Property designated on the Plat or Additional Plat, if any, as lakes, lake tracts or storm water management tracts and shall always be kept and maintained as lakes for water retention, drainage, irrigation, littoral plantings and water management purposes in compliance with all applicable governmental requirements including, without limitation, the Water Management District requirements. The Lakes shall be a part of the Association Property and shall be maintained, administered, operated and ultimately owned by the Association. In furtherance of the foregoing, Declarant hereby reserves and grants an easement in favor of the Association throughout all portions of Canyon Trails as may be necessary for the purpose of accessing, maintaining and administering the Lakes, and no Owner shall do any act which may interfere with the performance by the Association of its obligations hereunder.

The "Canals" are those canals located adjacent to and/or within portions of the boundaries of the Property. The Canals are not part of, and are hereby expressly excluded from, the Property. The rights-of-way comprising the Canals are owned and maintained by the Lake Worth Drainage District ("LWDD"). Neither the Declarant nor the Association have control over how and to what extent, if any, the LWDD will (i) install any improvements in the Canal rights-of-way, and/or (ii) maintain such Canal rights-of-way, including, without limitation, any sod planted therein.

Water levels in the Lakes and Canals within and adjacent to the Property may rise and fall significantly due to, among other things, certain natural causes including, without limitation, rain, sun, and fluctuations in ground water elevations within the surrounding areas. Accordingly, Declarant has no control over such water levels and/or ground water elevations. Each Owner, by acceptance of a deed or title to a Lot, hereby releases the Declarant, the Association and the County from and against any and all losses, claims, demands, liabilities, damages, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees), related to, arising out of and/or resulting from water levels in the Lakes and/or Canals regardless of the cause thereof.

DECLARANT AND THE ASSOCIATION SHALL NOT BE OBLIGATED TO PROVIDE SUPERVISORY PERSONNEL, INCLUDING, BUT NOT LIMITED TO, LIFEGUARDS, FOR THE RECREATION TRACT, THE PARK TRACT, THE LAKES, CANALS AND/OR ANY OTHER PORTIONS OF THE ASSOCIATION PROPERTY. ANY INDIVIDUAL USING THE RECREATION TRACT, THE PARK TRACT, THE LAKES, CANALS AND/OR ANY OTHER PORTIONS OF THE ASSOCIATION PROPERTY SHALL DO SO AT HIS OR HER OWN RISK AND HEREBY HOLDS DECLARANT AND THE ASSOCIATION HARMLESS FROM AND AGAINST ANY CLAIM OR LOSS (INCLUDING, WITHOUT LIMITATION, THOSE FROM PROPERTY DAMAGE, INJURY AND/OR DEATH) ARISING FROM SUCH USE.

EACH OWNER, BY THE ACCEPTANCE OF A DEED OR TITLE TO A LOT, ACKNOWLEDGES THAT THE LAKES AND CANALS ARE EXTREMELY DEEP AND DANGEROUS. NEITHER DECLARANT, THE ASSOCIATION NOR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, PARTNERS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVELY, THE "LISTED PARTIES") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE SAFETY, WATER QUALITY OR WATER LEVEL OF/IN ANY LAKE, POND, CANAL, CREEK, STREAM OR OTHER WATER BODY WITHIN OR AROUND CANYON TRAILS, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY, OR CONTRACTED FOR WITH, AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR AUTHORITY. FURTHER, NONE OF THE LISTED PARTIES SHALL BE LIABLE FOR ANY PROPERTY DAMAGE, PERSONAL INJURY OR DEATH OCCURRING IN, OR OTHERWISE RELATED TO, ANY WATER BODY, ALL PERSONS USING SAME DOING SO AT THEIR OWN RISK. ALL OWNERS AND USERS OF ANY PORTION OF CANYON TRAILS SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF A DEED OR TITLE TO OR USE OF SUCH PROPERTY, TO HAVE AGREED TO RELEASE THE LISTED PARTIES FROM ALL CLAIMS FOR ANY AND ALL CHANGES IN THE SAFETY, QUALITY AND LEVEL OF THE WATER IN SUCH BODIES. ALL PERSONS ARE HEREBY NOTIFIED THAT FROM TIME TO TIME WILDLIFE MAY INHABIT OR ENTER INTO WATER BODIES WITHIN OR NEARBY CANYON TRAILS AND MAY POSE A THREAT TO PERSONS, PETS AND PROPERTY, BUT THAT THE LISTED PARTIES ARE UNDER NO DUTY TO PROTECT AGAINST, AND DO NOT IN ANY MANNER WARRANT OR INSURE AGAINST, ANY DEATH, INJURY OR DAMAGE CAUSED BY SUCH WILDLIFE.

(3) Streets, Drives, Roads and/or Roadways. The "Streets," "Drives," "Roads" and/or "Roadways" are those portions of the Property designated on the Plat or Additional Plat(s), if any, as a street, driveway, road or roadway, and which are reserved for or dedicated to the Association, but specifically excluding any street or roadway dedicated to the public on the Plat or Additional Plat, if any. The Streets, Drives, Roads and/or Roadways shall be used as private roads by Declarant, the Association and the Owners, their family members, guests, invitees and tenants in accordance with the provisions of this Declaration. The Streets, Drives, Roads and/or Roadways shall be maintained, administered, operated and ultimately owned by the Association. Notwithstanding anything to the contrary, each Owner shall be responsible for the maintenance, repair and replacement of: (a) the driveway serving his or her Lot, including that portion of the driveway in a Street, Drive, Road and/or Roadway, if any, and (b) the sod and plantings, if any, located adjacent to a Lot within a Street, Drive, Road and/or

Roadway, unless the driveway and/or sod and/or plantings was damaged by the Association in the fulfillment of its obligations and duties under this Declaration.

(4) Landscaped Areas or Grassed Areas. The "Landscaped Areas" and "Grassed Areas" are those portions of the Property designated on the Plat or Additional Plat, if any, as "Focal Point" tracts, "OS" tracts or as open space, and are to be used, kept and maintained as such by Declarant, the Association, and the Owners within Canyon Trails, their family members, guests, invitees and tenants, in accordance with the provisions of this Declaration. No Improvement, landscaping or other addition or deletions are permitted to be made or installed by any Owner in a Landscaped Area or Grassed Area. The Landscaped Areas and Grassed Areas shall be ultimately owned by the Association and shall be maintained, administered and operated in accordance with the requirements of this Declaration and the appropriate governmental agencies. In that regard, except as otherwise provided below, an Owner whose Lot is adjacent to an "OS" tract (other than those "OS" tracts that are also designated as Focal Point tracts) shall be responsible for the maintenance and care of the sod located in such adjacent "OS" tract up to the centerline thereof. In addition, if the side property line of an Owner's Lot abuts a ten foot (10') wide OS or open space tract which separates Owner's Lot from the rear of one or more other lots in the Community, such Owner shall be responsible for the maintenance and care of the sod located in such ten foot (10') wide OS or open space tract that abuts the side property line of such Owner's Lot. Notwithstanding the foregoing, an Owner whose Lot is adjacent to an "OS" tract shall not be responsible for the care of the sod located on such adjacent "OS" tract where such "OS" is part of a Buffer Tract (as hereinafter defined), used as a passive park or focal point or adjacent to the intersection of two of the Streets, Drives, Roads and/or Roadways thereby creating an entry into a parcel located within the Community. Nothing shall be planted, constructed, stored, placed and/or altered in the "OS" or open space tract by any Owner other than sod.

(5) Street Lights. The "Street Lights" and any associated facilities placed within the Property and any street lights and associated facilities placed within public rights of way by agreement between the Declarant or Association and the public utility responsible therefor, are or shall be installed by the Declarant, and if installed, will be repaired, replaced, relocated, maintained and owned by the public utility responsible therefor, but the Association shall be responsible to pay all fees associated with such installation, repair, replacement, relocation and maintenance, and for the furnishing of electricity thereto, at a set rate pursuant to a street lighting agreement entered into or to be entered into with such public utility. Nothing in this Declaration shall be construed to require Declarant to install Street Lights within Canyon Trails.

(6) Decorative Street Lights. Declarant reserves the right, but shall not be obligated, to install "Decorative Street Lights" in or near the entranceway and gatehouse to Canyon Trails. The Decorative Street Lights, if installed by the Declarant, shall be repaired, replaced, relocated, maintained and owned by the Association. If installed, such Decorative Street Lights will not be typical of what may be installed around the Lots. Nothing in this Declaration shall be construed to require Declarant or the Association to install Decorative Street Lights within Canyon Trails.

(7) Gatehouse, Entranceway and Entry Gate. Canyon Trails may include a gatehouse and entry gate installed by Declarant or the Association. Such gatehouse,

entranceway and/or entry gate shall be deemed Association Property and shall be administered, maintained, operated, repaired and/or replaced by the Association and the expense thereof shall be included as an Operating Expense. The gatehouse, if any, may or may not be staffed, as determined in the sole discretion of the Association. All other portions of the entranceway shall also be owned and maintained by the Association. Neither Declarant nor the Association makes any representations whatsoever as to the security of the Property or the effectiveness of any gatehouse or entry gate. All Owners agree to hold Declarant and the Association harmless from any loss or claim arising within the Property from the occurrence of a crime or other act. The Owners acknowledge that the gatehouse and entry gate are designed only to restrict vehicular access to Canyon Trails, and will not be able to prevent crime. Notwithstanding anything herein to the contrary, neither Declarant nor the Association makes any representations whatsoever to commence, complete, construct or staff any gatehouse or entry gate within any specific time period.

(8) Buffers. The "Buffers" are those portions of the Property which run along the outer perimeter of the Property, or adjacent to certain Streets, Drives, Roads and/or Roadways, and are designated on the Plat or Additional Plat(s), if any, as "BT" tracts, "Buffer Tracts" or as buffers. Buffers shall be maintained by the Association in accordance with the provisions of this Declaration and the requirements of the appropriate governmental authorities. In order to preserve the aesthetic image of Canyon Trails and to help maximize the Owners' use and enjoyment thereof, no Improvements, landscaping or other additions and/or deletions are permitted within the Buffers without the prior written consent of the Association and appropriate governmental agencies, excepting any Improvements, landscaping or other additions made or installed by Declarant and/or the Association, such as, but not limited to, berms, landscaping, sod, signs, walkways, walls and light poles. Additionally, no Owner shall be permitted to attach their fence to any fence or wall within the Buffer or to otherwise fence in or enclose any portion of a Buffer or other Association Property.

(9) Drainage System. The Association shall be responsible for all costs associated with all cleaning, maintenance, repair and replacement of any portion of the Drainage System necessary to maintain the system in its original condition and use. The County is not obligated to pay or reimburse the Association for any of the costs or expenses associated with the operation, maintenance and repair of the Drainage System.

(10) Irrigation System. The central irrigation system serving the Association Property, each of the individual Lots within Canyon Trails, and the Acme Dairy Improvements (as hereinafter defined), all as described in Article VI, Section 7 hereof (the "Irrigation System"). The Irrigation System will also be installed and maintained by the Association to irrigate certain trees, sod, and other landscaping (if and to the extent installed) located along the eastern and western boundaries of the Acme Dairy Road right-of-way north of and outside the boundaries of Canyon Trails from approximately ± 132 feet north of the Lake Worth Drainage District Canal L-25 (which runs along the north property line of Canyon Trails) and continuing north approximately 2,160 feet on the western side of the Acme Dairy Road right-of-way and approximately 2,320 feet on the eastern side of the Acme Dairy Road right-of-way (collectively, the "Acme Dairy Improvements").

(11) Conservation Areas, Preserve Areas. The "Conservation Areas" and "Preserve Areas" are those portions of the Property designated on the Plat or Additional Plat, if

any, in this Declaration, any Supplemental Declaration, or in any conservation easement deed or other instrument now or hereafter recorded against any portion or portions of the Property, as conservation areas or tracts, preserve areas, tracts or buffers, wetland areas or tracts, or mitigation areas or tracts. The Conservation Areas and Preserve Areas, if any, shall be used, kept and maintained as such by Declarant, the Association, and the Owners within Canyon Trails, their family members, guests, invitees and tenants, in accordance with the requirements and restrictions contained in this Declaration or any Supplemental Declaration, and pursuant to any permit, conservation easement deed or other instrument now or hereafter recorded against any portion or portions of the Property, or as required by any appropriate governmental or quasi governmental agency or entity having jurisdiction over the Property (collectively the "Conservation Documents and Requirements"). The Association shall be responsible for monitoring and maintaining all Conservation Areas and Preserve Areas in accordance with the Conservation Documents and Requirements and as more fully set forth in Article IX, Section 1.D below.

(12) Right to Add Additional Improvements. Such portions of the Association Property upon which Declarant has constructed, or Declarant or the Association hereafter constructs, Improvements shall be kept and maintained for use in a manner consistent with the nature of such Improvements located, or to be located, thereon. Declarant and the Association reserve the right, but shall not be obligated, to construct additional facilities upon the Association Property. Declarant's decision as to whether to construct additional facilities and the construction thereof shall be in the sole discretion of Declarant, and Association's decision as to whether to construct additional facilities and the construction thereof shall be in the sole discretion of the Association.

Section 3. LAKE LOTS AND CANAL LOTS. Notwithstanding anything contained herein to the contrary, and subject to the rights and obligations of the Association to maintain the Lakes as aforesaid for water retention, drainage, irrigation and water management purposes for all of Canyon Trails and the right of the Association to adopt rules from time to time with respect to the use of the Lakes for such purposes, the Lakes shall be reserved for the private use and enjoyment of all Owners, their family members, guests, invitees and tenants, but only in accordance with this Declaration.

Only "catch and release" fishing in the Lakes shall be permitted; however, notwithstanding anything contained herein to the contrary, an Owner shall only access the Lakes from the "Lake Maintenance Access Easement" or "Lake Maintenance Easement" shown on the Plat, or Additional Plat, if any, which immediately abuts such Owner's Lot if the Owner's Lot is a Lake Lot (a "Lake Lot Owner"). If an Owner is not a Lake Lot Owner, or if a Lake Lot Owner wishes to access a different Lake or another area of the same Lake, access to the Lake shall be exclusively from the Lake Maintenance Access Easement abutting a Landscaped Area or Grassed Area (as those terms are defined in Section 2[4] above) and such access shall be limited to the portion of the Lake Maintenance Access Easement or Lake Maintenance Easement and lake bank abutting the Landscaped Area or Grassed Area. If no portion of the Lake Maintenance Access Easement or Lake Maintenance Easement and lake bank abuts a Landscaped Area or Grassed Area, Owners other than Lake Lot Owners whose Lots abut the Lake shall not be permitted access to that Lake. In addition, no Owner shall be permitted access to or to fish from any Lake Maintenance Easement or lake bank area which immediately abuts a Lake Lot owned by another Owner.

Lake Lot Owners and their family members, guests, invitees and tenants shall be permitted, at their sole risk, to operate non-motorized and electric watercraft in the Lakes. No other persons shall be entitled to operate watercraft in the Lakes. Notwithstanding the foregoing, the launching into and removal from a Lake of any permitted non-motorized or electric watercraft by a Lake Lot Owner shall be limited to such Lake Lot Owner's Lake Lot and the Lake Lot Owner shall only access the Lakes from the Lake Maintenance Easement or Lake Maintenance Access Easement which immediately abuts such Lake Lot Owner's Lake Lot. Watercraft shall be limited in size to eighteen feet (18') in length. No watercraft of any kind shall be permitted in the Canals.

No planting, fencing or other Improvements or additions to the Landscaped Area or Grassed Area surrounding a Lake and outside the Lot is permitted. Other than sod, no planting, fencing or other Improvements (including landscaping) or additions shall be permitted along the Lake banks or within a "Lake Bank Zone" (as hereinafter defined), the Lake Maintenance Easement or Lake Maintenance Access Easement of Lake Lots. No installation of sand or other materials intended to simulate a beach shall be permitted along the Lake banks or within the Lake Maintenance Easement or Lake Maintenance Access Easement or rear yards of Lake Lots; provided, however, Declarant shall have the right, but not the obligation, to install sand along the Lake banks (and/or within the Lake Maintenance Easements and/or Lake Maintenance Access Easements that are on or adjacent to the Recreation Tract), and if Declarant installs such sand, it shall be the Association's obligation to maintain and replace same, and the expense thereof shall be included as an Operating Expense. Swimming and the operation of motorized watercraft, other than electrically operated watercraft, in the Lakes are prohibited. Watercraft and trailers shall not be stored on the Lake banks or the Lake Maintenance Easement. Only watercraft which are permitted to be used within the Lakes of Canyon Trails may be temporarily stored within the backyards of Lake Lots. In addition to the use of any Lake Maintenance Easement by any Lake Lot Owner, as described above, the Lake Maintenance Easement is for the use of the Association, the County, the Water Management District and any other governmental or quasi-governmental agency for access to the Lakes for maintenance of the Lakes and littoral plantings, and other proper purposes. No alteration, relocation, removal or damage to littoral plantings, wetland plantings or upland plantings located in Lake Maintenance Easements is permitted by an Owner.

An imaginary line will be extended from the side property lines at the back of each Lake Lot down to the water's edge. The area encompassed between the rear property line and the water's edge between these imaginary lines shall be defined as the "Lake Bank Zone" as to each Lake Lot. The Association shall provide irrigation of sod, and the maintenance, repair and replacement of the irrigation system, located within the Lake Bank Zone. The Lake Lot Owner of each Lake Lot shall maintain and care for the sod located within his or her Lake Bank Zone. The Association shall be responsible for the maintenance, repair and replacement of the littoral plantings beyond the water's edge in all Lakes. In no event shall any Owner cause any erosion or change in grade of any lake bank slopes from design grade.

Section 4. COSTS. All costs associated with operating, maintaining, repairing and replacing the Association Property shall be the obligation of the Association. The Association Property shall be conveyed to the Association in accordance with the provisions of Article III, Section 6 hereof.

Section 5. PRIVATE USE. For the term of this Declaration, the Association Property (except as otherwise specifically provided in this Declaration) is not for the use and enjoyment of the public, but is expressly reserved for the private use and enjoyment of Declarant, the Association, and the Owners, and their family members, guests, invitees and tenants, but only in accordance with this Declaration.

A. Notwithstanding anything in this Declaration to the contrary, however, Declarant hereby expressly reserves for itself and its affiliates the right to use the Association Property (including, without limitation, all parking spaces within or adjacent to the Recreation Tract and Park Tract, if any) for such period of time as Declarant determines to be necessary in connection with the sale and marketing by Declarant and/or its affiliates of Homes in Canyon Trails and in any other communities developed or to be developed by Declarant or its affiliates, including, but not limited to, the holding of sales and marketing meetings, the use of "model row(s)" if one or more, and engaging in sales promotions and related sales and marketing activities for the general public.

B. Except to the extent provided herein and elsewhere in the Canyon Trails Documents, the Association Property shall be for the sole and exclusive use of the Owners and residents of Canyon Trails and their family members, guests, invitees and tenants.

C. The administration, management, operation and maintenance of the Association Property shall be the responsibility of the Association, as provided herein and in the Canyon Trails Documents.

D. The right to use the Association Property shall be subject to the rules and regulations established by the Association, as the same may be amended from time to time.

Section 6. PRIVACY FENCES AND HEDGES. Certain of the Lots within Canyon Trails on which "zero lot line" homes are constructed, as further described in Article IV, Section 6.C herein, may have privacy fences installed by Declarant ("Privacy Fences") on or along their rear and/or side lot lines (or portions thereof), with hedges planted by Declarant on either or both sides of such Privacy Fences ("Hedges"). The Privacy Fences and Hedges, if installed by Declarant (which Declarant shall have no obligation whatsoever to do), shall be the maintenance, repair and replacement obligation of the Owner of the Lot on which the same is or are installed, and may not be altered in any way or removed by the Owner of the Lot.

Section 7. MODEL ROW. Declarant hereby reserves the right to construct and/or operate a "model row(s)" in Canyon Trails. The "model row(s)" may contain models for Canyon Trails or other communities being developed by Declarant or affiliate(s) of Declarant, as Declarant and/or any of Declarant's affiliates may so determine, in their sole discretion. The "model row(s)" may also contain parking, landscaping and fencing across Streets, Drives, Roads and/or Roadways as Declarant may determine in its sole discretion. In the event that Declarant and/or any of Declarant's affiliates constructs a "model row(s)" in Canyon Trails, such "model row(s)" may be used for such period of time that Declarant and/or any of Declarant's affiliates determine to be necessary in its or their sole discretion including, without limitation, after the Turnover Date. Each Owner, by acceptance of a deed or title to a Lot in Canyon Trails, acknowledges and agrees that: (i) Declarant and/or any of Declarant's affiliates have a right to construct and/or operate a

“model row(s)” even after the Turnover Date; (ii) Declarant and/or any of Declarant’s affiliates have an easement over Canyon Trails for ingress and egress to and from the “model row(s)” and to use and show the models to prospective purchasers in Canyon Trails or other communities being developed by Declarant and/or any of Declarant’s affiliates, for so long as such “model row(s)” exists; and (iii) Owner shall not interfere in any manner whatsoever in the sales process by Declarant and/or any of Declarant’s affiliates, including, without limitation, the carrying of signs, the posting of signs on Lots or Homes, or other types of demonstrations in or around Canyon Trails or any public right-of-way adjacent to the Property. Each Owner acknowledges and agrees that any such activities interfere with the quiet enjoyment of Canyon Trails by the other Owners, are detrimental to the value of the Homes within Canyon Trails, and interfere with the Declarant’s and/or its affiliates’ ability to conduct their business.

Section 8. COMMUNITY SYSTEMS. Declarant shall have the right, but not the obligation, to convey, transfer, sell or assign all or any portion of the Community Systems located within the Property, or all or any portion of the rights, duties or obligations with respect thereto to the Association or any other person or entity (including an Owner, as to any portion of a Community System located on/in such Owner’s Lot). Without limiting the generality of this Section 8, if and when any of the aforesaid persons and/or entities receive such a conveyance, sale, transfer or assignment, such person and/or entity shall automatically be deemed vested with such rights of Declarant with regard thereto as are assigned by Declarant in connection therewith; provided, however, that if the Association is the applicable entity, then any Community Systems or portions thereof shall be deemed Association Property hereunder and the Association’s rights, duties and obligations with respect thereto shall be the same as those applicable to other Association Property unless otherwise provided by Declarant. Any conveyance, transfer, sale or assignment made by Declarant pursuant to this Section 8, (i) may be made with or without consideration, (ii) shall not require the consent or approval of the Association or any Owner, and (iii) if made to the Association, shall be deemed to have been automatically accepted (with all rights, duties, obligations and liabilities with respect thereto being deemed to have been automatically assumed). In recognition of the intended increased effectiveness and potentially reduced installation and maintenance costs and user fees arising from the connection of all Lots and Association Property within Canyon Trails to the applicable Community Systems, each Owner and occupant of a Home shall, by virtue of the acceptance of a deed or title to a Lot 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 Lots be so connected. The foregoing shall not, however, prohibit the Association or Community Systems provider from making exceptions to any such 100% use requirement in its reasonable discretion. WITH RESPECT TO COMMUNITY SYSTEMS, ALL PERSONS ARE REFERRED TO ARTICLE VI, SECTION 6 HEREOF, WHICH SHALL AT ALL TIMES APPLY TO THIS SECTION.

ARTICLE III
ADDITIONS TO AND WITHDRAWALS FROM THE PROPERTY;
CONVEYANCE OF ASSOCIATION PROPERTY

Section 1. ADDITIONS. Declarant may from time to time, in its sole discretion, by recording appropriate Supplemental Declaration(s) in the Public Records of the County, add any Additional Property or any other real property to the Property governed by this Declaration, and may declare all or part of such Additional Property or other property (including any

Improvements thereon) to be Lots or Association Property. Upon the recording of a Supplemental Declaration, the property described therein shall be deemed part of the Property as if it were originally included therein and subject to this Declaration. Any such Supplemental Declaration may submit any Additional Property or any other real property to such modifications of the covenants, restrictions, reservations, regulations, burdens, liens and/or easements contained in this Declaration as may be necessary or convenient to reflect or adapt to any changes in circumstances or differences in the character of any such Additional Property or other property. Nothing contained in this Section 1 shall be construed to require the joinder by or consent of the Owners or the Association to any such Supplemental Declaration; provided, however, the Association shall join in the execution of any such Supplemental Declaration at the request of Declarant. In addition, nothing herein shall require Declarant to add any Additional Property.

Section 2. DESIGNATION OF ADDITIONAL ASSOCIATION PROPERTY. The Declarant may, from time to time, by recording Supplemental Declarations in the County, designate additional portions of the then existing Property owned by it to be Association Property.

Section 3. DISCLAIMER OF IMPLICATION. Only the real property described in Exhibit "A" hereto is submitted and declared as the Property subject to this Declaration. Unless and until a Supplemental Declaration is recorded in the fashion required pursuant to this Declaration, no other property (including any Additional Property) shall in any way be deemed to constitute a portion of the Property or be affected by the covenants, restrictions, regulations, burdens, liens, and easements expressly binding the Property as provided by the terms of this Declaration.

Section 4. ABSENCE OF OBLIGATION. Nothing in this Declaration shall be construed to require the Declarant to add any Additional Property to the Property encumbered by this Declaration or to require Declarant to declare any portion of any properties added to the Property to be Association Property, nor shall anything in this Declaration be construed to require the Declarant to declare any portion or portions of the existing Property as Association Property, except to the extent herein specifically provided.

Section 5. WITHDRAWAL. Notwithstanding anything herein to the contrary, Declarant reserves the absolute right at any time to withdraw portions of the Property from the provisions of this Declaration by recording an appropriate Supplemental Declaration in the County; provided, however, that such withdrawal of portions of the Property from the provisions of this Declaration are subject to the prior written approval of the Palm Beach County Attorney's Office. Any such Supplemental Declaration must be executed by the Declarant, the Owner of each Lot located on the Property sought to be withdrawn (if any) and each holder of an Institutional Mortgage on a Lot located on the Property sought to be withdrawn (if any), in order to be effective. Nothing contained in this Section shall be construed to require the joinder by or consent of the Owners of Lots on the portion of the Property which is not withdrawn by such Supplemental Declaration, such Owners' Institutional Mortgagees holding mortgages on Lots on the portion of the Property which is not withdrawn by such Supplemental Declaration, or the Association.

Section 6. TITLE TO THE ASSOCIATION PROPERTY. To the extent herein provided, the Association Property is hereby dedicated to the joint and several use in common of the

Owners of all Lots that may, from time to time, constitute part of the Property. When deeds and/or title to all Lots subject to the provisions of this Declaration have been conveyed to non-Declarant purchasers, or five (5) years after the conveyance of the first Lot to a non-Declarant purchaser, whichever occurs first (or earlier at Declarant's option, exercisable from time to time, as to any portions of the Association Property), the Declarant or its successors and assigns shall convey and transfer to the Association, by quitclaim deed, the fee simple title to the Association Property free and clear of any mortgages and the Association shall accept such conveyance, holding title for the Owners as aforesaid. Such conveyance shall be subject to: (i) real estate taxes and assessments due with respect to the Association Property from and after the date of recording of this Declaration; (ii) all laws, ordinances, regulations, restrictions, prohibitions and other requirements imposed by governmental authorities, including, without limitation, all building, zoning, land use and environmental laws, ordinances, codes and regulations; (iii) matters which would be disclosed by an accurate survey of the Association Property; (iv) easements, covenants, conditions, restrictions, reservations, limitations and other matters of record; and (v) the terms and provisions of this Declaration, as the same may have been modified, amended and/or supplemented from time to time.

At the time of conveyance of the Association Property or any portion thereof, the Association shall be required to accept the Association Property, together with the personal property and Improvements appurtenant thereto, if any. The Association hereby agrees to accept the Association Property and the personal property and Improvements appurtenant thereto in "AS IS" "WHERE IS" condition, without any representation or warranty, expressed or implied, in fact or by law, as to the condition or fitness of the Association Property or any portion thereof, and the personal property and Improvements appurtenant thereto being conveyed. IN THAT REGARD, THE ASSOCIATION AND EACH OWNER KNOWINGLY AND VOLUNTARILY RELINQUISHES AND WAIVES, AND DECLARANT EXPRESSLY DISCLAIMS, ANY AND ALL WARRANTIES (EXPRESS OR IMPLIED) AS TO THE ASSOCIATION PROPERTY AND PERSONAL PROPERTY AND IMPROVEMENTS WHETHER ARISING FROM CUSTOM, USAGE OR TRADE, COURSE OF CONDUCT, COURSE OF DEALING, CASE LAW OR OTHERWISE, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF HABITABILITY, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR ANY IMPLIED WARRANTY OF FITNESS FOR ANY INTENDED OR PARTICULAR PURPOSE.

TO THE EXTENT THAT BY LAW OR OTHERWISE ANY OF THE WARRANTIES RELINQUISHED, WAIVED OR DISCLAIMED CANNOT BE RELINQUISHED, WAIVED OR DISCLAIMED, IN WHOLE OR IN PART, ALL SECONDARY, INCIDENTAL AND CONSEQUENTIAL DAMAGES ARE SPECIFICALLY EXCLUDED AND DISCLAIMED (INCLUDING, WITHOUT LIMITATION, DAMAGES RESULTING FROM CLAIMS OF PROPERTY DAMAGE, LOSS OF USE, PERSONAL INJURY OR EMOTIONAL DISTRESS). Without limitation, the Association shall accept all Streets, Drives, Roads, Roadways, bridges and sidewalks, including, without limitation, all gutters, curbs and paver bricks located within and adjacent to the Streets, Drives, Road, Roadways, bridges and sidewalks, all as installed by Declarant, provided such Streets, Drives, Roads, Roadways, bridges, sidewalks, gutters, curbs and paver bricks perform their intended purposes. The Association and all Owners hereby further acknowledge and agree that small cracks in the Streets, Drives, Roads, Roadways, bridges, sidewalks, gutters, curbs and paver

bricks as well as the ponding or collection of water following periods of rain thereon are normal and shall not be considered to be defects or deficiencies of any kind whatsoever.

The Association and each Owner acknowledges and agrees that Declarant has or will install trees, shrubs, plants and other landscaping in Canyon Trails consistent with a landscape plan that meets or exceeds the requirements of the County Unified Land Development Code ("ULDC") and that from the time of such initial installation, such trees, shrubs, plants and other landscaping may mature, expand, decay and/or die from time to time. The Association shall have no claim whatsoever against Declarant, and Association hereby releases any and all claims whatsoever against Declarant, for any trees, shrubs, plants and other landscaping that has decayed or died and not been replaced regardless of the reasons therefor so long as all of the remaining trees, shrubs, plants and other landscaping, when looked at as a whole, meet or exceed the minimum requirements of the ULDC.

The Association shall accept this conveyance of the Association Property (together with the personal property and Improvements appurtenant thereto) and shall pay all costs of such conveyance including documentary stamps and other taxes of conveyance, recording charges, title insurance expenses and insurance fees. The conveyance shall not, however, impair in any way Declarant's rights and easements as set forth in this Declaration.

Commencing upon the date this Declaration is recorded, and notwithstanding that title thereto has not yet been conveyed to the Association, the Association shall be responsible for the maintenance of the Association Property in a continuous and satisfactory manner without cost to the general taxpayers of the County. The Association shall be responsible for the payment of real estate taxes, if any, against the Association Property including taxes on any Improvements and any personal property thereon accruing from and after the date this Declaration is recorded.

The Owners (including Declarant as to Lots owned by it) shall have no personal liability for any damages: (i) for which the Association is legally liable, or (ii) arising out of, relating to, or in connection with the existence or use of any Association Property or any other property required to be maintained by the Association.

Subject to the foregoing, the Declarant may mortgage any or all portions of the Association Property to finance construction and development expenses provided that the mortgagee recognizes the rights of Owners under this Declaration and neither the Association nor any Owner is personally liable for paying the mortgage. In such event, neither the Association nor the Owners shall be required to join in or be entitled to consent to such mortgage. The Association Property shall be released from any such mortgage no later than the date same is conveyed to the Association.

Section 7. PARKING RIGHTS. The Association may maintain upon the Association Property parking spaces for Owners, occupants, visitors and guests. The use of such parking spaces by Owners, occupants, visitors and guests shall be subject to duly adopted rules and regulations of the Association, as the same may be amended from time to time.

ARTICLE IV
OWNERS' PROPERTY RIGHTS

Section 1. OWNERS' EASEMENTS OF ENJOYMENT. Every Owner and family member, guest, tenant, agent or invitee of an Owner shall, except as may otherwise be provided in this Declaration, have a permanent and perpetual, nonexclusive easement for ingress and egress over, enjoyment in, and use of Association Property within the Property (except as may be otherwise specifically provided elsewhere in this Declaration) in common with all other Owners, their family members, guests, tenants, agents and invitees, which easement shall be appurtenant to, and shall pass with a deed and/or title to, each Owner's Lot. This right shall be subject to the following conditions and limitations:

A. The right and duty of the Association to reasonably limit the number of guests, visitors, invitees or tenants of an Owner using the Association Property.

B. The right and duty of the Association to levy Assessments against each Lot for the purpose of operating, maintaining, repairing and replacing the Association Property and Improvements thereon in compliance with the provisions of this Declaration and the restrictions on portions of the Property from time to time recorded by the Declarant.

C. The right of the Association to establish, amend and/or abolish from time to time, uniform rules and regulations pertaining to the use of the Association Property.

D. The right of the Association to establish, amend and/or abolish from time to time, uniform rules and regulations pertaining to the Lots for the purposes of enhancing the aesthetic uniformity of the Property.

E. The right of the Association in accordance with its Articles, Bylaws, and this Declaration, with the vote or written assent of two-thirds (2/3) of the total voting interests, except as provided to the contrary in this Declaration, to borrow money for the purpose of improving the Association Property and Improvements thereon, and, in aid thereof, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that the rights of such mortgagee shall be subordinated to the use rights of the Owners in the Association Property. Notwithstanding the foregoing, such two-thirds (2/3) vote or written assent of total voting interests shall not be required for such Improvements made for the sole purpose of preservation of, or prevention of damage to Association Property.

F. The right of the Association to dedicate, release, alienate, or transfer all or any part of the Association Property owned by the Association to any public agency, authority, or utility; and to grant any covenant, restriction or reservation against the Association Property in favor of any such public agency, authority, or utility; provided, however, no such dedication, release, alienation, or transfer shall be effective unless Members entitled to cast two-thirds (2/3) of the total voting interests agree to such dedication, release, alienation or transfer.

G. The right of the Association, without any vote of the Owners, to grant easements and rights-of-way where necessary or desirable, for utilities, water and sewer facilities, cable television, and other services over the Association Property to serve the Association Property and other portions of the Property without vote of the Owners.

H. The right of the Declarant, Declarant's affiliates, and each of their respective officers, directors, partners, employees, agents, licensees, and invitees to the nonexclusive use of the Association Property and the Improvements thereon, without charge, for sales, marketing, display, access, ingress, egress, construction, and exhibit purposes, and to grant (without consent of the Association and/or vote of the Owners) easements and rights-of-way as provided in this Declaration.

I. The right of the Association, by action of the Board, to reconstruct, replace, or refinish any Improvement or portion thereof upon the Association Property, in accordance with the original design, finish, or standard of construction of such Improvement.

J. The right of the Association to replace destroyed trees or other vegetation and plant trees, shrubs, and ground cover upon any portion of the Association Property.

K. The right, however not the duty, of the Association by action of the Board to seek the vacation of publicly dedicated streets, if any, upon the Property.

L. The right, however not the duty, of the Association, following a tropical storm, hurricane or other Act of God, to upright and/or remove any fallen or dislodged trees on: (1) any Lot, and/or (ii) any grassed areas located between the front and/or side of such Owner's Lot and the Street; all as more particularly set forth in Section 2.B. of Article IX below.

M. The easements provided elsewhere in this Declaration, designated on the Plat, or on the Additional Plat(s), if any, including, but not limited to, those set forth in this Article IV.

N. The right of the Association to provide for the maintenance, preservation and architectural control of Lots, Improvements and other properties as set forth in this Declaration.

O. The right of the Association and Declarant and their respective employees, agents, licensees, and invitees to come upon the Property (including, without limitation, Association Property as well as a Lot even after the same has been conveyed to an Owner) as may be necessary or convenient for the Association and/or the Declarant to carry on their respective duties, obligations, responsibilities under, and all other work referred to in, this Declaration (including, without limitation, Declarant's development and construction of Canyon Trails and Homes therein).

P. The right of the Association to suspend the rights of Owners and their tenants, guests and invitees to use the Association Property (except for legal access) and common facilities when such Owners are more than ninety (90) days delinquent in the payment of Assessments. The Association shall also have the right to levy fines and impose suspensions against Owners or any tenants, guests or invitees for violations of the Canyon Trails Documents, including, but not limited to, the Association's Rules and Regulations.

Q. The right of the Association to suspend voting rights of Owners that are more than ninety (90) days delinquent in the payment of Assessments.

Section 2. DELEGATION OF USE. Any Owner may delegate, in accordance with the Bylaws, such Owner's right of enjoyment to the Association Property to the members of such Owner's family, or to the tenants who reside in such Owner's Home, subject to this Declaration, all of the rules and regulations presently in effect and any which may become effective in the future, and subject further to reasonable regulation by the Board.

Section 3. RECOGNITION OF EASEMENTS. Each Owner, by acceptance of a deed or other instrument of conveyance, recognizes and consents to the easements reserved and/or granted with respect to the Property under this Declaration.

Section 4. EASEMENTS FOR VEHICULAR TRAFFIC. In addition to the general easements for use of the Association Property reserved herein, there shall be, and Declarant hereby reserves, grants, and covenants for itself and all future Owners, their family members, guests, invitees and tenants, Institutional Mortgagees of the Property (or portions thereof), and to the Association, that all of the foregoing shall have a perpetual nonexclusive easement for vehicular traffic over (i) all streets within or upon the Property dedicated to the public use, if any (as well as alcoves, cul de sacs, and other private, paved areas abutting or serving the same), and (ii) any private Streets, Drives, Roads and/or Roadways within or upon the Property.

Section 5. ACCESS EASEMENT. Declarant hereby reserves perpetual, nonexclusive easements of ingress and egress over and across: (i) any and all streets within or upon the Property dedicated to the public use, if any (as well as alcoves, cul de sacs, and other private, paved areas abutting or serving the same), (ii) any private Streets, Drives, Roads and/or Roadways and driveways within or upon the Property, and (iii) all other portions of the Property, any of the foregoing of which are necessary or convenient for enabling Declarant to carry on and complete the work and/or exercise its rights referred to in this Declaration. All of the foregoing easements shall be for the use of Declarant, Declarant's employees, contractors and agents, Declarant's successors and assigns, Owners, and the respective tenants, employees, agents, invitees, and licensees of Declarant and Owners.

Section 6. GRANT AND RESERVATION OF EASEMENTS. Declarant hereby reserves and grants the following perpetual, nonexclusive easements over and across the Property as covenants running with the Property for the benefit of the Owners, the Association, and Declarant as hereinafter specified for the following purposes:

A. Utility and Services Easements. All of the Property shall be subject to an easement or easements to provide for: (i) installation, service, repair and maintenance of the equipment required to provide utility services other than Community Systems to the Association Property and the Lots, including, but not limited to, power, lights, telephone, gas, water, sewer, irrigation and drainage, and (ii) governmental services, including, but not limited to, police, fire, mail, health, sanitation and other public service personnel, including reasonable rights of access for persons and equipment necessary for such purposes for the benefit of the appropriate utility companies, agencies, franchises or governmental agencies.

B. Easement for Encroachment. All of the Property shall be subject to an easement or easements for encroachment in favor of each Owner in the event any portion of such Owner's Home or appurtenant Improvements installed by Declarant such as stucco, a fence or underground footer now or hereafter encroaches upon any of the Lots as a result of minor

inaccuracies in survey or construction, by design, or due to settlement or movement. Such encroaching Improvements installed by Declarant shall remain undisturbed for so long as the encroachment exists. Any easement for encroachment shall include an easement for the maintenance and use of the encroaching Improvements in favor of the Owner thereof or such Owner's designees.

C. Zero Lot Line Maintenance Easements.

(1) Preamble: A portion of the Homes in Canyon Trails may be designed and site planned as "zero lot line" homes, such that each zero lot line Home is constructed so that all or portions of one side of such Home (and such fences or masonry walls extending from such side or sides) are situated on the side boundary lines of the Lot. Because of this design, it is necessary to provide a means by which the Owner of a Lot ("Dominant Lot") containing such a Home may have access to the "zero lot line" side of the Home (and other portions of such Owner's Lot and Home) in order to maintain portions of the Lot, the side(s) of the Home, the roof and other applicable portions of the Home and Lot, and so that rain water may run off the roof of a particular Home onto the easement area described below. Because such access must be, of necessity, over those portions of the neighboring Lot or Lots ("Servient Lot[s]") adjacent to the "zero lot line" side[s] of such a Home, Declarant hereby makes provision for the "Maintenance Easements" declared and regulated pursuant to this Section 6 (as well as similar easements for the aforesaid purposes which may, but need not, appear on the Plat).

(2) Creation and Extent of Maintenance Easement: Declarant hereby reserves a permanent and perpetual non-exclusive maintenance easement in favor of each Dominant Lot over the unimproved portion of the Servient Lot(s) adjacent to the building lines of the "zero lot line" Home located on the Dominant Lot, which building lines are co-extensive with the Lot lines dividing the aforesaid Lots ("Maintenance Easement"). Said Maintenance Easement shall be appurtenant to and pass with the deed or title of the Dominant Lot and the Servient Lot(s). The Maintenance Easement shall be only as extensive as reasonably necessary to permit the Owner of a Dominant Lot to make the uses described in the Preamble above, subparagraph (3) below and for rainwater run-off, but in no event less than the greater of seven (7) feet in width or as may be otherwise shown as a maintenance, access or similar easement on the Plat.

(3) Use and Conditions of Maintenance Easement: The Owner of a Dominant Lot, such Owner's guests, invitees, contractors, subcontractors, suppliers, laborers and other service personnel, shall be entitled to enter onto the appurtenant Maintenance Easement for purposes of maintaining, repairing and replacing portions of such Owner's Lot and Home including, without limitation, the Home's walls, roof, fence, landscaping and other installations which cannot be conveniently or properly maintained, repaired or replaced solely from the Dominant Lot. The right of each Owner of the Dominant Lot to use the Maintenance Easement shall be limited to the aforesaid uses, and such Owner shall not do anything within the Servient Lot(s) which shall cause damage to the Servient Lot(s) or any Improvement or landscaping thereon which is not promptly and fully remedied by said Owner by returning such damaged Improvement or landscaping to the condition immediately preceding said damage, shall create an undue hazard to persons or pets located on or coming into the Servient Lot(s) or is in furtherance of any activity as to the Dominant Lot or the Home thereon which is, or would result in, a violation of the restrictions set forth in the Canyon Trails Documents. The Owner of the

Dominant Lot shall, by virtue of making use of any Maintenance Easement, be deemed to indemnify the Owner of a Servient Lot for any and all losses, costs, expenses or damage to any person or property incurred by reason of the former's violations of the restrictions contained herein.

(4) Servient Lot Owner Duties: Owners of Servient Lots shall not make any Improvement to the Servient Lot, including, without limitation, the placement of fences or landscaping, which would unreasonably interfere with the permissible uses of any maintenance or access easement appurtenant to the adjoining Dominant Lot reserved hereby or with the flowage easement described in this Section 6. Notwithstanding the foregoing, except as prohibited under Article X, Section 16 hereof, the Owner of a Servient Lot may install a fence or landscaping thereon provided such installation is approved by the Committee pursuant to Article VIII hereof.

(5) Reciprocity: Each Owner, by acceptance of a deed or title for a Lot containing a "zero lot line" Home, hereby acknowledges and agrees that such Owner's Lot may not only be a Dominant Lot having rights across adjacent Servient Lots as hereinbefore described, but also a Servient Lot encumbered by the easement rights hereinbefore described in favor of the Dominant Lots adjacent to such Owner's Lot.

D. Easement to Enter Upon Lots. An easement or easements for ingress and egress in favor of the Association, including the Board or the designee of the Board, to enter upon the Lots for the purposes of fulfilling its duties and responsibilities of ownership, maintenance and/or repair in accordance with the Canyon Trails Documents, including, by way of example, the making of such repairs, maintenance or reconstruction as are necessary for the Association Property and to maintain any Lot in the event the Owner thereof fails to do so.

E. Easement Over Association Property. An easement of enjoyment in favor of all Owners, their family members, guests, invitees and tenants in and to the Association Property which shall be appurtenant to and shall pass with a deed or title to every Lot in the Property, subject to the following:

(1) the right of the Association to suspend the right to use the Association Property of any Owner and such Owner's family members, guests, invitees and tenants for any period during which Assessments against such Owner's Lot remain unpaid, subject to the notice and hearing provisions in Article X, Section 1 herein;

(2) the right of the Association to grant permits, licenses and easements over the Association Property for utilities and other purposes reasonably necessary or useful for the proper maintenance or operation of the Property; and

(3) all provisions set forth in the Canyon Trails Documents.

F. Zero Lot Line Easement for Roof Overhangs and Encroachments. An easement or easements, as shown on the Plat and Additional Plat, if any, to provide for the roof overhang of a zero lot line Home in favor of the Owner thereof, including rights of access for persons or equipment necessary to maintain, repair and replace such roof overhang. In addition to roof overhangs, the foregoing easement shall be deemed to include an easement to allow for

the encroachment of all architectural and other decorative features which are appurtenant to and have been included as part of the initial construction of the Owner's Home, which now or hereafter encroach upon any of the Lots, as well as an easement of access for persons or equipment necessary to maintain, repair and replace such improvements.

G. Drainage Easement. An easement over, under and upon all areas of the Property and/or Drainage System for access to install, operate, maintain, alter, inspect, remove, relocated, repair and/or replace the Drainage System. By this easement, the Association shall have the right to enter upon any portion of any Lot which is part of the Drainage System, at a reasonable time and in a reasonable manner, to operate, maintain or repair the Drainage System as required by the Water Management District Permit. No Owner shall install any plantings, landscaping and/or other Improvements whatsoever in, on, over or across any Drainage Easement without the prior approval of the Committee.

H. Irrigation Easement. An easement for irrigation over, under and upon the Property, including, without limitation, each of the Lots, in favor of the Association, including, without limitation, reasonable rights of access for persons and equipment to construct, install, maintain, alter, inspect, remove, relocate, repair and/or replace the irrigation system installed on the Property, including, without limitation, the irrigation pipes and related equipment located within Association Property and each Lot. Notwithstanding the foregoing, in the event of any damage caused by an Owner to the Irrigation System or any portion thereof (including, without limitation, any portions of the Irrigation System located upon such Owner's Lot), the cost of the repairs and/or replacements resulting from such damage shall be paid by such Owner.

I. Drainage System Encroachment Easement. An easement for encroachment over, under and upon the drainage easements located within the Lots, as designated on the Plat and Additional Plat(s), if any, in favor of: (i) the Owner of the Lot upon which the drainage easement is located for the existence of any driveway and/or sidewalk or irrigation system or part thereof, encroaching over, under and upon such drainage easement, and (ii) the Association for reasonable rights of access for persons and equipment to construct, install, maintain, alter, inspect, remove, relocate and repair any driveway and/or sidewalk, or irrigation system or part thereof installed or located over, under and upon such drainage easement. In the event the Association requires access to any Drainage System improvements within a drainage easement located within a Lot upon which any such driveway and/or sidewalk or irrigation system encroaches, the Association has the obligation, at its own cost and expense, to remove and replace any such encroachment, and to return it to its condition immediately preceding such removal and replacement once access to the drainage easement is no longer required. The flowage easements providing for drainage run between each of the Lots parallel to and over the side lot line thereof, draining either from the rear to the front, or from the front to the rear, of the Lots. In addition, Declarant may, but is not obligated to, convey easements to the owner(s) of adjacent properties (or portions thereof) to provide legal positive outfall for runoff from such adjacent properties.

J. Buffer Easements. An easement or easements as shown on the Plat and/or Additional Plat(s), if any, in favor of the Association for landscape, buffers, drainage and utility purposes.

K. Lake Maintenance Easements and Lake Maintenance Access Easements. Easements as shown on the Plat and/or Additional Plat(s), if any, granted in favor of the Association, the County and the Water Management District for the purpose of accessing the Lakes to perform lake maintenance and stormwater management and drainage facilities maintenance. Except as otherwise provided herein, the Lake Maintenance Easement and Lake Maintenance Access Easement are the perpetual maintenance obligation of the Association.

L. Access and Boat Ramp Easements. Easements as shown on the Plat and/or Additional Plat(s), if any, in favor of the Association and applicable governmental authorities for the purpose of accessing the Lakes to perform lake maintenance and to perform stormwater management and drainage facilities maintenance. Owners, their guests, invitees, tenants and other persons are specifically prohibited from utilizing the access and boat ramp easements for the purpose of launching boats or accessing the Lakes for recreation, enjoyment or other uses. The Access and Boat Ramp Easements are the perpetual maintenance obligations of the Association.

M. Lift Station Easements. Easements in favor of the County for ingress, egress and access to and from the Lift Station Tracts as shown on the Plat and/or Additional Plat(s), if any, as Lift Station Tracts, for the installation, repair, maintenance and service of equipment, lines and other structures necessary to supply sanitary sewer services to and from Canyon Trails.

N. Bus Stop Easement. Easement granted or to be granted in favor of the County to permit the County to construct and operate a bus stop, boarding and alighting area within a portion of the Buffer area located adjacent to Acme Dairy Road.

Section 7. REAR YARD DRAINAGE SWALE EASEMENT. Declarant hereby reserves and grants a perpetual, nonexclusive drainage easement ("Drainage Swale Easement") over and across the rear five feet (5') of all "Non-Lake Lots" which for the limited purpose of this Section 7 is defined to mean a Lot in which no portion of such Lot is abutting any portion of a Lake or a Lake Maintenance Easement. The Drainage Swale Easement shall be for drainage and flowage of storm water runoff and pipes and other ancillary equipment installed to provide for such drainage and flowage. Except as expressly provided in the following sentence, no planting, landscaping and/or Improvements whatsoever, including, without limitation, pool decks, patios, screen enclosures, hedges, trees, etc. shall be permitted within the Drainage Swale Easement. Notwithstanding the foregoing, subject to approval from the Association, an Owner of a Non-Lake Lot that is subject to the Drainage Swale Easement may install a pool/spa deck, patio and/or screen enclosure within the Drainage Swale Easement on such Owner's Non-Lake Lot provided that such improvement is constructed in a manner that will not discharge storm water runoff from such improvement onto any adjacent property (including, without limitation, any adjacent Owner's Lot or Association Property). In that regard, all such improvements approved to be constructed within the Drainage Swale Easement shall be designed and constructed in a manner that will retain all such storm water runoff on such Owner's Non-Lake Lot including, without limitation, installation of a commercial grade deck drain that will collect such runoff and discharge it to the side yard of the Non-Lake Lot. In addition, each Owner of a Non-Lake Lot shall have the right to seek approval from the Association for the installation of a fence across the Drainage Swale Easement to the rear property line of the Non-Lake Lot, subject to the terms and conditions of the Canyon Trails Documents and the prior approval of the Association, the Committee, and otherwise in accordance with the Canyon Trails Documents.

Section 8. EASEMENT FOR COMMUNITY SYSTEMS. Notwithstanding anything to the contrary in this Declaration, Declarant and its affiliates and their respective designees shall have a perpetual exclusive easement over, across, upon and under the Association Property and the Lots for the installation, operation, maintenance, repair, replacement, alteration and expansion of Community Systems.

Section 9. ASSIGNMENTS; ADDITIONAL EASEMENTS. The easements reserved hereunder may be assigned by Declarant or the Association in whole or in part to any city, county or state government or agency thereof, or any duly licensed or franchised public utility, or any other designee of Declarant. Declarant, and after the Turnover Date the Association, shall have and hereby reserves the right to grant and/or reserve additional easements over, under and upon the Property or portions thereof (including the portion of Lots where no physical structure of the Home is located) which may be necessary or desirable by Declarant, and after the Turnover Date the Association. The Owners hereby authorize Declarant and/or the Association to execute, on their behalf and without any further authorization, such grants of easement or other instruments as may from time to time be necessary to grant easements over and upon the Property or portions thereof in accordance with the provisions of this Declaration.

Notwithstanding anything in this Declaration to the contrary, the easement rights granted to or reserved by Declarant hereunder are not to be construed as creating an affirmative obligation to act on the part of Declarant.

ARTICLE V
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION;
BOARD; DURATION OF THE ASSOCIATION

Section 1. MEMBERSHIP AND VOTING RIGHTS. Membership in the Association shall be established and terminated as set forth in the Articles. Each Member shall be entitled to the benefit of, and be subject to, the provisions of the Canyon Trails Documents. The voting rights of the Members shall be as set forth in the Articles.

Section 2. BOARD. The Association shall be governed by the Board which shall be appointed, designated or elected, as the case may be, as set forth in the Articles.

Section 3. DURATION OF ASSOCIATION. The duration of the Association shall be perpetual, as set forth in the Articles. In the event of termination, dissolution or final liquidation of the Association, the responsibilities for the operation and maintenance of the Drainage System must be transferred to and accepted by an entity which would comply with Section 40C-42.027, Florida Administrative Code, and must be approved by the Water Management District prior to such termination, dissolution or liquidation.

ARTICLE VI
COVENANT TO PAY ASSESSMENTS; ESTABLISHMENT OF LIENS;
COLLECTION OF ASSESSMENTS; COLLECTION BY DECLARANT;
CERTAIN RIGHTS OF DECLARANT AND INSTITUTIONAL MORTGAGEES

Section 1. AFFIRMATIVE COVENANT TO PAY ASSESSMENTS. In order to: (a) fulfill the terms, provisions, covenants, conditions, restrictions, reservations, regulations, burdens, liens and easements contained in the Canyon Trails Documents; and (b) maintain, operate and preserve the Association Property for the use, safety, welfare and benefit of the Members and their family members, guests, invitees and tenants, there is hereby imposed upon each Completed Lot, and Incomplete Lot, and each Completed Lot Owner and Incomplete Lot Owner, the affirmative covenant and obligation to pay to the Association commencing from and after the first conveyance of a Completed Lot from Declarant as evidenced by the recordation of a deed in the Public Records of the County (in the manner herein set forth) all Assessments, including, but not limited to, the Individual Lot Assessments and Special Assessments. Each Owner, by acceptance of a deed or other instrument of conveyance conveying a Lot within the Property, whether or not it shall be so expressed in such deed or instrument, shall be obligated and agrees to pay to the Association all Assessments in accordance with the provisions of the Canyon Trails Documents.

The following expenses of the Association are hereby declared to be Operating Expenses which the Association is obligated to assess and collect, and which the Owners are obligated to pay as provided herein or as may be otherwise provided in the Canyon Trails Documents: (1) any and all taxes and tax liens which may be assessed or levied at any and all times against the Association Property, the Community Systems or against any and all personal property or Improvements thereon; (2) all charges levied for Community Systems or other utilities providing services for the Association Property or to Owners on a bulk basis, such as water, gas, electricity, telephone, cable television, sanitation, sewer and any type of utility or any other type of service charge which is not separately billed to an Owner; (3) the premiums on policies of insurance including, but not limited to, liability and casualty insurance for the Association Property and directors and officers liability insurance for the officers and directors of the Association; (4) any sums necessary for the maintenance and repair of the Association Property and all Improvements located thereon; (5) administrative and operational expenses; (6) fees and other costs of water usage related to the use, maintenance and repair of the Irrigation System, including, without limitation, the cost incurred for consumption and usage fees charges by the County for reclaimed water as provided in Section 20 of Article XIII; (7) all sums necessary for the maintenance and repair of the Drainage System, including, but not limited to, work within retention areas, drainage structures and drainage easements; (8) the costs and expenses of maintaining, repairing and replacing the Acme Dairy Improvements; and (9) any and all expenses deemed to be Operating Expenses by the Association and/or under this Declaration. Reserves for replacements, capital expenditures and deferred maintenance are specifically excluded from Operating Expenses. The Board may, if it so determines, include reserves in the Association's annual budget; however, reserves are not part of Operating Expenses and are therefore payable only by Completed Lot Owners. In addition, any expense which is required by the Declaration to be the matter of Special Assessment shall not be deemed to be an Operating Expense. Expenses which are required to be the matter of Special Assessment include, by way of example but not by way of limitation, the following: the cost of reconstructing, replacing or improving the Association Property or any portion thereof or Improvements thereon; any casualty loss affecting the Association or the Association Property to the extent such loss exceeds the insurance proceeds, if any, receivable by the Association as a result of such loss; any judgment against the Association (or against a Director or Directors if and to the extent such Director is, or such Directors are, entitled to be indemnified by the Association therefor pursuant to the Articles) to the extent such judgment exceeds the insurance proceeds, if any, received by

the Association as a result of such judgment, or an agreement by the Association (or such Director or Directors to whom indemnification is owed) to pay an amount in settlement of a lawsuit against it (or such Director or Directors) to the extent such settlement exceeds the insurance proceeds, if any, received by the Association as a result of such settlement agreement; and Legal Fees incurred by the Association in connection with litigation (whether incurred for the preparation, filing, prosecution or settlement thereof or otherwise), except Legal Fees incurred by the Association in connection with the collection of Assessments or other charges which Owners are obligated to pay pursuant to the Canyon Trails Documents or the enforcement of the use and occupancy restrictions contained in the Canyon Trails Documents, and except Legal Fees incurred for lawsuits not approved pursuant to Section 12 of Article XIII below.

The Operating Expenses with respect to the Association Property are payable by each Owner to the Association notwithstanding the fact that Declarant may not have as yet conveyed title to the Association Property to the Association.

Section 2. ESTABLISHMENT OF LIENS. Each Assessment against a Lot, together with Interest thereon and costs of collection, including, but not limited to, Legal Fees, shall be the personal obligation of the Owner of such Lot. Any and all Assessments made by the Association in accordance with the provisions of the Canyon Trails Documents with Interest thereon and costs of collection, including, but not limited to, Legal Fees, are hereby declared to be a charge and continuing lien upon each Lot against which each such Assessment is made. Said lien shall be effective only from and after the time of the recordation amongst the Public Records of the County of a written, acknowledged statement by the Association setting forth the amount due to the Association as of the date the statement is signed. Upon full payment of all sums secured by that lien, the party making payment shall be entitled to a satisfaction of the statement of lien in recordable form. Notwithstanding anything to the contrary herein contained, in the event an Institutional Mortgagee of record obtains a deed or title to a Lot as a result of foreclosure of its first mortgage or deed in lieu of foreclosure, such acquirer of a deed or title, its successors or assigns, shall be liable for Assessments pertaining to such Lot and/or chargeable to the former Owner except and to the extent limited by applicable Florida Statutes.

Section 3. COLLECTION OF ASSESSMENTS. In the event any Owner shall fail to pay any Assessment, or installment thereof, charged to such Owner within fifteen (15) days after the same becomes due, then the Association, through its Board, shall have any and all of the following remedies to the extent permitted by law, which remedies are cumulative and which remedies are not in lieu of, but are in addition to, all other remedies available to the Association:

1. To accelerate the entire amount of any Assessment for the remainder of the calendar year notwithstanding any provisions for the payment thereof in installments.

2. To advance on behalf of the Owner(s) in default funds to accomplish the needs of the Association up to and including the full amount for which such Owner(s) is(are) liable to the Association and the amount or amounts of monies so advanced, together with Interest and all costs of collection thereof, including, but not limited to, Legal Fees, may thereupon be collected by the Association from the Owner(s), and such advance by the Association shall not waive the default.

3. To file an action in equity to foreclose its lien at any time after the effective date thereof as provided in Section 2 hereinabove. The lien may be foreclosed by an action in the name of the Association in like manner as a foreclosure of a mortgage on real property.

4. To file an action at law to collect said Assessment plus Interest and all costs of collection thereof, including, but not limited to, Legal Fees, without waiving any lien rights or rights of foreclosure of the Association.

5. To charge Interest on such Assessment from the date it becomes due, as well as a late charge of Twenty-Five and No/100 (\$25.00) Dollars to defray additional collection costs.

6. To suspend the use rights of the Owner(s) in default to the Association Property if such Owner is delinquent in payment of assessments for more than ninety (90) days, subject to the Notice and Hearing provisions in Article X, Section 1 herein.

7. To suspend the right of the Owner(s) in default to vote on any matter on which Owners have the right to vote if such Owner is delinquent in payment of assessments for more than ninety (90) days.

8. To collect any monetary obligation, including delinquent Assessments due for the Home from the rents paid by any tenant occupying the Home if the Owner has leased the Home. In such case, the tenant shall remit such delinquent Assessments and other amounts due the Association directly to the Association upon written notice from the Association that the Owner is delinquent in the payment of its monetary obligations and the tenant may deduct such amounts paid to the Association from the rent due to the Owner. The Association has the right to require Owners to use a lease addendum the form of which may be prepared by the Association, which provides, among other things, that the tenant will pay the rent due under the lease directly to the Association upon receipt of notice from the Association that the Owner is delinquent in amounts due to the Association.

Section 4. COLLECTION BY DECLARANT. In the event for any reason the Association shall fail to collect the Assessments, Declarant shall at all times have the right (but not the obligation): (i) to advance such sums as the Association could have advanced as set forth above; and (ii) to collect such Assessments and, if applicable, any such sums advanced by Declarant, together with Interest and costs of collection, including, but not limited to, Legal Fees.

Section 5. RIGHTS OF DECLARANT AND INSTITUTIONAL MORTGAGEES TO PAY ASSESSMENTS AND RECEIVE REIMBURSEMENT. Declarant and any Institutional Mortgagee(s) shall have the right, but not the obligation, jointly or individually, and at their sole option, to pay any of the Assessments which are in default and which may or have become a charge against any Lot(s). Further, Declarant and any Institutional Mortgagee shall have the right, but not the obligation, jointly or individually, and, at their sole option, to pay insurance premiums or fidelity bond premiums or other required items of Operating Expenses on behalf of the Association in the event the same are overdue and when lapses in policies or services may occur. Declarant and any Institutional Mortgagee paying overdue Operating Expenses on behalf of the Association will be entitled to immediate reimbursement from the Association plus

Interest and any costs of collection including, but not limited to, Legal Fees, and the Association shall execute an instrument in recordable form acknowledging such reimbursement obligation(s) and deliver the original of such instrument to each Institutional Mortgagee who is so entitled to reimbursement and to Declarant if Declarant is entitled to reimbursement.

Section 6. COMMUNITY SYSTEMS SERVICES. The Association shall have the right to enter into one or more agreement(s) ("Bundled Service Agreements") for receipt of television (via cable, satellite or otherwise), entertainment, telecommunication, internet, monitored alarm and/or other services (collectively, "Bundled Services") for Homes in Canyon Trails. Any and all costs and expenses incurred by the Association under or pursuant to any Bundled Service Agreements entered into by the Association for Bundled Services will be assessed against all Completed Lot Owners. It is contemplated that there may be features and services that are or will be available in addition to and not part of the Bundled Services (each, an "Optional Service"). Notwithstanding anything to the contrary contained in this Declaration, the costs and expenses charged to the Association under the Bundled Services Agreements shall be apportioned equally, but only amongst those Homes with respect to which the Association is being charged under or pursuant to the Bundled Services Agreement except to the extent, if any, that any Owner elects to receive an Optional Service (being a service not automatically received by all Owners entitled to receive Bundled Services pursuant to the Bundled Services Agreements). Each Owner who receives an Optional Service, if any, shall be responsible for paying for the costs of such Optional Services and for any hook-up costs, any converter boxes, remote control units, and the charge therefor shall be billed directly to Owner. The foregoing shall in no way obligate Declarant or the Association to enter into any Bundled Services Agreement.

Section 7. CENTRAL IRRIGATION SYSTEM(S). The Irrigation System for the Community includes irrigation facilities for the Association Property, each of the individual Lots and the Acme Dairy Improvements, and is a single, central Irrigation System controlled by the Association. The responsibility for operating, maintaining, repairing and replacing such Irrigation System shall be governed by the provisions of Section 1.B of Article IX below. Water for the Irrigation System will be provided from the Lakes in Canyon Trails which will include reclaimed water from the Palm Beach County Water Utilities Department as provided in Section 20 of Article XIII below. All of costs of usage and consumption fees charged by the County for use of reclaimed water shall be part of the Operating Expenses of the Association.

ARTICLE VII METHOD OF DETERMINING ASSESSMENTS AND ALLOCATION OF ASSESSMENTS

Section 1. DETERMINING AMOUNT OF ASSESSMENTS. The total anticipated Operating Expenses for each calendar year shall be set forth in the budget ("Budget") prepared by the Board as required under the Canyon Trails Documents. Each Completed Lot and Incomplete Lot shall be assessed its *pro rata* portion of the total anticipated Operating Expenses, which shall be the "Individual Lot Assessment" as to each Lot. The Individual Lot Assessment shall be based upon the level of service to each Lot and upon the state of the Lot's development, with the Owners of Completed Lots paying the Operating Expenses on a twenty to one ratio (20:1) compared to the Owners of Incomplete Lots as set forth below. Therefore, the Completed

Lot Owners and Incomplete Lot Owners shall share the payment of the Operating Expenses on a ratio of twenty to one (20:1). Therefore, the total anticipated Operating Expenses (other than those expenses which are properly the subject of Special Assessment) shall be divided by the total number of Completed Lots multiplied by twenty (20) plus the number of Incomplete Lots, with the quotient thus arrived at being the "Individual Lot Assessment" for an Incomplete Lot. Said quotient multiplied by twenty (20) shall be the Individual Lot Assessment for a Completed Lot. The number of Completed Lots and Incomplete Lots shall be adjusted quarterly, as needed, as hereinafter set forth. At such time as Declarant has conveyed all of the Homes on all of the Lots, each Lot shall be a Completed Lot and the Individual Lot Assessment shall be equal for each Lot. Notwithstanding anything in the Canyon Trails Documents to the contrary, any Assessment for Legal Fees incurred by the Association for lawsuits shall be deemed an Operating Expense which is properly the subject of Special Assessment and not the subject of an Individual Lot Assessment so long as approved pursuant to Section 12 of Article XIII, except the Legal Fees incurred by the Association in connection with the collection of assessments or other charges which Owners are obligated to pay pursuant to the Canyon Trails Documents or the enforcement of the use and occupancy restrictions contained in the Canyon Trails Documents.

Section 2. ASSESSMENT PAYMENTS. Individual Lot Assessments shall be payable quarterly, in advance, on the first day of January, April, July and October of each year, provided, however, at the Association's option, Individual Lot Assessments may be payable monthly. Individual Lot Assessments, and the quarterly or monthly installments thereof, may be adjusted from time to time by the Board to reflect changes in the number and status of Completed Lots and Incomplete Lots (thus apportioning all such Assessments and installments thereof among all Lots at the time such installment is due) or changes in the Budget or in the event the Board determines that an Assessment or any installment thereof is either less than or more than the amount actually required. When an Incomplete Lot becomes a Completed Lot during a period with respect to which an Assessment or installment thereof has already been assessed, such Completed Lot shall be deemed assessed the amount of such Assessment or installment thereof which was assessed against Completed Lots in existence at the time of such Assessment, prorated from the date the Lot became a Completed Lot through the end of the period in question. If the payment of such Assessment or installment thereof was due at the time the Lot became a Completed Lot or prior thereto, said prorated amount thereof shall be immediately due and payable. Likewise, the amount paid with respect to such Completed Lot based upon the Lot's status as an Incomplete Lot, prorated from the date the Incomplete Lot became a Completed Lot to the end of the period in question, shall be credited against the amount owed as a Completed Lot.

Section 3. SPECIAL ASSESSMENTS. "Special Assessments" include, in addition to other Assessments designated as Special Assessments in the Canyon Trails Documents and whether or not for a cost or expense which is included within the definition of "Operating Expenses," those Assessments which are levied for capital improvements which include the costs (whether in whole or in part) of constructing or acquiring Improvements for, or on, the Association Property or the cost (whether in whole or in part) of reconstructing or replacing such Improvements. In addition, Special Assessments may be levied against particular Lots and/or Owners to the exclusion of others. Notwithstanding anything to the contrary herein contained, it is recognized and declared that Special Assessments shall be in addition to, and are not part of, any Individual Lot Assessment. Any Special Assessments assessed against Lots and the Owners thereof shall be paid by such Owners in addition to any other Assessments and shall be assessed in the same

manner and using the same 20:1 ratio as the Individual Lot Assessment. Special Assessments shall be paid in such installments or in a lump sum as the Board shall, from time to time, determine. Notwithstanding the foregoing, the levying of any Special Assessment after the Turnover Date shall require the affirmative assent of at least two-thirds (2/3) of all Members represented in person or by proxy at a meeting called and held in accordance with the Bylaws for all Special Assessments except only any Special Assessment for: (a) repair, reconstruction, or replacement of damaged or destroyed Improvements previously existing on Association Property (including, without limitation, landscaping), (b) capital improvements necessary or desirable for the sole purpose of preservation of, or prevention of damage to, Association Property, or (c) uprighting or removing any fallen or dislodged trees as set forth in Section 2.B. of Article IX below; which shall not require such affirmative assent of at least two-thirds (2/3) of all Members. Prior to the Turnover Date and subject to the HOA Act, a Declarant-controlled Board may make a Special Assessment upon the approval of a majority of the Owners other than Declarant at a duly called special meeting of the Members. Special Assessments are not included in the guarantee set forth in Article VII, Section 5 below.

Section 4. LIABILITY OF OWNERS FOR INDIVIDUAL LOT ASSESSMENTS. By the acceptance of a deed or other instrument of conveyance of a Lot in the Property, each Owner thereof acknowledges and agrees that each Lot and the Owners thereof are jointly and severally liable for their own Individual Lot Assessments and their applicable portion of any Special Assessments, as well as for any and all other Assessments for which they are liable, as provided for herein. Such Owners further recognize and covenant that they are jointly and severally liable with the Owners of all Lots for the Operating Expenses (subject to any specific limitations provided for herein such as, but not limited to, the limitation with respect to matters of Special Assessment and the limitations on the liability of Institutional Mortgagees and their successors and assigns). Accordingly, subject to such specific limitations, it is recognized and agreed by each Owner, for such Owner and such Owner's heirs, executors, successors and assigns, that in the event any Owner fails or refuses to pay such Owner's Individual Lot Assessment or any portion thereof, or such Owner's respective portion of any Special Assessment or any other Assessment, then the other Owners may be responsible for increased Individual Lot Assessments or Special Assessments or other Assessments due to the nonpayment by such other Owner, and such increased Individual Lot Assessment or Special Assessment or other Assessment can and may be enforced by the Association and Declarant in the same manner as all other Assessments hereunder as provided in the Canyon Trails Documents.

Section 5. ASSESSMENTS PAYABLE BY DECLARANT; DECLARANT SUBSIDIES. Each Owner acknowledges and agrees that because Individual Lot Assessments and Special Assessments are allocated based on the formula set forth in Article VII, Section 1 above, it is possible that the Association may collect more or less than the amount budgeted for Operating Expenses in the Budget of the Association. Except as may be limited by applicable law, Declarant has the right (at its sole election) to: (i) pay Individual Lot Assessments for the Lots owned by Declaration in the same manner as other Owners and at the 20:1 ratio described above, (ii) pay the Deficit (as hereinafter defined), (iii) subsidize the Budget of the Association as provided below by making voluntary contributions in amounts determined by Declarant in Declarant's sole discretion, and/or (iv) to be excused from payment of its share of Assessments related to its Lots if Declarant elects to guarantee the amount of Individual Lot Assessments and pay the Deficit during the Guarantee Period (as hereinafter defined) as provided in Section 6 of this Article VII below.

During the period of time that Declarant is offering Homes for sale in Canyon Trails and/or based on the number of Homes owned by Owners other than Declarant, Declarant may seek to keep Assessments lower than they otherwise may be by subsidizing the Budget of the Association by making voluntary contributions in amounts determined by Declarant. The amount of any such voluntary contributions may vary from time to time or may be discontinued and recommenced by Declarant from time to time. The determination to subsidize the Budget of the Association, the amount of any such voluntary contribution, the discontinuance and/or recommencement of any such voluntary contributions shall all be made by Declarant in Declarant's sole discretion and in no event shall Declarant have any obligation whatsoever to make any such voluntary contributions. Each Owner shall be solely responsible to review the Budget of the Association then in effect to determine if and to what extent Declarant is making any voluntary contributions to subsidize the Budget and thus lower the Assessments payable by the Owners that would otherwise be higher based on the Operating Expenses of the Association.

Section 6. GUARANTEED ASSESSMENT DURING GUARANTEE PERIOD. Without limiting the options that Declarant is entitled to pursuant to Section 5 of this Article VII above, and as provided in said Section 5, Declarant shall have the right to elect to be excused from payment of its share of the Operating Expenses and Assessments related to its Lots (other than Special Assessments) during the Guarantee Period, which election shall be made at the time of recordation of this Declaration by delivery of written notice thereof to Association. If so elected by Declarant, Declarant covenants and agrees with the Association and the Owners that during the "Guarantee Period" (as hereinafter defined), the Individual Lot Assessment imposed on each Owner other than Declarant during the following Time Periods shall not increase over the amount set forth for such applicable Time Period (the "Guaranteed Assessment"), as follows:

Time Period 1 – The date of recording of this Declaration and ending on December 31 of the year that this Declaration is recorded (unless such Time Period 1 is less than 3 calendar months in which event Time Period 1 shall end on December 31 of the year following the year in which this Declaration is recorded. During Time Period 1 Individual Lot Assessments shall not exceed \$170.00 per month.

Time Period 2 – January 1 following the year in which Time Period 1 ends and ending on December 31 of the year Time Period 2 commenced. During Time Period 2 Individual Lot Assessments shall not exceed \$190.40 per month.

Time Period 3 - January 1 following the year in which Time Period 2 ends and ending on December 31 of the year Time Period 3 commenced. During Time Period 3 Individual Lot Assessments shall not exceed \$213.25 per month.

Time Period 4 - January 1 following the year in which Time Period 3 ends and ending on December 31 of the year Time Period 4 commenced. During Time Period 4 Individual Lot Assessments shall not exceed \$238.84 per month.

"Guarantee Period" as used herein shall mean the period commencing with the date of recordation of this Declaration and ending upon the sooner to occur of: (i) the Turnover Date; (ii) the expiration of Time Period 4 as described below; or (iii) delivery of written notice from

Declarant to Association of Declarant's termination of its election, which termination shall only be effective to terminate any Time Periods which have not yet commenced at the time such written notice is delivered. The Guarantee Period may be unilaterally extended by Declarant for one or more successive periods of six (6) months each, but in no event later than the Turnover Date provided that the Individual Lot Assessments imposed on each Owner other than Declarant shall not increase over the Guaranteed Assessment in effect at the end of Time Period 4.

During the Guarantee Period (as same may be extended), if applicable, Declarant shall be obligated to pay the difference ("Deficit"), if any, between: (a) the Operating Expenses (other than those Operating Expenses which are properly the subject of a Special Assessment) incurred by the Association during the applicable Time Period, and (b) the sum of (x) the amounts assessed as Guaranteed Assessments against Owners during the applicable Time Period, (y) the "Working Fund Contributions" set forth in Article VII, Section 8 hereof and (z) any other income of the Association. The Deficit, if any, to be paid by Declarant pursuant to this Section 6 shall be determined by looking at the Guarantee Period (as same may be extended) as a whole, without regard to quarterly, annual or any other accounting or fiscal periods and without regard to intraperiod allocations. In that regard, in the event it is determined at the end of the Guarantee Period (as same may be extended) that there is a Deficit and Declarant has previously advanced funds to the Association in excess of the Deficit during the Guarantee Period (as same may be extended), Declarant shall be entitled to the immediate repayment from the Association of the amount of funds advanced by Declarant in excess of the Deficit. This guarantee expressly does not include Special Assessments and/or any unpaid Assessments by Owners. Special Assessments may include assessments for items such as capital expenditures or amounts needed to supplement repair expenses not covered by insurance.

After the Guarantee Period (as same may have been extended) terminates, each Owner shall be obligated to pay Assessments as set forth in Article VII, Section 1 hereof, and, commencing at such time, Declarant shall be required to pay Assessments on any Lots it owns in the same manner as all other Owners.

Section 7. DECLARANT'S GUARANTEED ASSESSMENT NOT THE OBLIGATION OF INSTITUTIONAL MORTGAGEES. Notwithstanding anything to the contrary herein contained, it is specifically understood and declared that each Owner, by the acceptance of a deed or other instrument of conveyance of a Lot within the Property, shall be deemed to have acknowledged and agreed that no Institutional Mortgagee (other than Declarant) or any successor or assign of such Institutional Mortgagee, or any person acquiring a deed or title to any part of the Property by reason of the foreclosure or otherwise of an Institutional Mortgagee shall be deemed to have made, assumed or otherwise undertaken any covenants or obligations of Declarant: (i) to guarantee the level and/or duration of any Guaranteed Assessments provided for under any of the Canyon Trails Documents; or (ii) to pay the difference between the actual Operating Expenses and the Guaranteed Assessments, if any, assessed against Lots and the Owners thereof during the Guarantee Period (as same may have been previously extended) as may be provided for in any of the Canyon Trails Documents; provided, however, that an Institutional Mortgagee may, at its option, determine to continue the obligation of Declarant to guarantee the amount of the Assessments as herein provided. Additionally, a successor declarant shall not be deemed to guarantee the level and/or duration of any Guaranteed Assessments provided for under any of the Canyon Trails Documents or be obligated or pay the difference between the actual Operating Expenses and the Guaranteed Assessments, if any, assessed against

Lots and the Owners thereof during the Guarantee Period (as same may have been previously extended) unless such obligation is assumed in writing by such successor declarant.

Section 8. WORKING FUND CONTRIBUTION. Each Owner who purchases a Lot with a Home thereon from Declarant shall pay to the Association at the time legal title is conveyed to such Owner, a "Working Fund Contribution." The Working Fund Contribution shall be an amount equal to a three (3) months' share of the annual, non-abated Operating Expenses applicable to such Lot pursuant to the initial Budget (which shall be prepared as if all Lots are Completed Lots and may be different from the Budget in effect at the time of closing). The purpose of the Working Fund Contribution is to insure that the Association will have cash available for initial start-up expenses, to meet unforeseen expenditures and to acquire additional equipment and services deemed necessary or desirable by the Board. Working Fund Contributions are not advance payments of Individual Lot Assessments and shall have no effect on future Individual Lot Assessments, nor will they be held in reserve. To further ensure that the Association will have sufficient cash available to pay for start-up expenses, Operating Expenses and other expenses, Declarant may from time to time advance to the Association the Working Fund Contribution applicable to any Lot(s) prior to the time legal title to such Lot(s) is conveyed to the Owner(s) thereof. In the event Declarant advances the Working Fund Contribution applicable to any Lot, then, at the time legal title to such Lot is conveyed to the Owner thereof, the Working Fund Contribution to be paid by such Owner to the Association pursuant to this Section 8 shall be paid directly to Declarant in reimbursement of the advance, instead of to the Association. Working Fund Contributions (whether paid by Owner or advanced by Declarant) may also be used to offset Operating Expenses, both during the Guarantee Period (as same may have been previously extended) and thereafter.

Section 9. WAIVER OF USE. No Owner, other than Declarant, may exempt himself from personal liability for Assessments duly levied by the Association. No Owner may release the Lot owned by such Owner from the liens and charges hereof either by waiver of the use and enjoyment of the Association Property and the facilities thereon or by abandonment of such Owner's Home.

ARTICLE VIII ARCHITECTURAL CONTROL COMMITTEE

Section 1. MEMBERS OF THE COMMITTEE. The Architectural Control Committee, sometimes referred to in this Declaration as the "Committee," shall be comprised of three (3) members. The initial members of the Committee shall consist of persons designated by Declarant. Each of said persons shall hold office until all Lots and Homes have been conveyed or such earlier time as the Declarant may, at its sole option, elect. Thereafter, each new member of the Committee shall be appointed by the Board and shall hold office until such time as such new member has resigned, has been removed, or such new member's successor has been appointed, as provided herein. Members of the Committee, other than those designated by the Declarant, may be removed at any time without cause. The Board shall have the sole right to appoint and remove all members of the Committee other than those designated by the Declarant.

Section 2. REVIEW OF PROPOSED CONSTRUCTION.

A. No Improvements, including, by way of example and not of limitation, accessory structures, exterior lighting fixtures, brick pavers, stamped concrete, concrete flatwork, basketball goals, gym sets and play structures, buildings, fences, walls, pools, roofs, gutters or rain spouts, antennae, aerials, microwaves, reception devices, mailboxes, external enclosures or attachments (including entry screen and patio screen enclosures), or landscaping (including hedges, massed plantings and trees) shall be commenced, erected, installed, altered, modified, painted, planted, or maintained on the Property, including the Lots, nor shall any canopies, shutters, or window coverings be attached to or placed upon outside walls or roofs of any Home or building by any Owner other than Declarant, unless such Improvements have been reviewed by and received the written approval of the Committee in accordance with Paragraph B herein below. Any Owner desiring to make Improvements shall submit two (2) complete sets of plans and specifications prepared by an architect, landscape architect, engineer or other person determined by the Committee to be qualified, showing the nature, dimensions, materials and location of the same, together with the security deposit if required by the Committee, to be held and disbursed by the Association in accordance with Section 3 herein below.

B. The Committee shall approve proposed plans and specifications submitted for its approval only if it deems that the construction, alterations or additions contemplated will not be detrimental to the appearance of the surrounding area of the Property as a whole, and that the appearance of any structure affected thereby will be in harmony with the surrounding structures and is otherwise desirable. The Committee shall adhere to all rules and regulations promulgated by the Board with respect to any and all additions and alterations within the Property and all such rules and regulations are incorporated herein by reference. The Committee may also issue and amend from time to time rules or guidelines setting forth procedures for the submission of plans and specifications. If the proposed construction, alterations or additions are to a portion of the Improvements which the Association is obligated to maintain, said approval shall also be subject to approval by the Board. The Committee may condition its approval of proposed plans and specifications in such a manner as it deems appropriate and may require the submission of additional information prior to approving or disapproving such plans. Pursuant to the approvals for the Property granted by the County, and notwithstanding anything to the contrary in the Canyon Trails Documents, diversity of architectural elevation and exterior color scheme for Homes in Canyon Trails shall be required by compliance with the following: (i) no identical homes shall be placed next to one another (i.e., same elevation with same exterior color scheme); (ii) no more than three (3) Homes with the same elevation shall be placed next to each other; and (iii) no more than three (3) Homes with the same exterior color scheme may be placed next to each other. A monitoring report with updated information shall be submitted to the applicable governmental authority with each building permit to demonstrate compliance with these restrictions. Additionally, all zero-lot line Homes which side yards abut the rear yard of two (2) or more Lots shall be restricted to one (1) story in height. The Committee shall have no obligation to and shall not approve (nor grant any variances for) any plans and specifications submitted if approval of same would result in failure to comply with the foregoing requirements.

C. The Committee shall have forty-five (45) days after delivery of all required materials to give written approval or rejection of any such plans and, if written approval is not given within such forty-five (45) day period, such plans shall be deemed rejected, provided however, that, in any event, no such addition, construction or alteration shall be made by any Owner which is detrimental to or inconsistent with the harmony, appearance or general scheme of the Property as a whole.

D. No landscaping or other Improvements on the Lake Lots or Canal Lots which materially interfere with the view of the Lakes or Canals by immediate neighbors who are also Lake Lot Owners or Canal Lot Owners, as applicable, shall be permitted. In its review of proposed plans and specifications of landscape design and materials for Lake Lots and Canal Lots, including, but not limited to, any massed plantings, the Committee will take into consideration the effect on Lake and Canal views of such landscaping, both at the proposed time of installation and at the time when maximum growth shall have occurred. Except for fences originally installed by the Declarant, the only fence type allowed to be installed by an Owner (and which may be approved by the Committee) shall be an aluminum, bronze-colored rail picket fence, with the rails no wider than one inch (1") and no closer together than three inches (3") on center and having a height of sixty inches (60"), unless otherwise required by applicable governmental laws, statutes, ordinances, rules or regulations.

E. There shall be a minimum two foot (2') setback requirement from the side yard lot line on the "zero lot line" side of a Home for that portion of any open patio, screen enclosed patio and/or pool deck that extends beyond the ten (10') foot masonry wall extending from such "zero lot line" side of the Home (the "Privacy Wall"). In addition, if an Owner installs or constructs such open patio, screen enclosed patio and/or pool deck between two feet (2') and five feet (5') from the side yard lot line on the "zero lot line" side of a Home, then a Hedge must also be installed by said Owner within the two foot (2') setback area along that portion of the open patio, screen enclosed patio and/or pool deck that extends beyond the Privacy Wall in order to provide a vegetative privacy barrier.

F. No plantings, landscaping and/or Improvements whatsoever including, without limitation, pool decks, patios, screen enclosures, hedges, trees, etc. shall be installed in any Drainage Swale Easement except only as expressly provided in Article IV, Section 7 above.

G. Notwithstanding any provision in this Article to the contrary, the approval of the Committee shall not be required for any additions, changes or alterations within any Home if such additions, changes or alterations are not visible from the outside of such Home. All changes and alterations shall be subject, independently, to all applicable governmental laws, statutes, ordinances, codes, rules and regulations.

H. Notwithstanding anything to the contrary herein contained, no construction, reconstruction, addition or alteration by Declarant shall require the prior approval or any certificate of consent of the Committee or any security deposit.

Section 3. SECURITY DEPOSIT FOR IMPROVEMENTS; INDEMNIFICATION. Any Owner desiring to make Improvements may be required by the Committee, depending upon the Improvements being requested and the manner of installation of such Improvements, to provide to the Committee, at the time of the Owner's submission of plans and specifications for review and approval by the Committee, a Five Thousand Dollar (\$5,000.00) security deposit to cover costs of incidental damage caused to Association Property, an adjacent Home or Lot, or any other property (whether real or personal) by virtue of such Owner's construction of Improvements. ~~The Committee shall have the sole discretion to determine whether a security deposit is required for the Improvements being requested. The Association shall not be obligated to place the security deposit in an interest bearing account. The Owner shall be entitled to the~~

return of the security deposit upon: (i) such Owner's written notice to the Committee that the Improvements covered by the security deposit have been completed in accordance with the plans and specifications approved by the Committee; and (ii) the Committee's (or its duly authorized representative's) inspection of such Improvements confirming completion; provided, however, should any incidental damage be caused to Association Property by virtue of such Owner's construction of Improvements, the security deposit shall not be returned to Owner until such damages have been repaired. In the event that Owner has not repaired such damages to the Association Property to the satisfaction of the Committee, Association shall have the right (but not the obligation), after five (5) days notice to the offending Owner, to repair such incidental damage and to use so much of the security deposit held by the Association to reimburse itself for the costs of such work. Further, the offending Owner hereby agrees to indemnify and reimburse the Association for all reasonable costs expended by the Association that exceed the security deposit, including Legal Fees, if any, incurred in connection therewith. Should any incidental damage be caused to an adjacent Lot or Home by virtue of such Owner's construction of Improvements, the Owner of the adjacent Lot (the "Adjacent Lot Owner") may, at such Adjacent Lot Owner's sole option: (a) remedy such damage and submit to the Association a receipt, invoice or statement therefor for reimbursement from the offending Owner's security deposit; or (b) allow the offending Owner to repair such incidental damage to the Adjacent Lot Owner's Lot or Home, at the offending Owner's sole cost and expense, and upon receipt by the Association of written notice from the Adjacent Lot Owner that such incidental damage has been repaired, the offending Owner shall be entitled to a return of the balance of the security deposit being held by the Association, if any.

Notwithstanding anything contained in this Section to the contrary, the Association's return of the security deposit being held by it for any such Improvements shall be based solely on considerations set forth above. The Association's return of the security deposit does not and shall not be construed to constitute a determination by members and representatives of the Committee, the Declarant, and/or the Association of the structural safety, approval or integrity of any Improvement, conformance with building or other codes or standards, or the proper issuance of governmental permits and approvals for any Improvement. By submitting a request for review and approval of proposed plans and specifications, along with the security deposit required hereunder, an Owner shall be deemed to have automatically agreed to hold harmless and indemnify the members and representatives of the Committee, the Declarant, and the Association generally, from any loss, claim, damage or liability connected with or arising out of the Improvements or alterations, and/or the security deposit (including, without limitation, the disbursement thereof).

Association shall not be liable or responsible to anyone for any damages, losses or expenses resulting from Association's holding of the security deposit or disbursement thereof unless same shall be caused by the gross negligence or willful malfeasance of the Association. In the event of any disagreement relating to the security deposit held by the Association or the disbursement thereof, Association shall be entitled (but not obligated) to refuse to disburse the security deposit (or any portion thereof) as long as such disagreement may continue, and Association shall not become liable in any way for such refusal. Association shall have the right at any time, after a dispute has arisen, to pay the security deposit (or any portion thereof) held by it into any court of competent jurisdiction for payment to the appropriate party, whereupon Association's obligations hereunder shall terminate and Association shall be automatically released of any and all obligations.

Section 4. MEETINGS OF THE COMMITTEE. The Committee shall meet from time to time as necessary to perform its duties hereunder. The Committee may from time to time, by

resolution unanimously adopted in writing, designate a Committee representative (who may, but need not, be one of its members) to take any action or perform any duties for and on behalf of the Committee, except the granting of variances pursuant to Article VIII, Section 9 herein below. In the absence of such designation, the vote of any two (2) members of the Committee shall constitute an act of the Committee.

Section 5. NO WAIVER OF FUTURE APPROVALS. The approval of the Committee of any plans and specifications or drawings for any work performed or proposed shall not be deemed to constitute a waiver of any right to withhold approval or consent to any identical or similar proposal subsequently or additionally submitted for approval or consent, whether such submission is by that applicant or another applicant. Similarly, the denial of approval by the Committee of any plans and specifications or drawings for any work performed or proposed shall not be deemed to constitute a waiver of any right to approve or consent to any identical or similar proposal subsequently or additionally submitted for approval or consent, whether such submission is by that applicant or another applicant.

Section 6. COMPENSATION OF MEMBERS. The members of the Committee shall receive no compensation for services rendered, other than reimbursement for expenses incurred by them in the performance of their duties hereunder.

Section 7. INSPECTION OF WORK. Inspection of work and correction of defects therein shall proceed as follows:

A. Upon the completion of any work for which approved plans are required under this Article, the submitting party shall give written notice of completion to the Committee.

B. Within thirty (30) days after written notice of completion, the Committee or its duly authorized representatives may inspect such Improvement. If the Committee finds such work was not done in substantial compliance with the approved plans, it shall notify the submitting party in writing of such noncompliance within such thirty (30) day period, specifying the particulars of noncompliance, and shall require the submitting party to remedy such noncompliance.

C. If upon the expiration of fifteen (15) days from the date of such notification the submitting party shall have failed to remedy such noncompliance, notification shall be given to the Board in writing of such failure. Upon such notice, the Board shall determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If noncompliance exists, the submitting party shall remedy or remove the same within a period of not more than thirty (30) days from the date of announcement of the Board's ruling. If the submitting party does not comply with the Board's ruling within such period, the Board, at its option, may remove the Improvement, remedy the noncompliance, or proceed in court to compel compliance and the submitting party shall reimburse the Association, upon demand, for all expenses incurred in connection therewith, including Interest and Legal Fees. If such expenses are not promptly repaid by the submitting party to the Association, the Board shall levy an Assessment against such submitting party for reimbursement, and said Assessment shall constitute a lien upon the applicable Lot and Home with the same force and effect as liens for Operating Expenses.

D. If, for any reason, notification is not given to the submitting party of acceptance within thirty (30) days after receipt of said written notice of completion from the submitting party, the Improvement and/or alteration shall be deemed to be in compliance with said approved plans.

Section 8. NON-LIABILITY OF COMMITTEE MEMBERS. Neither the Committee nor any member thereof, nor its duly authorized Committee representative, nor Declarant, shall be liable to the Association or to any Owner or any other person or entity for any loss, damage or injury arising out of or in any way connected with the performance of the Committee's duties hereunder, unless due to the willful misconduct or bad faith of a member and only that member shall have any liability. The Committee's review and approval or disapproval of plans submitted to it for any proposed Improvement shall be based solely on considerations of the overall benefit or detriment to the community as a whole. The Committee shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any plan or design from the standpoint of structural safety or conformance with building or other codes or standards, and no member or representative of the Committee or the Association, nor the Declarant, shall be liable for the safety, soundness, workmanship, materials or usefulness for any purpose of any such Improvement or alteration proposed by the plans. By submitting a request for review and approval by the Committee, an Owner shall be deemed to have and does automatically agree to indemnify, defend and hold harmless the Committee, the Association and the Declarant (and each of their respective officers, directors, partners, affiliates, representatives and members) from and against any and all claims, causes of action, losses, damages, liabilities, costs and expenses (including, without limitation, Legal Fees) arising from, relating to or in any way connected with the Improvement or alterations for which such request was submitted, and/or the security deposit (including, without limitation, the disbursement thereof). Furthermore, approval by the Committee of any request does not excuse any Owner from also obtaining approvals from all applicable governmental authorities.

Section 9. VARIANCE. The Committee may authorize variances from compliance with any of the architectural provisions of this Declaration or any Supplemental Declaration, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may require; provided, however, the Committee shall not give or authorize (and the Committee is hereby prohibited from giving or authorizing) any variance with respect to: (i) the diversity of architectural elevation and exterior color scheme requirements of Section 2.B. of this Article VIII above, (ii) the type of fencing permitted by Section 2.D of this Article VIII above, and/or (iii) the displaying of any signs for the sale or renting of the Home as prohibited in Section 10 of Article X below. If such variances are granted, no violation of the covenants, conditions and restrictions contained in this Declaration or any Supplemental Declaration shall be deemed to have occurred with respect to the Improvements for which the variance was granted.

Section 10. DECLARANT EXEMPTION. Declarant is hereby exempt from having to comply with the requirements of this Article VIII in their entirety.

ARTICLE IX
MAINTENANCE AND REPAIR OBLIGATIONS

Section 1. BY THE ASSOCIATION.

A. The Association, at its expense, shall be responsible for the operation, maintenance, repair and replacement of all of the Improvements and facilities located over, through and upon the Association Property, including, without limitation, the Recreation Tract and Park Tract (except public utilities and Community Systems, to the extent same have not been made Association Property). Should any incidental damage be caused to any Home by virtue of the Association's failure to maintain the Association Property as herein required or by virtue of any work which may be performed or caused to be performed by the Association in the maintenance, repair or replacement of any Association Property, the Association shall, at its expense, repair such incidental damage. The Association shall not, however, be responsible for any loss of use, any hardship, an Owner's time or any other consequential or punitive damages.

B. The Association shall operate, maintain, repair and replace the Irrigation System constructed over, through and upon the Association Property, the Lots (or any portions thereof), and the Acme Dairy Improvements. Except as specifically provided herein, the Association shall be responsible for the costs of operation, maintenance, repair and replacement of such Irrigation System, including any monthly fees and other costs of water and/or electric usage, if any. There is hereby reserved in favor of the Association the right to enter upon the Association Property and any and all Lots for the purpose of operating, maintaining, repairing and replacing the Irrigation System. Each Owner shall be responsible for any damage caused to the Irrigation System by such Owner and/or such Owner's family members, tenants, invitees and guests, and Owner shall indemnify, defend and hold Association harmless from and against any and all losses, claims, damages and/or liabilities resulting from any such damage.

C. The Association shall operate, maintain and repair the Drainage System constructed over, through and upon the Property. There is hereby reserved in favor of the Association the right to enter upon the Association Property and the Lots for the purpose of operating, maintaining, repairing, and replacing the Drainage System over, through and upon the Property. The Association shall be responsible for all costs associated with its obligations relating to the cleaning, maintenance, repairs and replacement of any portion of the Drainage System as may be necessary to maintain the system in its original condition and use. In the event the Association fails to maintain the Drainage System in accordance with this Declaration and/or the Water Management District Permit, then the Water Management District shall have the right to commence an enforcement action against the Association, including, without limitation, monetary penalties and injunctive relief, to compel the Association to maintain the Drainage System in accordance with this Declaration and/or the Water Management District Permit. A copy of the Water Management District Permit, together with any action(s) taken by the Water Management District with respect to the Water Management District Permit shall be maintained by the registered agent for the Association, for the Association's benefit.

D. The Association shall be obligated to perform the ongoing operation, monitoring, maintenance, repair and replenishment of any Conservation Areas and Preserve Areas and other mitigation areas located upon the Property, as well as performing all obligations, responsibilities and requirements required to be completed under and in accordance with the

Conservation Document and Requirements. In the event the Association fails to timely and/or properly maintain any Conservation Area or Preserve Area in accordance with the Conservation Document and Requirements, and, as a result, Declarant is unable to (i) final-out and/or close-out any approval, permit, order, condition and/or requirement that have been issued or imposed by any governmental entity in connection with the development and construction of Canyon Trails and all Improvements therein; or (ii) obtain a return of any bond or surety posted by Declarant in connection with the development and construction of Canyon Trail, then Declarant shall have the immediate right, but not the obligation, in its sole discretion, to (a) commence an enforcement action against the Association, including, without limitation, monetary penalties and injunctive relief, to compel the Association to maintain the Conservation Areas and Preserve Areas in accordance with the Conservation Documents and Requirements; or (b) take any and all actions necessary to comply with and adhere to any approval, permit, order, condition and/or requirement that have been issued or imposed by any governmental entity in connection with the development and construction of Canyon Trails and all Improvements therein and/or to bring the Property into compliance with the Conservation Documents and Requirements. The Association hereby agrees to indemnify and reimburse the Declarant (within ten (10) days of receipt of a written invoice from Declarant) for all costs and expenses incurred by Declarant in the event Declarant takes actions in accordance with subparagraph (b) above. The rights granted to Declarant hereunder shall survive the Turnover Date and continue for such period of time as is necessary for Declarant to fully comply with all such governmentally issued approvals, permits, orders, conditions and/or requirements. This Section 1.D may not be suspended, superseded or modified in any manner by any amendment to this Declaration unless such amendment is consented to in writing by the Declarant.

E. The Association shall be responsible for the maintenance, repair and replacement of all private Streets, Drives, Roads and Roadways located upon the Association Property and there is hereby reserved in favor of the Association the right to enter upon any and all parts of the Association Property and Lots for such purpose. The Association shall also be responsible for the sod, landscaping and irrigation system located within any Street, Drive, Road and/or Roadway cul-de-sac, as applicable.

F. To the extent permitted by the appropriate governmental authority, the Association may, but shall not be obligated to, also provide maintenance of all city, County, district or municipal properties which are located within or in a reasonable proximity of the Property to the extent that their deterioration or unkempt appearance would adversely affect the appearance of the Property, including the right to enhance the landscaping in any public right of way. In addition, the Association shall be responsible to maintain and care for the Acme Dairy Improvements.

G. The Association shall be responsible for the maintenance, repair and replacement of any Street Lights and any Decorative Street Lights located in Canyon Trails.

H. Neither the Association nor any Owner shall alter the slopes, contours, or cross sections of the Lakes, Lake banks, Canals, Canal banks and littoral zones or chemically, mechanically, or manually remove, damage or destroy any plants in any littoral zones, Lake Maintenance Easements or Lake Maintenance Access Easements except upon the written approval from the applicable governmental authority. Littoral plantings will be installed in

accordance with the permitting requirements of the Palm Beach County Environmental Resources Management Department and may not be altered, relocated or removed by any Owner. The Association shall be responsible for maintaining the required survivorship and coverage of the planted littoral areas, to ensure the ongoing removal of prohibited and invasive non-native plant species from these areas, and to comply with all governmental regulations applicable to the Lakes, Lake banks, and littoral zones.

I. The Association, by action of its Board, may make minor and insubstantial alterations and Improvements to the Association Property having a cost not in excess of Five Thousand Dollars (\$5,000). All other alterations and Improvements must first be approved by at least two-thirds (2/3) of all Members represented in person or by proxy at a meeting called and held in accordance with the Bylaws. No alteration or Improvement may be made to the Association Property which materially and adversely affects the rights of the Owner of any Lot to the enjoyment of such Owner's Lot or the Association Property unless the Owner and all mortgagees holding recorded mortgages on such Lot consent thereto in writing.

J. All expenses incurred by the Association in connection with the services, operation, maintenance, repair and replacement described in Paragraphs A through I, inclusive, are Operating Expenses, payable by each Owner under the provisions of this Declaration concerning Assessments. Should the maintenance, repair or replacement provided for in Paragraphs A through I of this Section 1 be caused by the negligence of or misuse by an Owner, such Owner's family, guests, servants, invitees, or tenants, such Owner shall be responsible therefor, and the Association shall have the right to levy an Assessment against such Owner's Lot and said Assessment shall constitute a lien upon the appropriate Lot and Home with the same force and effect as liens for Operating Expenses.

J. The Association has a reasonable right of entry upon any Lot to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of Canyon Trails.

Section 2. BY THE OWNERS.

A. The Owner of each Lot must keep and maintain the Lot and the Improvements thereon, including equipment and appurtenances, in good order, condition and repair, and must perform promptly all maintenance and repair work within, upon and outside of such Owner's Home which, if omitted, could adversely affect Canyon Trails, the other Owners or the Association and its Members. The Owner of each Lot shall be responsible for any damages caused by a failure to so maintain such Lot, Improvements and Home. The Owners' responsibility for maintenance, repair and replacement shall include, but not be limited to, all of the physical structures constructed in, upon, above or below the Lot, and physical items attached or connected to such structures that run beyond the boundary line of the Lot which exclusively service or benefit the Lot and Home. Without limiting the generality of the foregoing, the Owner of each Lot shall keep all drainage structures (such as catch basins), if any, located on the Owner's Lot clear of grass, leaves and other debris. Additionally, the painting, caulking and maintenance of the exterior surface of all walls (including, without limitation, any masonry walls extended from the rear of the Home), doors, windows and roof of the physical structure of the Home shall be performed by the Owner, and the exterior surface of such walls, doors, windows and roof shall at all times be maintained in a good and serviceable condition with no damage or

other defect therein by the Owner. The Owner of a Lot further agrees to pay for all utilities (including, without limitation, those provided by the Community Systems), such as telephone, cable or satellite television, water (excluding reclaimed water associated with the Irrigation System which shall be an Operating Expense of the Association), sewer, sanitation, electric, etc., that may be separately billed or charged to each Home. The Owner of each Lot shall be responsible for insect and pest control within the Home and the Lot. Whenever the maintenance, repair and replacement of any items which an Owner is obligated to maintain, repair or replace at such Owner's own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of making such maintenance, repair or replacement, except that the Owner shall be, in said instance, required to pay such portion of the costs of such maintenance, repair and replacement as shall, by reason of the applicability of any deductibility provision of such insurance or otherwise, reduce the amount of the insurance proceeds applicable to such maintenance, repair or replacement.

In addition to the foregoing, the Owner of each Home shall be required to maintain appropriate climate control, keep his or her Home clean, promptly repair any leaks and take necessary measures to retard and prevent mold, fungi, mildew and mycotoxins from accumulating in the Home. Each Owner shall be required to clean and dust such Owner's Home on a regular basis and to remove visible moisture accumulation on windows, window sills, walls, floors, ceilings and other surfaces as soon as reasonably possible and must not block or cover any heating, ventilation or air-conditioning ducts, and to properly maintain and have serviced on a regular basis, the Home's HVAC system. Each Owner of a Home shall be responsible for damage to such Owner's Home and personal property as well as any injury to the Owner of a Home and/or occupants of the Home resulting from the Owner's failure to comply with these terms. Each Owner of a Home shall be responsible for the repair and remediation of all damages to the Home caused by mold, fungi, mildew and mycotoxins. While the foregoing are intended to minimize the potential developments of molds, fungi, mildew and other mycotoxins, each Owner understands and agrees that there is no method for completely eliminating the development of same. Declarant does not make any representations or warranties regarding the existence or development of molds, fungi, mildew or mycotoxins, and each Owner on behalf of themselves and their family members, guests, invitees, tenants, successors and assigns shall be deemed to and by acceptance of a deed or title to the Home or by use of the Home, waives and expressly releases any such warranty and claims for loss or damages (including, without limitation, property damage and/or personal injury) resulting from the existence and/or development of same.

B. The Owner of each Lot shall maintain and care for any sod, lawns and landscaping which are encompassed within the Lot and replace any dead or obviously dying trees on their Lot subject to and in accordance with Article X, Section 9 below. In addition to the foregoing, the Owner of each Lot shall maintain and care for the grassed areas (including, without limitation, all landscaping thereon, if any) located between the front and/or side lot line of such Owner's Lot and the edge of the roadway in front and/or side of such Owner's Lot. "Maintenance and care" within the meaning of this Subsection B shall include mowing, edging, fertilizing, hand-watering (if and to the extent necessary to supplement the irrigation provided by the Irrigation System), trimming of trees and landscaping, spraying of lawns, and replacement of sod, trees and landscaping (including, without limitation, replacement of any dead or dying trees so that, at a minimum, the initial landscaping provided by Declarant is maintained). All lawns shall be maintained free from unsightly bald spots or dead grass and shall be uniform in texture

and appearance with surrounding lawns in Canyon Trails. In addition to the foregoing, each Lake Lot Owner shall be responsible for the maintenance and care of the Lake Bank Zone (as described in Section 3 of Article II above) except only for the irrigation of the Lake Bank Zone, which irrigation will be the responsibility of the Association as provided in said Section 3 of Article II above). Nothing shall be planted in any Landscaped Area or Grassed Area (including, without limitation any "OS", "BT", Focal Point or other open space tract) by any Owner.

Notwithstanding the foregoing, the Association shall have the right, but not the obligation, in preparation of or following a tropical storm, hurricane or other Act of God, to upright and/or remove any fallen or dislodged trees, at the respective Owner's cost and expense, on (i) any Lot, and/or (ii) any grassed areas located between the front and/or side of such Owner's Lot and the street; on behalf of the Owner of such Lot. The Owner of said Lot shall be required to reimburse the Association for the costs and expenses incurred by the Association in connection with the uprighting and/or removal of any fallen or dislodged trees. In that regard, the Association may levy a Special Assessment against such Lot in connection with such costs and expenses, to the exclusion of all other Owners, without the need for obtaining the affirmative assent of at least two-thirds (2/3) of all Members as set forth in Article VII, Section 3.

Except as otherwise provided below and in Article II, Section 2(4) above, an Owner whose Lot is adjacent to an "OS" tract shall be responsible for maintaining the sod located in the adjacent "OS" tract up to the center line of such "OS" tract. Moreover, if a side property line of an Owner's Lot abuts a ten foot (10') wide open space tract which separates such Owner's Lot from the rear line of one or more other lots in the Community, such Owner shall be responsible for the maintenance and care of the sod located in such ten foot (10') wide "OS" Tract that abuts the side property line of such Owner's Lot. However, an Owner whose Lot is adjacent to an "OS" tract shall not be responsible for the care of the sod located on such adjacent "OS" tract where such "OS" is part of a Buffer Tract, used as a passive park or focal point, or adjacent to the intersection of two of the Streets, Drives, Roads and/or Roadways thereby creating an entrance into a parcel located within the Community.

C. The Owner of each Lot shall maintain, repair and replace as needed any fencing on their Lot, clean, maintain and repair the driveway on their Lot, and keep the sidewalk located on and/or adjacent to their Lot clean and free from any stains, trash, debris and/or impediments to pedestrian traffic.

D. If a Home is damaged by fire or other casualty, its Owner shall properly and promptly restore it to at least as good a condition as it was before the casualty occurred. Any such work shall be in accordance with the original plans and specifications of the Home unless otherwise authorized by the Board and shall be otherwise subject to all provisions of Article VIII hereof.

E. Each Owner shall keep such Owner's Home insured in an amount not less than its full insurable value against loss or damage by fire or other hazards. Evidence of such coverage shall be furnished to the Association promptly upon the Board's request.

F. If an Owner fails to comply with the foregoing provisions of this Section 2, the Association may proceed in court to compel compliance. Further, if the failure to comply relates to the Owner's obligations to maintain insurance, the Association shall be entitled,

although not obligated, to obtain the required coverage itself and to levy on the offending Owner an Assessment equal to the cost of premiums, and any such Assessment shall constitute a lien upon the applicable Lot and Home with the same force and effect as a lien for Operating Expenses.

G. If a failure to comply with the provisions of this Section 2 relates to the Owner's obligation to maintain and care for the Home, landscaping or any other area required to be maintained and cared for by the Owner, then, in addition to the exercise of all other remedies, the Association or Declarant shall have the right but not the obligation, upon fifteen (15) days written notice, to enter upon the Lot of the Owner for the purpose of performing the maintenance and care referred to, set forth and described in the notice, and to levy on the offending Owner an Assessment equal to the cost of performing such maintenance and care. Any such Assessment shall constitute a lien upon the applicable Lot and Home with the same force and effect as a lien for Operating Expenses. The determination of whether an Owner is failing to properly maintain and care for the property for which he has the maintenance responsibility under this Declaration or any of the other the Canyon Trails Documents shall be determined in the sole discretion of the Association or Declarant.

Section 3. DAMAGE TO BUILDINGS. The Owner of any Home which has suffered damage may apply to the Committee for approval for reconstruction, rebuilding, or repair of the Improvements therein. The Committee shall grant such approval only if, upon completion of the work, the exterior appearance of the Improvement(s) will be substantially similar to that which existed prior to the date of the casualty. If the obligation for repair falls upon the Association, the Committee approval will not be required prior to the commencement of such work, so long as the exterior appearance of the Improvement(s) will be substantially similar to that which existed prior to the date of the casualty.

The owner or owners of any damaged building (including, without limitation, the Owner of a Lot and/or Home), the Association, and the Architectural Control Committee shall be obligated to proceed with all due diligence hereunder and the responsible parties shall commence reconstruction within three (3) months after the damage occurs and complete reconstruction within one (1) year after the damage occurs, unless prevented by causes beyond his or its reasonable control.

The Declarant shall be exempt from the provisions of this Section 3, provided that any such reconstruction, rebuilding or repairs made by the Declarant shall be consistent, as to the exterior appearance, with the Improvements as they existed prior to the damage or other casualty.

ARTICLE X USE RESTRICTIONS

All of the Property shall be held, used, and enjoyed subject to the following limitations and restrictions, and any and all additional rules and regulations which may, from time to time, be adopted by the Association, except as provided in Article X, Section 18 below:

Section 1. ENFORCEMENT. Failure of an Owner to comply with any limitations or restrictions in this Declaration or any of the Canyon Trails Documents or with any rules and regulations promulgated by the Association shall be grounds for action which may include,

without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof. Without limiting the generality of the foregoing, an Owner shall also be responsible for the payment of any and all Legal Fees incurred by the Association in connection with the enforcement of this Declaration or any of the Canyon Trails Documents or with any rules or regulations promulgated by the Association, whether or not an action is actually begun. Any such Legal Fees shall be paid not later than thirty (30) days after written notice thereof and if not paid within such thirty (30) day period, shall constitute a lien upon the applicable Lot and Home with the same force and effect as a lien for Operating Expenses.

In addition to all other remedies, the Association may suspend, for a reasonable period of time, any or all of the rights of an Owner or an Owner's tenants, guests or invitees to use Association Property and facilities (including, without limitation, cable television and other services provided by Community Systems) for violations of the Canyon Trail Documents; may suspend the rights of an Owner or an Owner's tenants, guests or invitees to use Association Property and facilities (including, without limitation, cable television and other services provided by Community Systems) and the voting rights of an Owner if such Owner is delinquent in payment of assessments for more than ninety (90) days; and may levy reasonable fines against any Owner or any Owner's tenant, guest or invitee for failure of such Owner, and/or such Owner's family, guests, invitees, tenants or employees to comply with any of the Canyon Trails Documents, provided the following procedures are adhered to:

A. Notice. The Association shall notify the Owner in writing of the noncompliance and set forth the corrective action to be taken. A fine or suspension of use rights may not be imposed without notice of at least fourteen (14) days to the Owner sought to be fined or suspended and an opportunity for a hearing before a committee of at least three (3) 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. If the committee, by majority vote, does not approve a proposed fine or suspension, it may not be imposed. If the Association desires to impose a fine or suspend the use rights of an Owner, the Association shall comply with the requirements of F.S. §720.305(2)(a). At the Association's option, any fine may be levied on a daily basis in the event of a continuing violation without the necessity of a new hearing and without any limitation on the amount of such fine.

B. Hearing. Should the Owner still be in noncompliance, the noncompliance shall be presented to the Board after which the Board shall hear reasons why a fine should or should not be imposed. A written decision of the Board shall be submitted to the Owner, as applicable, not later than twenty-one (21) days after said meeting.

C. Payment. A fine shall be paid not later than thirty (30) days after notice of the imposition of the fine.

D. Fines. A fine shall be treated as an Assessment subject to the provisions of the collection of Assessments as otherwise set forth herein. All monies received from fines shall be allocated as directed by the Board, subject always to the provisions of this Declaration.

E. Failure to Pay Assessments. Unless contrary to Florida Law, Notice and Hearing as provided in Subparagraphs A and B above shall not be required with respect to the

imposition of suspension of use rights or fines upon any Owner because of such Owner's failure to pay Assessments or other charges when due.

F. Access. Suspension of use rights to Association Property shall not impair the right of an Owner or tenant of a Lot and/or Home to have vehicular and pedestrian ingress to and egress from such Lot and/or Home, including, but not limited to, the right to park.

Section 2. NUISANCES. No obnoxious or offensive activity shall be carried on or about the Lots or in or about any Improvements, Homes, or on any portion of Canyon Trails nor shall anything be done therein which may be or become an unreasonable annoyance or a nuisance to any Owner. No use or practice shall be allowed in or around the Homes which is a source of annoyance to Owners or occupants of Homes or which interferes with the peaceful possession or proper use of the Homes or the surrounding areas. No loud noises or noxious odors shall be permitted in any Improvements, Homes or Lots. Without limiting the generality of any of the foregoing provisions, no horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes), noisy or smoky vehicles, unlicensed off-road motor vehicles or any items which may unreasonably interfere with television or radio reception of any Owner shall be located, used or placed on any Lot, or exposed to the view of other Owners without the prior written approval of the Board.

Section 3. PARKING AND VEHICULAR RESTRICTIONS. Parking upon the Property shall be restricted to the driveway and garage located upon each Lot and designated parking areas within the Association Property. No parking on the streets or swales is permitted. No Owner shall keep any vehicle on any Lot which is deemed to be a nuisance by the Board. No Owner shall conduct repairs taking more than twenty-four (24) hours (except in an emergency or except within the garage of the Home with the garage door closed) or restorations of any motor vehicle, boat, trailer, or other vehicle upon any Lot. No commercial vehicle, trailer, recreational vehicle, boat or boat trailer may be parked or stored on the Property except in the garage of a Home located upon a Lot. No motor home, bus or tractor-trailer or any other truck larger than a full-size pickup truck may be parked on the Property, except temporarily as in the case of a moving van or other such vehicle necessary to provide service to an Owner and with the exception of any vehicles necessary for any construction activity being performed by or on behalf of Declarant.

Section 4. NO IMPROPER USE. No improper, offensive, hazardous or unlawful use shall be made of any Home nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to any person using any portion of the Property. All valid laws, zoning ordinances, orders, rules, regulations, codes and other requirements of all governmental bodies having jurisdiction thereover shall be observed. Violations of laws, ordinances, orders, rules, regulations, codes or other requirements of any governmental agency having jurisdiction thereover relating to any Home or Lot shall be corrected by, and at the sole expense of, the Owner of said Home and/or Lot.

Section 5. LEASES. No portion of a Home (other than an entire Home) may be rented. All leases shall provide, and if they do not so provide then the leases shall be deemed to provide, that the Association shall have the right to terminate the lease upon default by the tenant in observing any of the provisions of this Declaration, the Articles, the Bylaws, applicable rules and regulations, or of any other agreement, document or instrument governing the Lots or Homes.

The Owner of a leased Home shall be jointly and severally liable with such Owner's tenant for compliance with the Canyon Trails Documents and to the Association to pay any claim for injury or damage to property caused by the negligence of the tenant. Every lease shall be subordinate to any lien filed by the Association whether before or after such lease was entered into. Each Owner shall be required to use a lease addendum which provides, among other things, that the tenant will pay the rent due under the lease directly to the Association upon receipt of notice from the Association that the Owner is delinquent in amounts due to the Association. Even if such lease addendum is not included, each lease entered into by Owner for a Home shall be deemed to include the foregoing by this reference.

Within five (5) days following execution of a lease for a Home, but in no event later than occupancy of the Home by a tenant, Owner shall: (a) notify the Association in writing with the name of the tenant and all of tenant's family members or others that will be occupying the Home, and (b) provide the Association with a true, correct and complete copy of the lease agreement. In the event Owner fails to timely comply with the foregoing, such lease shall be null and void and of no further force or effect, and Owner shall be in violation of this Declaration. The provisions of this Section 5 shall also apply to renewals of leases. In no event shall subleases or assignment of leases be permitted.

In the event that an Owner is delinquent in the payment of his or her Assessments or other sums due and owing to the Association, the Lot shall not be leased until such amounts are paid in full or unless the Association consents, in writing, to any such lease. If the Lot is leased in violation of this provision, the Association may terminate the lease and evict the tenants in addition to imposing all other available remedies. In the event an Owner is in default in the payment of Assessments or other sums due and owing to the Association and the Owner's Lot is leased, the Association shall have the right and authority to collect the rent to be paid by the tenant to the Owner directly from the tenant. In the event such tenant fails to remit said rent directly to the Association within ten (10) days (but no later than the day the next rental payment is due) from the day the Association notified such tenant in writing that the rents must be remitted directly to the Association, the Association shall have the right to terminate the lease and evict the tenant. All sums received from the tenant shall be applied to the Owner's account for the leased Lot according to the priority established in Section 720.3085, Florida Statutes, until the Owner's account is current. All leases entered into by an Owner shall be deemed to automatically incorporate this provision and all the Owners hereby appoint the Association its agent for such purpose. The Association may, without further approval of the Owner of the leased Lot, terminate the lease for violations of the Declaration by the tenants, or the tenant's family or guests and thereafter evict the tenants from the Lot.

In addition to any notice to a tenant of a Lot permitted to be given by law, an Owner by acceptance of a deed to a Lot, does hereby irrevocably grant to the Association (and its officers, directors, designees, agents, and employees) and to any professional management or accounting firm providing management or accounting services to the Association, the right to notify, in writing, the tenant of the Lot of any delinquency by the Owner of the Lot in payment of any monetary obligations due to the Association, including but not limited to the amount thereof. Further each Owner hereby agrees and acknowledges that the disclosure of any of Owner's delinquent monetary obligations due to the Association, as provided in the preceding sentence, shall not be construed or be deemed to be a violation of the Fair Debt Collection Practices Act ("FDCPA") 15 U.S.C. Section 1692 et. seq.

Section 6. ANIMALS AND PETS. Only common domesticated household pets may be kept on any Lot or in a Home, but in no event for the purpose of breeding or for any commercial purposes whatsoever. No other animals, livestock, reptiles or poultry of any kind shall be kept, raised, bred or maintained on any portion of the Property. Permitted pets shall only be kept subject to and in accordance with such rules and regulations as shall be promulgated from time to time by the Board. Any pet must be carried or kept on a leash when outside of a Home or fenced-in area. No pet shall be kept tied up outside of a Home or in any screened porch or patio, unless someone is present in the Home. An Owner shall immediately pick up and remove any solid animal waste deposited by such Owner's pet on the Property. An Owner is responsible for the cost of repair or replacement of any Association Property damaged by such Owner's pet.

Notwithstanding the foregoing, under no circumstances shall a Pit Bull (as hereinafter defined), Rottweiler, Doberman Pinscher, Presa Canario (canary dog) or "Dangerous Dog" (as hereinafter defined) be permitted on the Property. As used in this Declaration: (i) a "Pit Bull" is defined as any dog that is an American Pit Bull Terrier, American Staffordshire Terrier, Staffordshire Bull Terrier, or any dog displaying a majority of the physical traits of any one (1) or more of the above breeds, or any dog exhibiting those distinguishing characteristics which substantially conform to the standards established by the American Kennel Club or United Kennel Club for any of the above breeds; and (ii) a "Dangerous Dog" is defined as a dog which meets any one (1) of the following criteria: (a) has aggressively bitten, attacked, endangered or has inflicted severe injury on a human being at any time whether on or off the Property, (b) has severely injured or killed a domestic animal at any time whether on or off the Property, or (c) has, when unprovoked, chased or approached any person upon the Streets, Drives, Roads, Avenues, Roadways and/or Sidewalks, or any other portion of the Property in a menacing fashion or apparent attitude of attack; provided, however, a dog shall not be a "Dangerous Dog" if the threat, injury, death or damage was sustained by a person who, at the time, was unlawfully on the Property (or any portion thereof), or, while lawfully on the Property (or any portion thereof), was tormenting, abusing or assaulting the dog or its owner or a family member; provided further, that no dog may be a "Dangerous Dog" if the dog was protecting or defending a human being within the immediate vicinity of the dog from an unjustified attack or assault.

Each Owner who determines to keep a pet hereby agrees to indemnify the Association and Declarant and hold each of the Association and Declarant harmless against any loss or liability of any kind or character whatsoever arising from or growing out of such Owner having any animal on the Property.

Section 7. ADDITIONS AND ALTERATIONS. No Home shall be enlarged by any addition thereto or to any part thereof, and no Owner shall make any Improvement, addition, or alteration to the exterior of such Owner's Home, including, without limitation, the painting, staining, or varnishing of the exterior of the Home, including doors, garage doors, driveways and walkways, without the prior written approval of: (i) the Committee as set forth in Article VIII of this Declaration, which approval may be withheld for purely aesthetic reasons, and (ii) all applicable governmental entities. Without limiting the generality of the foregoing, and except as otherwise specifically provided herein, no planting, landscaping and/or Improvements whatsoever shall be installed or constructed in: (a) the Lake Maintenance Easements adjacent to Lake Lots, (b) any Rear Yard Drainage Swale Easements on Non-Lake Lots except as expressly

set forth in and subject to the terms and conditions of Section 7 of Article IV above, and/or (c) in any Drainage Easements.

Section 8. INCREASE IN INSURANCE RATES. No Owner may engage in any action which may reasonably be expected to result in an increase in the rate of any insurance policy or policies covering or with respect to any portion of the Property not owned by such Owner.

Section 9. SLOPES AND TREES. No Owner may engage in any activity which will change the slope or drainage of a Lot, including, without limitation, lake bank slopes. All trees and other landscaping within the Community have been installed in accordance with a landscape plan that meets the requirements of the County Land Development Code. As a result, no additional trees are permitted to be planted on the Property and no trees are permitted to be removed from the Property (other than dead or dying trees which are being replaced with trees of the same species) without the prior written consent of Declarant for as long as Declarant owns a Lot, and thereafter, without the prior written consent of the Board. Any Owner who removes or installs any tree upon their Lot which is not in conformance with the approved landscape plan shall be responsible for any costs, fines and fees imposed by the County as a result of such action. No Owner may alter the slopes, contours or cross-sections of the Lakes, Lake banks, littoral zones, canals, or canal banks; or chemically, mechanically or manually remove, damage or destroy any plants in any littoral zones. Declarant and the Association shall each (acting alone) have the right, but not the obligation, after ten (10) days prior notice and demand to do so, to remove any trees or other landscaping installed by or on behalf of an Owner which is not in accordance with this Declaration.

Section 10. SIGNS. No sign, display, poster, advertisement, notice, lettering or other advertising device of any kind whatsoever (including, without limitation, "For Sale", "For Rent" or "By Owner" or any other signs for the sale or renting of homes) may be exhibited, displayed, inscribed, painted or affixed in public view of any portion of any building or other Improvement in the Property (including, without limitation, a Home) without the prior written consent of the Board, which consent may be given, withheld or conditioned in the sole discretion of the Board. Neither the Board nor the Committee shall consent to any type of "For Sale", "For Rent", "By Owner" or similar sign for the renting or sale of a Home so long as Declarant owns a Lot in Canyon Trails or so long as Declarant or any of Declarant's affiliates (or any of their respective successors or assigns) are conducting sales and marketing of Homes in Canyon Trails or other communities developed or marketed by Declarant or its affiliates, whichever is later. Signs, regardless of size, used by Declarant or any of Declarant's affiliates, or any of their successors or assigns, for advertising or marketing during the construction and sale period of Canyon Trails or other communities developed and/or marketed by Declarant or its affiliates and other signs authorized by Declarant shall be exempt from this Section 10. Such sign or signs as Declarant may be required to erect under the terms of an Institutional Mortgage shall also be exempt from this Section 10. This provision may not be amended without the prior written consent of Declarant. This provision may not be amended without the prior written consent of Declarant.

Section 11. TRASH AND OTHER MATERIALS. No rubbish, trash, garbage, refuse, or other waste material shall be kept or permitted on the Lots and/or Association Property, or other portions of the Property, except in sanitary, self-locking containers located in appropriate areas (i.e., areas not visible from the street or any other Lot other than at times of scheduled trash pick up), and no odor shall be permitted to arise therefrom so as to render the Property or any portion

thereof unsanitary, offensive, detrimental or a nuisance to Owners or to any other property in the vicinity thereof or to its occupants. No clothing or other household items shall be hung, dried, or aired in such a way as to be visible from the Association Property or another Lot. No stripped vehicles, lumber or other building materials, grass, tree clippings, metals, scrap, automobile pieces or parts, refuse, or trash shall be stored or allowed to accumulate on any portion of the Property (except when accumulated during construction by Declarant, during construction approved by the Committee, or when accumulated by the Association for imminent pick-up and discard).

Section 12. TEMPORARY STRUCTURES. No tent, shack, shed or other temporary building or Improvement, other than separate construction, service and sales trailers to be used by Declarant, Declarant's affiliates, and/or their respective agents and contractors, for the construction, service and sale of Canyon Trails or other communities, shall be placed upon any portion of the Property, either temporarily or permanently. No trailer, motor home or recreational vehicle shall be: (a) used as a residence, either temporarily or permanently, or (b) parked upon the Property.

Section 13. OIL AND MINING OPERATIONS. No oil drilling, oil development operations, oil refining, boring or mining operations of any kind shall be permitted upon or on any Lot nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 14. SEWAGE DISPOSAL. No individual sewage disposal system shall be permitted on any of the Property, provided that a central sewage disposal system is being operated in accordance with the requirements of the governmental regulatory body having jurisdiction over said central system.

Section 15. WATER SUPPLY. No individual water supply system shall be permitted on any of the Property, provided that one or more central water supply systems are being operated in accordance with requirements of the governmental body having jurisdiction over said central system.

Section 16. FENCES. Any fence placed upon any Lot must be approved by the Committee, as provided in Article VIII hereof, prior to installation. In no event may the Committee approve any request for a fence to be placed in any of the following areas: (a) the area between the front of a Home and the Street, Drive, Road and/or Roadway at the front of the Lot on which the Home is situated, or (b) any Lake Maintenance Easement. The Owner assumes complete responsibility to maintain the fence, including, but not limited to, trimming any grass, ivy or other plants from the fence. In the event the Committee approves the installation of a fence, it shall also have the right to require installation of landscaping, also subject to the Committee's approval, at the time the fence is installed. No Owner shall be permitted to attach their fence to any perimeter fence or wall located within any of the Buffers, Landscaped Areas or Grassed Areas, or to otherwise fence-in or enclose any portion of a Buffer or other Association Property.

Notwithstanding that an Owner has obtained the approval of the Committee to install a fence or landscape materials, as provided hereinabove, such installation shall be at the Owner's sole risk so long as Declarant has not yet begun or is engaged in the construction of a Home on

an adjacent Lot. Declarant shall have the right, in its sole discretion, to temporarily remove the fence if necessary in order to complete construction of the Home on the adjacent Lot. In the event such construction activity on an adjacent Lot causes damage to or destruction of such Owner's fence or landscape materials or any part thereof, the Owner on whose Lot the fence and/or landscaping has been damaged shall be required, at the Owner's expense, to repair or replace such fence and/or landscape materials in conformance with the requirements of the Committee's approval of the initial installation of the fence and/or landscape materials and Declarant shall have no liability for any such damage or destruction. Such repair or replacement shall commence as soon as construction on the adjacent Lot has been completed and shall be pursued to completion with due diligence. For purposes of this paragraph, the term "landscape materials" shall include landscape materials located on or adjacent to any property line of a Lot, including, by way of example and not of limitation, hedges, shrubs and trees, whether associated with a fence or not.

In addition, the installation of any fence placed upon any Lot is subject to easements which run with the land. In the event that any fence is approved by the Committee and is permitted to cross any such easements, such Committee's approval is still subject to Owner first receiving written approval from the grantee of such easements and all other applicable governmental authorities. In the event the grantee of any such easement which runs with the land (i.e., FPL, utility provider or the County), its successors and/or assigns, requires the removal of any fence upon the Lot, then the Owner of said Lot shall, at the Owner's sole cost and expense, immediately remove the fence. Notwithstanding the foregoing or any permit or governmental approval to the contrary, no fence may be installed within Lake Maintenance Easement on the Property. The Owner of a Lot, when installing any fence upon the Lot, shall comply with all valid laws, zoning ordinances, codes, rules and regulations of all applicable governmental bodies, as applicable, in addition to the Committee approval required by Article VIII hereof.

In addition, no Owner shall be permitted to install a fence within any Drainage Easement without the prior written consent of the Committee, which consent shall be conditioned and subject to Owner's compliance with the following:

- (i) Owner shall, at Owner's sole cost and expense, obtain all permits and written approvals from the applicable governmental authorities (including, without limitation, the SFWMD) having jurisdiction over the Drainage Easement, as applicable.
- (ii) Owner shall be required to install one or more access gates within said affected easement area(s), in location(s) determined by the Committee in its sole discretion, and sufficient to provide adequate access to the Association to exercise its rights and to perform its maintenance obligations required under this Declaration.
- (iii) In connection with the installation of such fence, the Owner shall not change or alter the slope or drainage of any portion of the affected Drainage Easement. Moreover, no alteration of a drainage swale, drainage-lines, and other equipment shall be authorized and any damage to any drainage swale, drainage lines, and other equipment, shall be repaired by Owner, at Owner's sole cost and expense.

The Drainage Easement, as applicable, shall be immediately returned to the condition in which it existed at the time of the initial conveyance of the Lot by Declarant.

- (iv) In the event the Association and/or governmental authorities wish to obtain ingress and/or egress to the Drainage Easement for any purpose including, without limitation, installation, maintenance or repairs of the improvements located therein, Owner shall, at its sole cost and expense, remove those portions of the fence which may be required in order for the Association and/or governmental authorities to obtain access in and to the improvements. Except for emergency situations, in the event the Owner fails to comply within fifteen (15) days of receipt of written notice from the Association and/or the governmental authorities requesting the removal of the fence, the Association may remove any and all portion of the fence and Owner shall be responsible for all removal costs. The Association shall be entitled to levy an assessment equal to the costs of the fence removal against the Owner and its respective Lot, and such Assessment shall constitute a lien upon the applicable Lot with the same force and effect as a lien for Operating Expenses.

Section 17. ANTENNAE. No outside television, radio, or other electronic towers, aerials, antennae, satellite dishes or device of any type for the reception or transmission of radio or television broadcasts or other means of communication shall hereafter be erected, constructed, placed or permitted to remain on any portion of the Property or upon any improvements thereon, unless expressly approved in writing by the Association, except that this prohibition shall not apply to those satellite dishes that are one (1) meter (39.37 inches) in diameter or less, and specifically covered by 47 C.F.R. Part 1, Subpart S, Section 1.4000, as amended, promulgated under the Telecommunications Act of 1996, as amended from time to time. The Association is empowered to adopt, and amend from time to time, rules governing the types of antennae which may be permitted and restrictions relating to safety, location and maintenance of antennae. The Association may also adopt (and amend from time to time) and enforce reasonable rules limiting installation of permissible satellite dishes or antennae to certain specified locations, not visible from the street or neighboring properties, and integrated with the Property and surrounding landscape, to the extent that reception of an acceptable signal would not be unlawfully impaired by such rules and provided the cost of complying with such rules would not unreasonably increase the cost of installation of permissible satellite dishes or antennae. Any permissible satellite dishes or antennae shall be installed in compliance with all federal, state and local laws and regulations, including zoning, land-use and building regulations. Further, any Owner desiring to install permissible satellite dishes or antennae may, but is not obligated to, submit plans and specifications for same to the Committee to ensure compliance with the Association's rules governing the types of permissible satellite dishes and antennae and restrictions relating to safety, location and maintenance of satellite dishes and antennae. This Section 17 shall not apply to the Declarant.

Section 18. DECLARANT EXEMPTION. Declarant plans to undertake the work of constructing Homes and Improvements upon the Property and may undertake the work of constructing other buildings upon adjacent land or other property being developed or marketed by Declarant or its affiliates. The completion of the aforementioned work and the sale, rental and other transfer of Homes by Declarant and Declarant's affiliates are essential to the

establishment and welfare of the Property as a residential community. In order that such work may be completed and a fully occupied community established as rapidly as possible, neither the Owners, the Association, nor the Architectural Control Committee shall do anything whatsoever to interfere with any of Declarant's or Declarant's affiliates' activities relating to the selling or constructing of Homes and Improvements upon the Property, the selling or constructing of other buildings upon adjacent land or any other property being developed or marketed by the Declarant or any of Declarant's affiliates, or the sale, rental and/or other transfer of Homes by Declarant or any of Declarant's affiliates. In this respect, Declarant hereby reserves the right for itself and its employees, agents, licensees, and invitees to come upon any and all portions of the Property (including, without limitation, the Association Property as well as a Lot even after the same has been conveyed to an Owner) as may be necessary or convenient to enable Declarant to carry on its work and other activities including, without limitation, Declarant's development and construction of Canyon Trails and the Homes therein.

In general, the restrictions and limitations set forth in this Article X shall not apply to the Declarant or to Lots owned by the Declarant. Declarant shall specifically be exempt from any restrictions which interfere in any manner whatsoever with Declarant's plans for development, construction, sale, lease, or use of the Property and to the Improvements thereon. Declarant shall be entitled to injunctive relief for any actual or threatened interference with its rights under this Article X in addition to whatever remedies at law to which it might be entitled.

ARTICLE XI

DAMAGE OR DESTRUCTION TO ASSOCIATION PROPERTY

Damage to or destruction of all or any portion of the Association Property shall, notwithstanding any provision in this Declaration to the contrary, be handled as follows:

A. If insurance proceeds are sufficient to effect total restoration of damaged or destroyed Association Property, then the Association shall cause such Association Property to be repaired and reconstructed substantially as it previously existed.

B. If insurance proceeds are insufficient to effect total restoration, and the cost of restoration exceeds such proceeds by Twenty-Five Thousand Dollars (\$25,000.00) or less, then the Association shall cause the Association Property to be repaired and reconstructed substantially as it previously existed and the difference between the insurance proceeds and the actual cost shall be levied as a Special Assessment proportionately against each of the Lots in accordance with the provisions of Articles VI and VII herein.

C. If the insurance proceeds are insufficient to effect total restoration and the cost of restoration of the Association Property exceeds said proceeds by over Twenty-Five Thousand Dollars (\$25,000.00), then by the written consent or vote of a majority of the voting interests, they shall determine whether: (i) to rebuild and restore either: (a) in substantially the same manner as the Improvements existed prior to the damage or destruction; or (b) in a manner less expensive, and in the event of (a) or (b) to raise the necessary rebuilding and restoration funds by levying pro rata restoration and construction Special Assessments against all Lots; or (ii) to not rebuild and to retain available insurance proceeds: In the event it is decided that the damaged or destroyed Association Property shall not be rebuilt, the remains of any structure or structures shall be torn down and hauled away, so as not to be a safety hazard or visual nuisance,

and the land shall be fully sodded and landscaped or otherwise treated in an attractive manner. Notwithstanding anything contained herein to the contrary, any decision not to rebuild or to rebuild in a manner which would result in a change in the Improvements shall not be effective without the prior written approval of Declarant (which approval shall be given, conditioned or withheld in Declarant's sole discretion) as long as Declarant owns any portion of the Property.

D. Each Owner shall be liable to the Association for any damage to the Association Property not fully covered or collected by insurance which may be sustained by reason of the negligence or willful misconduct of said Owner or of such Owner's family, tenants, invitees and guests, both minors and adults.

E. In the event that the repairs and replacements were paid for by any Special Assessments as well as insurance proceeds and regular Assessments, then, if after the completion of and payment for the repair, replacement, construction or reconstruction there shall remain any excess in the hands of the Association, it shall be presumed that the monies disbursed in payment of any repair, replacement, construction and reconstruction were first disbursed from insurance proceeds and regular Assessments and any remaining funds shall be deemed to be the remaining Special Assessments which shall be returned to the Owners by means of a *pro rata* distribution in accordance with the collection of such Special Assessments.

ARTICLE XII

INSURANCE AND CONDEMNATION

The Association shall purchase and maintain the following insurance coverages subject to the following provisions, and the cost of the premiums therefor shall be a part of the Operating Expenses:

Section 1. CASUALTY INSURANCE. Property and casualty insurance in an amount equal to the then full replacement cost, exclusive of land, foundation, excavation and other items normally excluded from such coverage, of all Improvements and personal property which are owned by the Association and now or hereafter located upon the Association Property, which insurance shall afford protection against such risks, if any, as shall customarily be covered with respect to areas similar to the Association Property in developments similar to Canyon Trails in construction, location and use.

Section 2. PUBLIC LIABILITY INSURANCE. A comprehensive policy of public liability insurance naming the Association and, until Declarant no longer owns any Lot with the Property, Declarant as named insureds thereof insuring against any and all claims or demands made by any person or persons whomsoever for personal injuries or property damage received in connection with, or arising from, the operation, maintenance and use of the Association Property and any Improvements located thereon, and for any other risks insured against by such policies with limits of not less than One Million Dollars (\$1,000,000.00) for damages incurred or claimed by any one person for any one occurrence; not less than Three Million Dollars (\$3,000,000.00) for damages incurred or claimed by more than one person for any one occurrence; and for not less than Fifty Thousand Dollars (\$50,000.00) property damage per occurrence with no separate limits stated for the number of claims. The Association may also obtain worker's compensation insurance and other liability insurance including, but not limited to, insurance for lawsuits related to employment contracts in which the Association is a party, as it may deem desirable.

Section 3. FIDELITY COVERAGE. Adequate fidelity coverage to protect against dishonest acts of the officers and employees of the Association and the Board and all others who handle and are responsible for handling funds of the Association shall be maintained in the form of fidelity bonds, which requirements shall be reasonably determined by the Board.

Section 4. DIRECTORS' COVERAGE. Adequate directors' and officers' liability coverage, which coverage shall be effective from and after the date the Association is created.

Section 5. OTHER INSURANCE. The Board may obtain such other forms of insurance as the Board may determine and in such coverage amounts as the Board shall determine to be required or beneficial for the protection or preservation of the Association Property and any Improvements now or hereafter located thereon or in the best interests of the Association and/or its officers and directors.

Section 6. CANCELLATION OR MODIFICATION. All insurance policies purchased by the Association shall provide that they may not be canceled (including for nonpayment of premiums) or substantially modified without at least ten (10) days prior written notice to the Association and to each first mortgage holder, if any, named in the mortgage clause.

Section 7. FLOOD INSURANCE. If determined appropriate by the Board or if required by an Institutional Mortgagee, a master or blanket policy of flood insurance covering the Association Property, if available under the National Flood Insurance Program, shall be purchased, which flood insurance shall be in the form of a standard policy issued by a member of the National Flood Insurers Association, and the amount of the coverage of such insurance shall be the lesser of the maximum amount of flood insurance available under such program, or one hundred percent (100%) of the current replacement cost of all buildings and other insurable property located in the flood hazard area.

Section 8. CONDEMNATION. In the event the Association receives any award or payment arising from the taking of any Association Property or any part thereof as a result of the exercise of the right of condemnation or eminent domain, the net proceeds thereof shall first be applied to the restoration of such taken areas and improvements thereon to the extent deemed advisable by the Board and approved by at least two-thirds (2/3) of the total voting interests, and the remaining balance thereof, if any, shall then be distributed pro rata to Owners and mortgagees of Lots as their respective interests may appear.

Section 9. 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 Owners, the Declarant and the agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement of said persons, but only to the extent that such insurance proceeds are received in compensation for such loss.

ARTICLE XIII
GENERAL PROVISIONS

Section 1. CONFLICT WITH OTHER CANYON TRAILS DOCUMENTS. In the event of any conflict between the provisions of this Declaration and the provisions of the Articles and/or Bylaws and/or rules and regulations promulgated by the Association, the provisions of this Declaration, the Articles, the Bylaws, and the rules and regulations shall control in that order.

Section 2. NOTICES. Any notice or other communication required or permitted to be given or delivered hereunder shall be deemed properly given and delivered upon the mailing thereof by United States mail, postage prepaid, to: (i) each Owner, at the address of the person whose name appears as the Owner on the records of the Association at the time of such mailing and, in the absence of any specific address, at the address of the Home owned by such Owner; (ii) the Association, certified mail, return receipt requested, at 1600 Sawgrass Corporate Parkway, Suite 400, Sunrise, Florida 33323, or such other address as the Association shall hereinafter notify Declarant and the Owners of in writing; and (iii) Declarant, certified mail, return receipt requested, at 1600 Sawgrass Corporate Parkway, Suite 400, Sunrise, Florida 33323, or such other address or addresses as Declarant shall hereafter notify the Association of in writing, any such notice to the Association of a change in Declarant's address being deemed notice to the Owners.

Section 3. ENFORCEMENT. The covenants and restrictions herein contained may be enforced by Declarant (so long as Declarant holds an equitable or legal interest in any Lot and/or Home), the Association, any Owner and any Institutional Mortgagee holding a mortgage on any portion of the Property in any judicial proceeding seeking any remedy recognizable at law or in equity, including damages, injunction or any other form of relief against any person, firm or entity violating or attempting to violate any covenant, restriction or provision hereunder. The failure by any party to enforce any such covenant, restriction or provision herein contained shall in no event be deemed a waiver of such covenant, restriction or provision or of the right of such party to thereafter enforce such covenant, restriction or provision. The prevailing party in any such litigation shall be entitled to reimbursement of all costs thereof including, but not limited to, Legal Fees, from the non-prevailing party.

Section 4. INTERPRETATION. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of a residential community and for the maintenance of recreational facilities and Association Property. Article, Section and Paragraph captions, headings and titles inserted throughout this Declaration are intended as a matter of convenience only and in no way shall such captions, headings or titles define, limit or in any way affect the subject matter or any of the terms and provisions thereunder or the terms and provisions of this Declaration.

Whenever the context so requires or permits, any pronoun used herein may be deemed to mean the corresponding masculine, feminine or neuter form thereof, and the singular form of any nouns and pronouns herein may be deemed to mean the corresponding plural form thereof and vice versa.

Section 5. SEVERABILITY. In the event any of the provisions of this Declaration shall be deemed invalid by a court of competent jurisdiction, said judicial determination shall in no way affect any of the other provisions hereof, which shall remain in full force and effect, and any provisions of this Declaration deemed invalid by a court of competent jurisdiction by virtue of the term or scope thereof shall be deemed limited to the maximum term and scope permitted by law. In the event that any court should hereafter determine that any provision of this Declaration

is in violation of the rule of property known as the "rule against perpetuities" or any other rule of law because of the duration of a time period, such provision shall not thereby become invalid, but instead the duration of such time period shall be reduced to the maximum period allowed under such rule of law, and in the event the determination of the duration of such time period requires measuring lives, such measuring life shall be that of the incorporator of the Association.

Section 6. CERTAIN RIGHTS OF DECLARANT. Notwithstanding anything to the contrary herein contained, no Improvements constructed or installed by Declarant shall be subject to the approval of the Association or the Owners or the provisions and requirements of this Declaration, although it is the intent of the Declarant to create a community with a common scheme of development. Notwithstanding the other provisions of this Declaration, the Declarant reserves for itself and its affiliates, and the Declarant, its affiliates and its nominees shall have, the right to enter into and transact on the Property any business necessary to consummate the sale, lease or encumbrance of Homes or real property within or outside Canyon Trails, including, but not limited to, the right to maintain models and a sales and/or leasing office, a construction office and/or a service office, place signs, employ sales, leasing, construction and service personnel, use the Association Property and show Homes, and the Declarant further reserves the right to make repairs to the Association Property and to carry on construction activity for the benefit of the Property, all of which activities may continue even after the Turnover Date. The Declarant, its affiliates and their respective nominees, may exercise the foregoing rights without notifying the Association and/or the Owners. Any such models, sales and/or leasing office, construction office, service office, signs and any other items pertaining to such sales, leasing, construction or service efforts shall not be considered a part of the Association Property and shall remain the property of the Declarant. In addition, the Declarant hereby has, shall have and hereby reserves the right to enter upon the Association Property (including, without limitation, all drainage, lake maintenance, canal maintenance, Conservation Areas, Preserve Areas and utility easements whether located on a Lot or Association Property) in order for Declarant to final-out and/or close-out any and all approvals, permits, orders, conditions and/or requirements that have been issued or imposed by any governmental entity in connection with the development and construction of Canyon Trails and all Improvements therein, and for Declarant to comply and adhere to the same, and such rights shall survive the Turnover Date and continue for such period of time as is necessary for Declarant to fully comply with all such governmentally issued approvals, permits, orders, conditions and/or requirements. Without limiting the generality of the foregoing, in exercising any such rights, Declarant shall have the right to remove and/or relocate any and all items (including, without limitation, landscape materials, fences and/or other Improvements) that may be required to be removed and/or relocated to final-out and/or close-out any and all such approvals, permits, orders, conditions and/or requirements without compensation to the Association or the Owners. This Section 6 may not be suspended, superseded or modified in any manner by any amendment to this Declaration unless such amendment is consented to in writing by the Declarant. This right of use and transaction of business as set forth herein and the other rights reserved by the Declarant in the Canyon Trails Documents may be assigned in writing by the Declarant in whole or in part. For the purposes of this Section 6, the term "Declarant" shall include any "Lender" which has loaned money to the Declarant to acquire or construct Improvements upon the Property, or its successors and assigns if such Lender, its successors or assigns, acquires title to any portion of the Property as a result of the foreclosure of any mortgage encumbering any portion of the Property securing any such loan to the Declarant, or acquires title thereto by deed in lieu of foreclosure. The rights and privileges of the Declarant as set forth in this Section 6 are in

addition to, and are no way a limit on, any other rights or privileges of the Declarant under any of the Canyon Trails Documents.

The Declarant shall also have the right, but not the obligation, to conduct inspections and tests from time to time of all or any portion of the Association Property in order to ascertain the physical condition of the Improvements and to determine if maintenance, repair or replacement of any such Improvement is necessary. If the Declarant conducts any such tests or inspections, it shall pay all costs thereof and restore the affected portion of the Property to its condition immediately prior to the inspections and tests. The Declarant shall have such rights of entry on, over, under, across and through the Property as may be reasonably necessary to exercise the rights described in this Section 6. The Declarant's right of inspection shall exist whether or not the Turnover Date has occurred. In the event the Declarant exercises its inspection right(s), it is acknowledged by the Association and all Owners that the Declarant is performing any such inspection(s) for its own benefit and not for the benefit of the Association and/or the Owners and further, the Declarant shall have no obligation to inform the Association and/or the Owners of the result of any such inspection.

ALL OWNERS, OCCUPANTS AND USERS OF CANYON TRAILS ARE HEREBY PLACED ON NOTICE THAT DECLARANT AND/OR ITS AGENTS, CONTRACTORS, SUBCONTRACTORS, LICENSEES AND OTHER DESIGNEES MAY BE, FROM TIME TO TIME, CONDUCTING EXCAVATION, CONSTRUCTION AND OTHER ACTIVITIES WITHIN OR IN PROXIMITY TO CANYON TRAILS. BY THE ACCEPTANCE OF THEIR DEED, TITLE OR OTHER CONVEYANCE OR MORTGAGE, LEASEHOLD, LICENSE OR OTHER INTEREST, AND BY USING ANY PORTION OF CANYON TRAILS, EACH SUCH OWNER, OCCUPANT AND USER FOR THEMSELVES AND EACH OF THEIR RESPECTIVE HEIRS, LEGAL REPRESENTATIVES, AND ASSIGNS AUTOMATICALLY ACKNOWLEDGES, STIPULATES AND AGREES AS FOLLOWS (i) THAT NONE OF THE AFORESAID ACTIVITIES SHALL BE DEEMED NUISANCES OR NOXIOUS OR OFFENSIVE ACTIVITIES, HEREUNDER OR AT LAW GENERALLY, (ii) NOT TO ENTER UPON, OR ALLOW THEIR CHILDREN OR OTHER PERSONS UNDER THEIR CONTROL OR DIRECTION TO ENTER UPON (REGARDLESS OF WHETHER SUCH ENTRY IS A TRESPASS OR OTHERWISE) ANY PROPERTY WITHIN OR IN PROXIMITY TO CANYON TRAILS WHERE THE AFORESAID ACTIVITIES ARE BEING CONDUCTED (EVEN IF NOT BEING ACTIVELY CONDUCTED AT THE TIME OF ENTRY, SUCH AS AT NIGHT OR OTHERWISE DURING NON-WORKING HOURS), (iii) THAT THE OWNER, OCCUPANT OR USER IS AT RISK OF SUFFERING INJURY TO BOTH THEIR PERSON AND/OR PROPERTY AS A RESULT OF ENTRY UPON ANY PROPERTY WITHIN OR IN PROXIMITY TO CANYON TRAILS WHERE THE AFORESAID ACTIVITIES ARE BEING CONDUCTED. EACH OWNER, OCCUPANT AND USER EXPRESSLY ASSUMES FULL RESPONSIBILITY FOR THE RISK OF BODILY INJURY, DEATH OR PROPERTY DAMAGE SUFFERED AS A RESULT OF THE AFORESAID CONSTRUCTION AND OTHER ACTIVITIES; (iv) THAT EACH OWNER, OCCUPANT AND USER HEREBY RELEASES, WAIVES, DISCHARGES AND HOLDS HARMLESS DECLARANT, ITS PARTNERS AND AFFILIATES, AND EACH OF THEIR RESPECTIVE PARTNERS, AFFILIATES, SHAREHOLDERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, CONTRACTORS, SUBCONTRACTORS, SUCCESSORS AND ASSIGNS, AND ANY SUBSEQUENT DECLARANT ("RELEASED PARTIES") FROM ALL LOSSES, CLAIMS, COSTS, LIABILITIES, DAMAGES, INCLUDING COMPENSATORY, CONSEQUENTIAL,

PUNITIVE OR OTHERWISE, AND INCLUDING, BUT NOT LIMITED TO, PROPERTY DAMAGE OR BODILY INJURY OR DEATH, WHETHER CAUSED BY NEGLIGENCE ON THE PART OF ANY OR ALL OF THE RELEASED PARTIES OR ANYONE ELSE, AS A RESULT OF, ARISING OUT OF, OR IN CONNECTION WITH THE AFORESAID CONSTRUCTION AND OTHER ACTIVITIES; (v) ANY PURCHASE OR USE OF ANY PORTION OF CANYON TRAILS HAS BEEN AND WILL BE MADE WITH FULL KNOWLEDGE OF THE FOREGOING; AND (vi) THAT THIS ACKNOWLEDGMENT AND AGREEMENT IS A MATERIAL INDUCEMENT TO DECLARANT TO SELL, CONVEY, LEASE AND/OR ALLOW THE USE OF THE APPLICABLE PORTION OF CANYON TRAILS.

Section 7. DISPUTES AS TO USE. In the event there is any dispute as to whether the use of the Property or any portion or portions thereof complies with the covenants, restrictions, easements or other provisions contained in this Declaration, such dispute shall be referred to the Board, and a determination rendered by the Board with respect to such dispute shall be final and binding on all parties concerned therewith. Notwithstanding anything to the contrary herein contained, any use by Declarant of the Property shall be deemed a use which complies with this Declaration and shall not be subject to a contrary determination by the Board.

Section 8. AMENDMENT AND MODIFICATION. The process of amending or modifying this Declaration shall be as follows:

1. Until the Turnover Date, all amendments or modifications shall only be made by Declarant without the requirement of the Association's consent or the consent of the Owners so long as such amendments or modifications do not materially impair the common plan of development of Canyon Trails; provided, however, that the Association shall, forthwith upon request of Declarant, join in any such amendments or modifications and execute such instruments to evidence such joinder and consent as Declarant shall, from time to time, request.

2. After the Turnover Date, this Declaration may be amended by: (i) the consent of the Owners owning two-thirds (2/3) of all Lots; together with (ii) the approval or ratification of a majority of the Board. The aforementioned consent of the Owners owning two-thirds (2/3) of the Lots may be evidenced by a writing signed by the required number of Owners or by the affirmative vote of the required number of Owners at any regular or special meeting of the Association called and held in accordance with the Bylaws and evidenced by a certificate of the Secretary or an Assistant Secretary of the Association.

3. Amendments for correction of scrivener's errors or other nonmaterial changes may be made by Declarant alone until the Turnover Date and by the Board thereafter and without the need of consent of the Owners.

4. Notwithstanding anything to the contrary herein contained, no amendment to this Declaration shall be effective which shall impair or prejudice the rights or priorities of Declarant, the Association or of any Institutional Mortgagee under the Canyon Trails Documents without the specific written approval of such party affected thereby. In addition, and ~~notwithstanding anything to the contrary contained herein, no amendment to this Declaration~~ shall be effective which shall eliminate or modify the provisions of Section 6 of this Article XIII and any such amendment shall be deemed to impair and prejudice the rights of Declarant.

5. A true copy of any Amendment to this Declaration shall be sent certified mail by the Association to Declarant and to all Institutional Mortgagees holding a mortgage on any portion of the Property requesting notice. The amendment shall become effective upon the recording amongst the Public Records of the County of said amendment or any Supplemental Declaration to this Declaration which sets forth any amendment or modification to this Declaration.

6. Notwithstanding anything contained herein to the contrary, Declarant may, without the consent of any Owners, file any amendments to this Declaration which may be required by an Institutional Mortgagee for the purpose of satisfying such Institutional Mortgagee's development criteria or such other criteria as may be established by such mortgagee's secondary mortgage market purchasers, including, without limitation, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation; provided, however, any such Declarant's filed amendments must be in accordance with any applicable rules, regulations and other requirements promulgated by the United States Department of Housing and Urban Development.

7. Any proposed amendment to the Declaration which would affect the surface water management system (including environmental conservation areas and the water management portions of the Association Property), shall be submitted to the Water Management District for a determination of whether the proposed amendment necessitates a modification of the surface water management permit.

Section 9. DELEGATION. The Association, pursuant to a resolution duly adopted by the Board, shall have the continuing authority to delegate all or any portion of its responsibilities for maintenance, operation and administration, as provided herein, to any managing agency or entity selected by the Board from time to time and whether or not related to Declarant.

Section 10. TERM. This Declaration and the terms, provisions, conditions, covenants, restrictions, reservations, regulations, burdens and liens contained herein shall run with and bind the Property, and inure to the benefit of Declarant, the Association and the Owners and their respective legal representatives, heirs, successors and assigns for a term of fifty (50) years from the date of recording this Declaration amongst the Public Records of the County, after which time this Declaration shall be automatically renewed and extended for successive periods of ten (10) years each unless at least one (1) year prior to the termination of such fifty (50)-year term or any such ten (10)-year extension there is recorded amongst the Public Records of the County an instrument agreeing to terminate this Declaration signed by Owners owning two-thirds (2/3) of the Lots and Institutional Mortgagees holding first mortgages encumbering two-thirds (2/3) of all Lots encumbered by first mortgages held by Institutional Mortgagees, upon which event this Declaration shall be terminated upon the expiration of the fifty (50)-year term or the ten (10)-year extension during which such instrument was recorded.

In the event this Declaration is terminated or the Association ceases to exist for any reason, the Owners shall be jointly and severally responsible for the costs to maintain and shall maintain the Association Property in the manner described herein. This provision may not be amended or deleted without the prior written consent of the County and this provision shall survive the termination of this Declaration and shall run with the Property in perpetuity. Any

Owner may, however, petition the Circuit Court for the appointment of a Receiver to manage the affairs of the Association in the event of dissolution of the Association.

Section 11. RIGHTS OF MORTGAGEES.

A. Right to Notice. The Association shall make available for inspection upon request, during normal business hours or under reasonable circumstances, the Canyon Trails Documents and the books, records and financial statements of the Association to Owners and the holders, insurers or guarantors of any first mortgages encumbering any portion of the Property. In addition, evidence of insurance shall be issued to each Owner and mortgagee holding a mortgage encumbering a Home upon written request to the Association.

B. Rights of Listed Mortgagee. Upon written request to the Association, identifying the name and address of the holder, insurer, or guarantor (such holder, insurer or guarantor is herein referred to as a "Listed Mortgagee") of a mortgage encumbering a Lot and the legal description of such Lot, the Association shall provide such Listed Mortgagee with timely written notice of the following:

(1) Any condemnation, loss or casualty loss which affects any material portion of the Association Property;

(2) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

(3) Any proposed action which would require the consent of mortgagees holding a mortgage encumbering a Lot; and

(4) Any failure by an Owner owning a Lot encumbered by a mortgage held, insured or guaranteed by such Listed Mortgagee to perform such Owner's obligations under the Canyon Trails Documents, including, but not limited to, any delinquency in the payment of Assessments, or any other charge owed to the Association by said Owner where such failure or delinquency has continued for a period of sixty (60) days.

C. Right of Listed Mortgagee to Receive Financial Statement. Any Listed Mortgagee shall, upon written request made to the Association, be entitled to financial statements of the Association for the prior fiscal year free of charge and the same shall be furnished within a reasonable time following such request.

Section 12. APPROVAL OF ASSOCIATION LAWSUITS BY OWNERS. Notwithstanding anything contained herein to the contrary, in order to prevent the Board from incurring expenses not contemplated by the Canyon Trails Documents, the Association shall be required to obtain the approval of three-fourths (3/4) of the total voting interests (at a duly called meeting of the Owners at which a quorum is present) prior to engaging persons or entities for the purpose of suing, or making, preparing or investigating any lawsuit, or commencing any lawsuit other than for the following purposes:

(a) the collection of Assessments;

(b) the collection of other charges which Owners are obligated to pay pursuant to the Canyon Trails Documents;

(c) the enforcement of the use and occupancy restrictions contained in the Canyon Trails Documents;

(d) dealing with an emergency when waiting to obtain the approval of the Owners creates a substantial risk of irreparable injury to the Association Property or to Owner(s) (the imminent expiration of a statute of limitations shall not be deemed an emergency obviating the need for the requisite vote of three-fourths [3/4] of the Owners); or

(e) filing a compulsory counterclaim.

Section 13. COMPLIANCE WITH PROVISIONS. Every person who owns, occupies or acquires any right, title, estate or interest in or to any Lot except as elsewhere herein provided does consent and agree to, and shall be conclusively deemed to have consented and agreed to, every limitation, restriction, easement, reservation, condition and covenant contained herein, whether or not any reference to these restrictions is contained in the instrument by which such person acquired an interest in such property. Declarant shall not in any way or manner be held liable or responsible for any violation of this Declaration by any person other than Declarant.

Section 14. SECURITY. The Association may, but shall not be obligated to, maintain or support certain activities within the Property designed to make the Property safer than it otherwise might be. Notwithstanding the foregoing, NEITHER DECLARANT NOR THE ASSOCIATION MAKES ANY REPRESENTATIONS WHATSOEVER AS TO THE SECURITY OF THE PREMISES OR THE EFFECTIVENESS OF ANY MONITORING SYSTEM OR SECURITY SERVICE WHETHER SAME ARE PROVIDED THROUGH THE COMMUNITY SYSTEMS OR OTHERWISE. ALL OWNERS, BY ACCEPTANCE OF A DEED OR TITLE TO A LOT, AGREE TO HOLD DECLARANT AND THE ASSOCIATION HARMLESS FROM ANY LOSS OR CLAIM ARISING FROM THE OCCURRENCE OF ANY CRIME OR OTHER ACT. NEITHER THE ASSOCIATION, DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY OR SAFETY WITHIN THE PROPERTY, AND NEITHER THE ASSOCIATION, DECLARANT NOR ANY SUCCESSOR DECLARANT GUARANTEE OR WARRANT, EXPRESSLY OR IMPLIEDLY, THE MERCHANTABILITY OR FITNESS FOR USE OF ANY SUCH MONITORING SYSTEM OR SECURITY SERVICE, OR THAT ANY SYSTEM OR SERVICES WILL PREVENT INTRUSIONS, FIRES, DAMAGE, INJURY, DEATH OR OTHER OCCURRENCES, OR THE CONSEQUENCES OF SUCH OCCURRENCES, REGARDLESS OF WHETHER OR NOT THE SYSTEM OR SERVICES ARE DESIGNED TO MONITOR SAME. NEITHER THE ASSOCIATION, DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN, IF ANY, EVEN IF CAUSED BY THE NEGLIGENCE OF ASSOCIATION, DECLARANT AND/OR ANY SUCCESSOR DECLARANT. ALL MEMBERS, OWNERS AND OCCUPANTS OF ANY LOT OR HOME, AND TENANTS, GUESTS, AND INVITEES OF ANY OWNER ACKNOWLEDGE THAT THE ASSOCIATION AND ITS BOARD, DECLARANT, AND ANY SUCCESSOR DECLARANT DO NOT REPRESENT OR WARRANT THAT: (a) ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY

SYSTEM (WHETHER SAME ARE PROVIDED THROUGH THE COMMUNITY SYSTEMS OR OTHERWISE), IF ANY, RECOMMENDED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY DECLARANT OR THE ARCHITECTURAL CONTROL COMMITTEE MAY NOT BE COMPROMISED OR CIRCUMVENTED, OR (b) THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEM (WHETHER SAME ARE PROVIDED THROUGH THE COMMUNITY SYSTEMS OR OTHERWISE) WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH MEMBER, OWNER AND OCCUPANT OF ANY LOT OR HOME, AND EACH TENANT, GUEST AND INVITEE OF AN OWNER ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION, ITS BOARD AND THE ARCHITECTURAL CONTROL COMMITTEE, DECLARANT, AND ANY SUCCESSOR DECLARANT ARE NOT INSURERS OR GUARANTORS AND THAT EACH MEMBER, OWNER AND OCCUPANT OF ANY LOT OR HOME, AND EACH TENANT, GUEST AND INVITEE OF ANY MEMBER OR OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO LOTS OR HOMES, AND TO THE CONTENTS OF LOTS OR HOMES AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION, ITS BOARD AND THE ARCHITECTURAL CONTROL COMMITTEE, DECLARANT, AND ANY SUCCESSOR DECLARANT HAVE MADE NO REPRESENTATIONS, WARRANTIES AND/OR GUARANTIES, NOR HAS ANY OWNER, MEMBER, OCCUPANT, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS (WHETHER SAME ARE PROVIDED THROUGH THE COMMUNITY SYSTEMS OR OTHERWISE) RECOMMENDED OR INSTALLED, IF ANY, OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY.

Section 15. COVENANT RUNNING WITH THE LAND. All provisions of this Declaration shall, to the extent applicable and unless otherwise expressly provided herein to the contrary, be construed to be covenants running with the Lots and Homes and the Property and with every part thereof and interest therein, and all of the provisions hereof shall be binding upon and inure to the benefit of the Declarant and subsequent Owner(s) of the Homes, Lots and Property or any part thereof, or interest therein, and their respective heirs, successors, and assigns. However, the same are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public, unless specifically provided herein to the contrary. All present and future Owners, tenants, and occupants of the Lots and Homes, as applicable, shall be subject to and shall comply with the provisions of this Declaration and the Articles, Bylaws and applicable rules and regulations as they exist and may from time to time be amended. The acceptance of a deed of conveyance of a Lot, or the entering into a lease of or occupancy of a Home, shall constitute an adoption and ratification by such Owner, tenant, or occupant of the provisions of this Declaration, and the Articles, Bylaws, and applicable rules and regulations of the Association, as they may be amended from time to time. In the event that any easements granted herein shall fail for want of a grantee in being or for any other purpose, the same shall constitute and be covenants running with the land.

Section 16. NO PUBLIC RIGHT OR DEDICATION. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any portion of the Association Property to the public, or for any public use.

Section 17. NO REPRESENTATIONS OR WARRANTIES. NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, HAVE BEEN GIVEN OR MADE BY DECLARANT OR ITS AGENTS OR EMPLOYEES IN CONNECTION WITH ANY PORTION OF THE ASSOCIATION PROPERTY, ITS PHYSICAL CONDITION, ZONING, COMPLIANCE WITH APPLICABLE LAWS, FITNESS FOR INTENDED USE, OR IN CONNECTION WITH THE SUBDIVISION, SALE, OPERATION, MAINTENANCE, COST OF MAINTENANCE, TAXES OR REGULATION THEREOF, EXCEPT AS SPECIFICALLY AND EXPRESSLY SET FORTH IN THIS DECLARATION.

Section 18. BUS STOP. In conformance with County requirements, it is disclosed to each Owner of a Lot in the Community that an easement shall be granted in favor of the County to construct and operate a bus stop, boarding and alighting area within a portion of the Buffer located adjacent to Acme Dairy Road. The County may, but is under no obligation to construct and operate such bus stop and related improvements. Each Owner, by acceptance of a deed or other instrument of conveyance for a Lot, acknowledges and agrees that Acme Dairy Road is a public roadway, and that utilities and other improvements (including, without limitation, overhead power lines and/or light poles) may or may not be constructed within such roadways or any adjacent utility easements.

Section 19. NOISE ABATEMENT/FLORIDA TURNKPIKE. In conformance with County requirements, it is disclosed to each Owner of a Lot in the Community is located adjacent to the District's E-2W canal which runs along the eastern boundary of the Community and is adjacent to the Florida Turnpike, a public highway. As a result of the proximity of the Community to the Florida Turnpike, the Homes within the Community will be located within an area subject to noise generated by vehicles using the Florida Turnpike. Declarant has installed or will be installing noise abatement improvements determined by the County Engineer and the Florida Department of Transportation to be effective in keeping noise levels from the Florida Turnpike below the State of Florida's noise abatement criteria in effect as of the date of issuance of the development order for the Community. Each Owner, by acceptance of a deed or title to a Lot, acknowledges and agrees that any additional noise mitigation measures requested or desired in the future by the Owners or the Association will not be funded or constructed by the County or Declarant. Declarant does not represent, warrant or guarantee how and/or to what extent the traffic noise from the Florida Turnpike will affect Canyon Trails and/or the use and enjoyment thereof, and Declarant shall have absolutely no liability whatsoever therefor.

Section 20. MANDATORY RECLAIMED WATER ZONE. Canyon Trails is located within the County Water Utilities Department's "Mandatory Reclaimed Water Zone". Accordingly, each Owner acknowledges and agrees that Declarant has entered or will enter into one or more reclaimed water development agreement(s) whereby reclaimed water provided by the Palm Beach County Water Utilities Department will be used to recharge the Lakes in Canyon Trails. The water from the Lakes (including the reclaimed water) will be used for irrigation of the Association Property, each of the individual Lots within the Community, and the Acme Dairy Improvements.

Section 21. CERTAIN RESERVED RIGHTS OF DECLARANT WITH RESPECT TO COMMUNITY SYSTEMS. Without limiting the generality of any other applicable provisions

of this Declaration, and without such provisions limiting the generality hereof, Declarant hereby reserves and retains to itself:

(a) the title to any Community Systems and a perpetual exclusive easement over, under and across the Property for the placement and location thereof;

(b) the right to connect, from time to time, the Community Systems to such receiving or intermediary transmission source(s) as Declarant may in its sole discretion deem appropriate, in location(s) on the Property as Declarant may determine in its sole discretion, including, without limitation, companies licensed to provide CATV or satellite service(s) in the County, for which service(s) Declarant shall have the right to charge any users a fee (which shall not exceed any maximum allowable charge provided for in the applicable ordinances of the County);

(c) the continuing right to air conditioned space within and/or on the Association Property as Declarant may determine in its sole discretion to install, operate, maintain, repair and replace the equipment serving, providing or running the Community Systems, which location may include, without limitation, room(s) within any clubhouse or other Improvements constructed on the Association Property; and

(d) the exclusive right to offer and provide from time to time to the Association, the Lots and the Lot Owners, any and all Bundled Services through the Community Systems.

Neither the Association nor any officer, director, employee, committee member or agent thereof (including any management company) shall be liable for any damage to property, personal injury or death arising from or connected with any act or omission of any of the foregoing during the course of performing any duty or exercising any right or privilege (including, without limitation, performing maintenance work which is the duty of the Association or exercising any remedial maintenance or alteration rights under this Declaration) required or authorized to be done by the Association, or any of the other aforesaid parties, under this Declaration or otherwise as required or permitted by law.

Section 22. SURROUNDING AGRICULTURAL USES. By acceptance of a deed or title to a lot, each Owner acknowledges and agrees that Canyon Trails lies in an area where several of the adjacent and surrounding properties are presently zoned for and/or may be used for agricultural uses, a permissive zoning designation allowing, among other things, groves/row crops, livestock raising, private kennels, stables, farm worker quarters, and others. Declarant cannot and does not represent, warrant or guaranty the manner in which such properties are now or in the future will be used, or how same will affect Canyon Trails, and Declarant shall have absolutely no liability whatsoever therefor.

Section 23. ASSOCIATION AND DECLARANT AS ATTORNEY-IN-FACT. Each Owner, by reason of having acquired ownership of a Lot, whether by purchase, gift, operation of law or otherwise, and each occupant of a Home, by reason of his or her occupancy, is hereby declared to have acknowledged and agreed to his or her automatic consent to any rezoning, replatting, covenant in lieu of unity of title, change, addition or deletion made in, on or to Canyon Trails by Declarant (hereinafter, collectively, the "Modifications") and, in respect thereto, each Owner of a

Lot and occupant of a Home hereby designates the Association to act as agent and attorney in fact on behalf of such Owner or occupant to consent to any such Modification. If requested by Declarant, each Owner shall evidence his or her consent to a Modification in writing (provided, however, that any refusal to give such written consent shall not obviate the automatic effect of this provision). Further, each Owner, by reason of having acquired ownership of a Lot, hereby agrees to execute, at the request of Declarant, any document and/or consent which may be required by any government agency to allow Declarant and/or its affiliates to complete the plan of development of Canyon Trails, as such plan may be hereafter amended, and each such Owner hereby further appoints Declarant as such Owner's agent and attorney-in-fact to execute, on behalf and in the name of each such Owner, any and all of such documents and/or consents. This power of attorney is irrevocable and is coupled with an interest. The provisions of this Section 23 may not be amended without Declarant's prior written consent.

Section 24. DECLARANT'S RESERVATION OF RIGHTS. Notwithstanding anything contained herein or in any of the other the Canyon Trails Documents to the contrary, Declarant reserves the right to change the zoning of any portion of the Property now existing or hereafter changed to be other than single-family residential (e.g., multi-family residential or commercial) and/or to make such uses of all or any part of the Property as shall be permitted by applicable zoning regulations as they may exist from time to time. Declarant, however, is not obligated by this Declaration to cause any portion of the Property to be rezoned or developed for any such uses. In the event Declarant changes the zoning of the Property, Declarant hereby reserves the right to amend this Declaration or to create one or more sub-declarations subjecting such property(ies) to additional or different specified or prohibited uses.

Additionally, in the event Declarant changes the zoning of the Property or any portion thereof to a use other than single-family residential and amends this Declaration or creates a sub-declaration, in order to insure representation on the Board for various groups having dissimilar interests, Declarant reserves the right to establish voting groups for election of Directors to the Board. In such event, each voting group shall be entitled to elect one (1) or more Director(s) to the Board. Each voting group may have different voting rights as determined by Declarant.

In the event Declarant establishes other uses of or for the Property as aforesaid, Declarant reserves the right to change the method pursuant to which Assessments are shared among the Lots and other portions of the Property. The expenses may be divided among each type of property use (e.g., single-family residential, multi-family residential and commercial) based upon, but not necessarily proportional to, the percentage of each type of property use, the level of services received by each type of property use and other relevant factors as determined by Declarant. Additionally, expenses which specifically relate to a specific property use will only be assessed against that type of property. The percentages for each type of property will be based upon the total acreage of the Property.

The portion of the anticipated Operating Expenses which are assessed against the single-family residential property shall be based on percentages set forth by the Declarant and shall be divided equally among the contributing Lots or units by dividing such portion of the Operating Expenses which are being assessed to the single-family residential property by the total number of contributing Lots or units, and subject further to Article VII, Section 1 above in determining assessments based on Completed Lots and Incomplete Lots.

The portion of the anticipated Operating Expenses which are assessed against the multi-family residential property shall be based on percentages set forth by the Declarant and shall be

divided equally among the contributing multi-family units by dividing such portion of the Operating Expenses which are being assessed to the multi-family residential property by the total number of contributing units, and subject further to Article VII, Section 1 above in determining assessments based on Completed Lots and Incomplete Lots.

The portion of the anticipated Operating Expenses which are assessed against the commercial property shall be based on percentages set forth by the Declarant and shall be divided among the owners of the commercial property based upon a fractional formula, the numerator of which is the total square feet of buildings and paved areas of each commercial parcel and the denominator of which is the total square feet of all buildings and paved areas.

IN WITNESS WHEREOF, this Declaration has been signed by Declarant and joined in by the Association on the respective dates set forth below.

DECLARANT:

BOYNTON BEACH ASSOCIATES XXIII, LLLP, a Florida limited liability limited partnership

By: Boynton Beach XXIII Corporation, a Florida corporation, its general partner

By: _____
Name: N. Maria Menendez
Title: Vice President

[CORPORATE SEAL]

WITNESSES AS TO DECLARANT:

Signature
Print Name _____

Signature
Print Name _____

ASSOCIATION:

CANYON TRAILS HOMEOWNERS ASSOCIATION, INC, a Florida corporation not for profit

By: _____
Name: Barbara Smith
Title: President

[CORPORATE SEAL]

WITNESSES AS TO ASSOCIATION:

Signature
Print Name _____

Signature
Print Name _____

STATE OF FLORIDA)
) SS
COUNTY OF BROWARD)

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, the foregoing instrument was acknowledged before me by N. Maria Menendez, as Vice President of Boynton Beach XXIII Corporation, a Florida corporation, the general partner of BOYNTON BEACH ASSOCIATES XXIII, LLLP, a Florida limited liability limited partnership, freely and voluntarily under authority duly vested in them by said corporation, and that the seal affixed thereto is the true corporate seal of said corporation. She is personally known to me.

WITNESS my hand and official seal in the County and State last aforesaid this _____ day of _____, 20_____.

Notary Public, State of Florida at Large

My Commission Expires:

Typed, Printed or Stamped Name of Notary Public

STATE OF FLORIDA)
) SS
COUNTY OF BROWARD)

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, the foregoing instrument was acknowledged before me by Barbara Smith, as President of CANYON TRAILS HOMEOWNERS ASSOCIATION, INC., a Florida corporation not for profit, freely and voluntarily under authority duly vested in them by said corporation, and that the seal affixed thereto is the true corporate seal of said corporation. She is personally known to me.

WITNESS my hand and official seal in the County and State last aforesaid this _____ day of _____, 20_____.

Notary Public, State of Florida at Large

My Commission Expires:

Typed, Printed or Stamped Name of Notary Public

EXHIBIT A

Legal Description of Property

A PORTION OF TRACTS 66 THROUGH 72, 89 THROUGH 95, 98 THROUGH 103, 123 THROUGH 127 AND A PORTION OF A ROAD, DYKE AND DITCH RESERVATION, 30.00 FEET IN WIDTH, ALL LYING WITHIN BLOCK 54, PALM BEACH FARMS COMPANY PLAT NO. 3, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 2, PAGES 45 THROUGH 54, OF THE PUBLIC RECORDS, PALM BEACH COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT THE SOUTHEAST CORNER OF SAID TRACT 127; THENCE SOUTH 89°36'36" WEST, ALONG THE SOUTH LINE OF SAID TRACTS 123 THROUGH 127, A DISTANCE OF 1,369.68 FEET TO A POINT OF INTERSECTION WITH A NON-TANGENT CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 1,653.00 FEET, THE RADIUS POINT OF SAID CURVE BEARS SOUTH 89°04'45" WEST; THENCE NORTHERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 38°52'24", A DISTANCE OF 1,121.51 FEET TO A POINT OF REVERSE CURVATURE WITH A CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 2,484.00 FEET; THENCE NORTHWESTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 11°57'33", A DISTANCE OF 518.48 FEET TO A POINT OF REVERSE CURVATURE WITH A CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 32.00 FEET; THENCE NORTHERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 50°59'24", A DISTANCE OF 28.48 FEET TO A POINT OF REVERSE CURVATURE WITH A CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 80.00 FEET; THENCE NORTHWESTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 98°01'41", A DISTANCE OF 136.87 FEET TO A POINT OF REVERSE CURVATURE WITH A CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 32.00 FEET; THENCE NORTHWESTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 50°59'24", A DISTANCE OF 28.48 FEET TO A POINT OF REVERSE CURVATURE WITH A CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 2484.00 FEET; THENCE NORTHWESTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 17°11'32", A DISTANCE OF 745.35 FEET TO A POINT OF INTERSECTION WITH A NON-TANGENT LINE; THENCE NORTH 00°23'24" WEST, A DISTANCE OF 260.63 FEET; THENCE NORTH 89°36'22" EAST, ALONG A LINE 72.00 FEET SOUTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID TRACT 72, A DISTANCE OF 315.00 FEET; THENCE NORTH 00°23'24" WEST, ALONG THE EAST LINE OF SAID TRACT 72, A DISTANCE OF 25.80 FEET; THENCE NORTH 89°36'22" EAST, ALONG A LINE 46.20 FEET SOUTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID TRACTS 66 THROUGH 71, A DISTANCE OF 1,980.00 FEET; THENCE SOUTH 00°23'24" EAST ALONG THE EAST LINE OF SAID TRACTS 66, 95, 98 AND 127, A DISTANCE OF 2,624.76 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH:

~~A PORTION OF TRACTS 2 THROUGH 6, 27 THROUGH 31, 34 THROUGH 38, 59 THROUGH 63 AND A PORTION OF A ROAD, DYKE AND DITCH RESERVATION, 30.00 FEET IN WIDTH, ALL LYING WITHIN BLOCK 59, PALM BEACH FARMS COMPANY~~

PLAT NO. 3, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 2, PAGES 45 THROUGH 54, OF THE PUBLIC RECORDS, PALM BEACH COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHEAST CORNER OF SAID TRACT 2; THENCE SOUTH $00^{\circ}26'28''$ EAST ALONG THE EAST LINE OF SAID TRACTS 2, A DISTANCE OF 35.64 FEET TO THE POINT OF BEGINNING; THENCE SOUTH $00^{\circ}26'28''$ EAST, ALONG THE EAST LINE OF SAID TRACTS 2, 31, 34 AND 63, A DISTANCE OF 2,635.42 FEET; THENCE SOUTH $89^{\circ}36'33''$ WEST, ALONG THE SOUTH LINE OF SAID TRACTS 59 THROUGH 63, A DISTANCE OF 1,409.23 FEET; THENCE NORTH $10^{\circ}41'03''$ WEST, A DISTANCE OF 409.40 FEET TO THE POINT OF CURVATURE OF A CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 3,460.00 FEET; THENCE NORTHERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $15^{\circ}25'19''$, A DISTANCE OF 931.31 FEET TO A POINT OF REVERSE CURVATURE WITH A CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 32.00 FEET; THENCE NORTHEASTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $50^{\circ}42'29''$, A DISTANCE OF 28.32 FEET TO A POINT OF REVERSE CURVATURE WITH A CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 80.00 FEET; THENCE NORTHWESTERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $98^{\circ}59'39''$, A DISTANCE OF 138.22 FEET TO A POINT OF REVERSE CURVATURE WITH A CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 32.00 FEET; THENCE NORTHERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $50^{\circ}01'59''$, A DISTANCE OF 27.94 FEET TO A POINT OF TANGENCY; THENCE NORTH $06^{\circ}29'05''$ EAST, A DISTANCE OF 1,014.58 FEET TO THE POINT OF CURVATURE OF A CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 1,653.00 FEET; THENCE NORTHERLY, ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $04^{\circ}26'10''$, A DISTANCE OF 127.99 FEET TO A POINT OF INTERSECTION WITH A NON-TANGENT LINE; THENCE NORTH $89^{\circ}36'36''$ EAST, ALONG A LINE 35.64 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID TRACTS 2 THROUGH 6, A DISTANCE OF 1,371.16 FEET TO THE POINT OF BEGINNING.

EXHIBIT B

Articles of Incorporation of
Canyon Trails Homeowners Association, Inc.

[See Attached 17 Pages]

State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of THE TRAILS AT CANYON HOMEOWNERS ASSOCIATION, INC., a Florida corporation, filed on December 4, 2009, as shown by the records of this office.

I further certify the document was electronically received under FAX audit number H09000251878. This certificate is issued in accordance with section 15.16, Florida Statutes, and authenticated by the code noted below

The document number of this corporation is N09000011644.

Authentication Code: 009A00037291-120709-N09000011644-1/1

Given under my hand and the Great Seal of the State of Florida, at Tallahassee, the Capital, this the Seventh day of December, 2009



Kurt S. Browning
Secretary of State

**ARTICLES OF INCORPORATION
OF
THE TRAILS AT CANYON HOMEOWNERS ASSOCIATION, INC.
(A Florida Corporation Not-For-Profit)**

In order to form a corporation not for profit under and in accordance with the provisions of Chapters 617 and 720 of the Florida Statutes, the undersigned hereby incorporates this corporation not for profit for the purposes and with the powers hereinafter set forth and, to that end, the undersigned, by these Articles of Incorporation, certifies as follows:

**ARTICLE I
DEFINITIONS**

The following words and phrases when used in these Articles of Incorporation (unless the context clearly reflects another meaning) shall have the following meanings:

1. "Articles" means these Articles of Incorporation and any amendments hereto.
2. "Assessments" means the assessments for which all Owners are obligated to the Association and includes "Individual Lot Assessments" and "Special Assessments" (as such terms are defined in the Declaration) and any and all other assessments which are levied by the Association in accordance with the Trails at Canyon Documents.
3. "Association" means The Trails at Canyon Homeowners Association, Inc., a Florida corporation not for profit. Association is NOT a condominium association and is not intended to be governed by Chapter 718, Florida Statutes (the Condominium Act).
4. "Association Property" means the property defined as "Association Property" in the Declaration.
5. "Board" means the Board of Directors of the Association.
6. "Bylaws" means the Bylaws of the Association and any amendments thereto.
7. "County" means Palm Beach County, Florida.
8. "Declarant" means Boynton Beach Associates XVII, LLLP, a Florida limited liability limited partnership, and any successors or assigns thereof to which Boynton Beach Associates XVII, LLLP specifically assigns all or part of the rights of Declarant under the Declaration by an express written assignment, whether recorded in the Public Records of the County or not. The written assignment may give notice as to which rights of Declarant are to be exercised and as to which portion of the "Property" (as defined in the Declaration). In any event, any subsequent declarant shall not be liable for any default or obligations incurred by any prior declarant, except as may be expressly assumed by the subsequent declarant. Whether or not specifically stated, any Person who at any time holds the rights of Declarant hereunder and subsequently transfers or assigns the rights of Declarant

to another Person shall be afforded the same protection with respect to matters arising during its tenure as Declarant as the predecessor Declarant would have if it were still Declarant.

9. "Declaration" means the Declaration of Covenants, Restrictions and Easements for Trails at Canyon, which is intended to be recorded amongst the Public Records of the County, and any amendments thereto.

10. "Director" means a member of the Board.

11. "HOA Act" means the Homeowners Association Act, Chapter 720, Florida Statutes, as amended from time to time through the date of recording of the Declaration amongst the Public Records of the County.

12. "Home" means a residential dwelling unit constructed within Trails at Canyon which is designed and intended for use and occupancy as a single-family residence.

13. "Lot" means and refers to any parcel of land within Trails at Canyon as shown on the Plat or any "Additional Plat" (as such term is defined in the Declaration) upon which a Home is permitted to be constructed, together with the improvements thereon and any portion of the land within Trails at Canyon that is declared to be a Lot by a Supplemental Declaration and is not subsequently withdrawn from the provisions of the Declaration by a Supplemental Declaration. For purposes of Individual Lot Assessments, a Lot is either a Completed Lot or an Incomplete Lot.

14. "Member" means a member of the Association.

15. "Operating Expenses" means the expenses for which Owners are liable to the Association as described in the Trails at Canyon Documents and include, but are not limited to, the costs and expenses incurred by the Association in owning, administering, operating, maintaining, financing, repairing, managing or leasing, but not reconstructing, replacing or improving, the Association Property or any portion thereof and the improvements thereon, and all costs and expenses incurred by the Association in carrying out its powers and duties as set forth in the Trails at Canyon Documents.

16. "Owner" means the record owner, whether one or more persons or entities, of the fee simple title to any Lot within Trails at Canyon, and includes Declarant for so long as Declarant owns fee simple title to a Lot, but excluding therefrom those having such interest as security for the performance of an obligation.

17. "Plat" means the plat of Trails at Canyon - Plat One recorded or to be recorded in the Public Records of the County. In the event an Additional Plat is recorded among the Public Records of the County, then the term "Plat" as used herein shall also mean the Additional Plat.

18. "Trails at Canyon" means the planned residential development located in Palm Beach County, Florida, which encompasses the Property and is initially intended to comprise Homes and the Association Property, but subject to change in accordance with the Declaration.

19. "Trails at Canyon Documents" means, in the aggregate, the Declaration, these Articles, the Bylaws, the Plat and Additional Plat, if any, and all of the instruments and documents referred to or incorporated therein including, but not limited to, any "Amendment(s)" and "Supplemental Declaration(s)" (as such terms are defined in the Declaration).

Unless otherwise defined herein, the terms defined in the Declaration are incorporated herein by reference and shall appear in initial capital letters each time such terms appears in these Articles.

ARTICLE II

NAME

The name of the corporation shall be THE TRAILS AT CANYON HOMEOWNERS ASSOCIATION, INC., a Florida corporation not-for-profit, whose principal address and mailing address is 1600 Sawgrass Corporate Parkway, Suite 400, Sunrise, Florida 33323, or at such other place as may be designated, from time to time, by the Board of Directors.

ARTICLE III

PURPOSES

The purpose for which the Association is organized is to take title to, administer, operate, maintain, finance, repair, replace, manage and lease the Association Property in accordance with the terms of, and purposes set forth in, the Trails at Canyon Documents and to carry out the covenants and enforce the provisions of the Trails at Canyon Documents.

ARTICLE IV

POWERS

The Association shall have the following powers and shall be governed by the following provisions:

A. The Association shall have all of the common law and statutory powers of a corporation not for profit.

B. The Association shall have all of the powers granted to the Association in the Trails at Canyon Documents. All of the provisions of the Declaration and Bylaws which grant powers to the Association are incorporated into these Articles.

C. The Association shall have all of the powers reasonably necessary to implement the purposes of the Association, including, but not limited to, the following:

1. To perform any act required or contemplated by it under the Trails at Canyon Documents.

2. To make, establish, amend, abolish (in whole or in part) and enforce reasonable rules and regulations governing the use of the Association Property.

3. To make, levy and collect Assessments for the purpose of obtaining funds from its Members to pay Operating Expenses and other costs defined in the Declaration and costs of collection, and to use and expend the proceeds of Assessments in the exercise of the powers and duties of the Association.

4. To own, administer, operate, maintain, finance, repair, replace, manage, lease and convey the Association Property in accordance with the Trails at Canyon Documents.

5. To enforce by legal means the obligations of the Members and the provisions of the Trails at Canyon Documents.

6. To employ personnel, retain independent contractors and professional personnel, and enter into service contracts to provide for the administration, operation, maintenance, financing, repairing, replacing, management and leasing of the Association Property and to enter into any other agreements consistent with the purposes of the Association, including, but not limited to, agreements with respect to professional management of the Association Property and to delegate to such professional manager certain powers and duties of the Association.

7. To enter into the Declaration and any amendments thereto and instruments referred to therein.

8. To provide, to the extent deemed necessary by the Board, any and all services and do any and all things which are incidental to or in furtherance of things listed above or to carry out the Association mandate to keep and maintain Trails at Canyon in a proper and aesthetically pleasing condition and to provide the Owners with services, amenities, controls, rules and regulations, and enforcement which will enhance the quality of life at Trails at Canyon.

9. To borrow money and to obtain such financing as is necessary to maintain, repair and replace the Association Property in accordance with the Declaration and, as security for any such loan, to collaterally assign the Association's right to collect and enforce Assessments levied for the purpose of repaying any such loan.

10. Notwithstanding anything contained herein to the contrary, the Association shall be required to obtain the approval of three-fourths (3/4) of all Members (at a duly called meeting of the Members at which a quorum is present) prior to the engagement of legal counsel by the Association for the purpose of suing, or making, preparing or investigating any lawsuit, or commencing any lawsuit other than for the following purposes:

(a) the collection of Assessments;

(b) the collection of other charges which Owners are obligated to pay pursuant to the Trails at Canyon Documents;

(c) the enforcement of any applicable use and occupancy restrictions contained in the Trails at Canyon Documents;

(d) dealing with an emergency when waiting to obtain the approval of the Members creates a substantial risk of irreparable injury to the Association Property or to Member(s) (the imminent expiration of a statute of limitations shall not be deemed an emergency obviating the need for the requisite vote of three-fourths (3/4) of the Members); or

(e) filing a compulsory counterclaim.

11. To operate, maintain, and manage the Surface Water and Storm Water Management System in a manner consistent with the requirements of South Florida Water Management District Permit (the "Water Management District") and applicable rules; to assist in the enforcement of the Declaration's provisions relating to the Surface Water and Storm Water Management System; and to levy and collect adequate assessments against Owners for the cost of maintenance and operation of the Surface Water and Storm Water Management System.

ARTICLE V MEMBERS AND VOTING

The qualification of Members of the Association, the manner of their admission to membership, the manner of the termination of such membership and the manner of voting by Members shall be as follows:

A. Until such time as the first deed of conveyance of a Lot from Declarant to an Owner is recorded amongst the Public Records of the County ("First Conveyance"), the membership of the Association shall be comprised solely of the Declarant.

B. Upon the First Conveyance, Declarant shall be a Member as to each of the remaining Lots until each such Lot is conveyed to another Owner, and thereupon and thereafter each and every Owner, including Declarant as to Lots owned by Declarant, shall be a Member and exercise all of the rights and privileges of a Member.

C. Membership in the Association for Owners other than Declarant shall be established by the acquisition of ownership of fee simple title to a Lot as evidenced by the recording of an instrument of conveyance amongst the Public Records of the County. Where title to a Lot is acquired by conveyance from a party other than Declarant by means of sale, gift, inheritance, devise, bequest, judicial decree or otherwise, the person, persons or entity thereby acquiring such Lot shall not be a Member unless or until such Owner shall deliver a true copy of a deed or other instrument of acquisition of title to the Association.

D. The Association shall have two (2) classes of voting membership:

1. "Class A Members" shall be all Members, with the exception of Declarant while Declarant is a Class B Member, each of whom shall be entitled to one (1) vote for each Lot owned.

2. "Class B Members" shall be Declarant, who shall be entitled to three times the total number of votes of the Class A Members plus one. Class B membership shall cease and be converted to Class A membership upon the earlier to occur of the following events ("Turnover Date"):

(i) Three (3) months after the conveyance of ninety percent (90%) of the "Total Developed Lots" (as defined in Article X.C hereof) by Declarant, as evidenced by the recording of instruments of conveyance of such Lots amongst the Public Records of the County; or

(ii) At such time as Declarant shall designate in writing to the Association.

On the Turnover Date, Class A Members, including Declarant, shall assume control of the Association and elect not less than a majority of the Board.

E. The designation of different classes of membership are for purposes of establishing the number of votes applicable to certain Lots, and nothing herein shall be deemed to require voting solely by an individual class on any matter which requires the vote of Members, unless otherwise specifically set forth in the Trails at Canyon Documents.

F. No Member may assign, hypothecate or transfer in any manner his or her membership in the Association except as an appurtenance to his or her Lot.

G. Any Member who conveys or loses title to a Lot by sale, gift, inheritance, devise, bequest, judicial decree or otherwise shall, immediately upon such conveyance or loss of title, no longer be a Member with respect to such Lot and shall lose all rights and privileges of a Member resulting from ownership of such Lot.

H. There shall be only one (1) vote for each Lot, except for the Class B Members as set forth herein. If there is more than one Member with respect to a Lot as a result of the fee interest in such Lot being held by more than one person, such Members collectively shall be entitled to only one (1) vote. The vote of the Owners of a Lot owned by more than one natural person or by a corporation or other legal entity shall be cast by the person named ("Voting Member") in a certificate signed by all of the Owners of the Lot, or, if appropriate, by properly designated officers, partners or principals of the respective legal entity, and filed with the Secretary of the Association, and such certificate shall be valid until revoked by a subsequent certificate. If such a certificate is not filed with the Secretary of the Association, the vote of such Lot shall not be considered for establishing a quorum or for any other purpose.

Notwithstanding the foregoing provisions, whenever any Lot is owned by a husband and wife they may, but shall not be required to, designate a Voting Member. In the event a certificate

designating a Voting Member is not filed by the husband and wife, the following provisions shall govern their right to vote:

1. When both are present at a meeting, each shall be regarded as the agent and proxy of the other for purposes of casting the vote for each Lot owned by them. In the event they are unable to concur in their decision upon any topic requiring a vote, they shall lose their right to vote on that topic at that meeting, but shall count for purposes of establishing a quorum.

2. When only one (1) spouse is present at a meeting, the person present may cast the Lot vote without establishing the concurrence of the other spouse, absent any prior written notice to the contrary by the other spouse. In the event of prior written notice to the contrary to the Association by the other spouse, the vote of said Lot shall not be considered, but shall count for purposes of establishing a quorum.

3. When neither spouse is present, the person designated in a "Proxy" (as defined in the Bylaws) signed by either spouse may cast the Lot vote, when voting by Proxy is allowed, absent any prior written notice to the contrary to the Association by the other spouse or the designation of a different Proxy by the other spouse. In the event of prior written notice to the contrary to the Association or the designation of a different Proxy by the other spouse, the vote of said Lot shall not be considered, but shall count for purposes of establishing a quorum.

I. A quorum shall consist of persons entitled to cast at least thirty percent (30%) of the total number of votes of the Members.

ARTICLE VI TERM

The term for which this Association is to exist shall be perpetual. In the event of dissolution of the Association (unless same is reinstated), other than incident to a merger or consolidation, all of the assets of the Association shall be conveyed to a similar homeowners association or a public agency having a similar purpose, or any Member may petition the appropriate circuit court of the State of Florida for the appointment of a receiver to manage the affairs of the dissolved Association and its properties in the place and stead of the dissolved Association and to make such provisions as may be necessary for the continued management of the affairs of the dissolved Association and its properties.

In the event of the Association's termination, dissolution, or final liquidation, the responsibility for the operation and maintenance of the Surface Water and Storm Water Management System must be transferred to and accepted by an entity which complies with Section 40C-42.027, F.A.C. and is approved by the Water Management District prior to such termination, dissolution, or liquidation.

ARTICLE VII
INCORPORATOR

The name and address of the Incorporator of these Articles are:

Steven M. Helfman
1600 Sawgrass Corporate Parkway, Suite 400
Sunrise, Florida 33323

ARTICLE VIII
OFFICERS

The affairs of the Association shall be managed by the President of the Association, assisted by the Vice President(s), Secretary and Treasurer, and, if any, by the Assistant Secretary(ies) and Assistant Treasurer(s), subject to the directions of the Board. Except for officers elected prior to the Turnover Date, officers must be Members, or the parents, children or spouses of Members.

The Board shall elect the President, Secretary and Treasurer, and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board shall, from time to time, determine. The President shall be elected from amongst the membership of the Board, but no other officer need be a Director. The same person may hold two or more offices, the duties of which are not incompatible; provided, however, the office of President and a Vice President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by the same person.

ARTICLE IX
FIRST OFFICERS

The names of the officers who are to serve until the first election of officers by the Board are as follows:

President	-	Barbara Smith
Vice President	-	Marcie DePlaza
Vice President/ Secretary/Treasurer	-	N. Maria Menendez

ARTICLE X
BOARD OF DIRECTORS

A. The number of Directors on the first Board of Directors of the Association ("First Board") and the "Initial Elected Board" (as hereinafter defined) shall be three (3). The number of Directors elected by the Members subsequent to the "Declarant's Resignation Event" (as hereinafter defined) shall be an odd number of no less than three (3) nor more than seven (7). The Board shall determine the number of Directors to comprise the Board prior to each meeting at which Directors

are to be elected. Except for Declarant-appointed Directors, Directors must be Members or the parents, children or spouses of Members. Each Director shall have only one (1) vote.

B. The names and addresses of the persons who are to serve as Directors on the First Board are as follows:

<u>NAMES</u>	<u>ADDRESSES</u>
Barbara Smith	1600 Sawgrass Corporate Parkway Suite 400 Sunrise, Florida 33323
Marcie DePlaza	1600 Sawgrass Corporate Parkway Suite 400 Sunrise, Florida 33323
N. Maria Menendez	1600 Sawgrass Corporate Parkway Suite 400 Sunrise, Florida 33323

Declarant reserves the right to replace and/or designate and elect successor Directors to serve on the First Board for so long as the First Board is to serve, as hereinafter provided.

C. Declarant initially intends that Trails at Canyon, if and when ultimately developed, will contain an aggregate of five hundred seventy nine (579) Lots with a Home constructed on each Lot ("Developed Lots"). For purposes of this paragraph, "Total Developed Lots" shall mean the five hundred seventy nine (579) Developed Lots which Declarant initially intends to develop in Trails at Canyon. Notwithstanding the foregoing, Declarant has reserved the right in the Declaration to modify its plan of development for Trails at Canyon and to add land to and withdraw land from Trails at Canyon and, therefore, the total number of Lots and Homes within Trails at Canyon, and thus the term "Total Developed Lots," may refer to a number greater or lesser than five hundred seventy nine (579).

D. Upon the Turnover Date, the Members other than Declarant ("Purchaser Members") shall be entitled to elect not less than a majority of the Board. The election of not less than a majority of the Board by the Purchaser Members shall occur at a special meeting of the membership to be called by the Board for such purpose ("Initial Election Meeting"). The First Board shall serve until the Initial Election Meeting.

E. The Initial Election Meeting shall be called by the Association, through the Board, within sixty (60) days after the Purchaser Members are entitled to elect a majority of Directors as provided in Paragraph D hereof. A notice of meeting shall be forwarded to all Members in accordance with the Bylaws; provided, however, that the Members shall be given at least fourteen (14) days prior notice of such meeting. The notice shall also specify the number of Directors which

shall be elected by the Purchaser Members and the remaining number of Directors designated by Declarant.

F. At the Initial Election Meeting, Purchaser Members, who shall include all Members other than Declarant, the number of which may change from time to time, shall elect two (2) of the Directors, and Declarant, until the Declarant's Resignation Event, shall be entitled to designate one (1) Director (same constituting the "Initial Elected Board"). Declarant reserves and shall have the right, until the Declarant's Resignation Event, to name the successor, if any, to any Director it has so designated.

G. The Board shall continue to be so designated and elected, as described in Paragraph E above, at each subsequent "Annual Members' Meeting" (as defined in the Bylaws), until the Annual Members' Meeting following the Declarant's Resignation Event or until a Purchaser Member-elected Director is removed in the manner hereinafter provided.

A Director (other than a Declarant-appointed Director) may be removed from office upon the affirmative vote or agreement in writing of a majority of the voting interests of Purchaser Members for any reason deemed to be in the best interests of the Purchaser Members. A meeting of the Purchaser Members to so remove a Director (other than a Declarant-appointed Director) shall be held upon the written request of ten percent (10%) of the Purchaser Members. Any such recall shall be effected and a recall election shall be held, if applicable, as provided in the HOA Act.

H. Upon the earlier to occur of the following events ("Declarant's Resignation Event"), Declarant shall cause all of its designated Directors to resign:

1. When Declarant no longer holds at least five percent (5%) of the Total Developed Lots for sale in the ordinary course of business and all Lots sold by Declarant have been conveyed as evidenced by the recording of instruments of conveyance of such Lots amongst the Public Records of the County; or

2. When Declarant causes the voluntary resignation of all of the Directors designated by Declarant and does not designate replacement Directors.

Upon Declarant's Resignation Event, the Directors elected by Purchaser Members shall elect a successor Director to fill the vacancy caused by the resignation or removal of Declarant's designated Director. This successor Director shall serve until the next Annual Members' Meeting and until his successor is elected and qualified. In the event Declarant's Resignation Event occurs prior to the Initial Election Meeting, the Initial Election Meeting shall be called in the manner set forth in Paragraph G of this Article X, and all of the Directors shall be elected by the Purchaser Members at such meeting.

I. At each Annual Members' Meeting held subsequent to Declarant's Resignation Event, all of the Directors shall be elected by the Members. At the first Annual Members Meeting held after the Initial Election Meeting, a "staggered" term of office of the Board shall be created as follows:

1. a number equal to fifty percent (50%) of the total number of Directors rounded up to the nearest whole number is the number of Directors whose term of office shall be established at two (2) years and the Directors serving for a two (2) year term will be the Directors receiving the most votes at the meeting; and

2. the remaining Directors' terms of office shall be established at one (1) year.

At each Annual Members' Meeting thereafter, as many Directors of the Association shall be elected as there are Directors whose regular term of office expires at such time, and the term of office of the Directors so elected shall be for two (2) years, expiring when their successors are duly elected and qualified.

J. The resignation of a Director who has been designated by Declarant or the resignation of an officer of the Association who has been elected by the First Board shall be deemed to remise, release, acquit, satisfy and forever discharge such Director or officer of and from any and all manner of action(s), cause(s) of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law or in equity, which the Association or Purchaser Members had, now have or will have or which any personal representative, successor, heir or assign of the Association or Purchaser Members hereafter can, shall or may have against said Director or officer for, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of such resignation, except for such Director's or officer's willful misconduct or gross negligence.

ARTICLE XI INDEMNIFICATION

Each and every Director and officer of the Association shall be indemnified by the Association against all costs, expenses and liabilities, including attorney and paralegal fees at all trial and appellate levels and postjudgment proceedings, reasonably incurred by or imposed upon him/her in connection with any negotiation, proceeding, arbitration, litigation or settlement in which he/she becomes involved by reason of his/her being or having been a Director or officer of the Association, and the foregoing provision for indemnification shall apply whether or not such person is a Director or officer at the time such cost, expense or liability is incurred. Notwithstanding the above, in the event of a settlement in connection with any of the foregoing, the indemnification provisions provided in this Article XI shall not be automatic and shall apply only when the Board approves such settlement and reimbursement for the costs and expenses of such settlement as being in the best interest of the Association, and in the event a Director or officer admits that he/she is or is adjudged guilty of willful misconduct or gross negligence in the performance of his/her duties, the indemnification provisions of this Article XI shall not apply. The foregoing right of indemnification provided in this Article XI shall be in addition to and not exclusive of any and all rights of indemnification to which a Director or officer of the Association may be entitled under statute or common law.

ARTICLE XII
BYLAWS

The Bylaws shall be adopted by the First Board, and thereafter may be altered, amended or rescinded in the manner provided for in the Bylaws. In the event of any conflict between the provisions of these Articles and the provisions of the Bylaws, the provisions of these Articles shall control.

ARTICLE XIII
AMENDMENTS

A. Prior to the First Conveyance, these Articles may be amended only by an instrument in writing signed by the Declarant and filed in the Office of the Secretary of State of the State of Florida.

B. After the First Conveyance, and prior to the Turnover Date, these Articles may be amended solely by a majority vote of the Board, without the prior written consent of the Members, at a duly called meeting of the Board.

C. After the Turnover Date, these Articles may be amended in the following manner:

1. (a) The Board shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the Members, which may be at either the Annual Members' Meeting or a special meeting. Any number of proposed amendments may be submitted to the Members and voted upon by them at one meeting.

(b) Written notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each Member within the time and in the manner provided in the Bylaws for the giving of notice of meetings.

(c) At such meeting, a vote of the Members shall be taken on the proposed amendment(s). The proposed amendment(s) shall be adopted upon receiving the affirmative vote of a majority of the total number of Members in the Association.

2. An amendment may be adopted by a written statement (in lieu of a meeting) signed by all Members and all members of the Board setting forth their intention that an amendment to the Articles be adopted.

D. After the First Conveyance, these Articles may not be amended without the written consent of a majority of the members of the Board.

E. Notwithstanding any provisions of this Article XIII to the contrary, these Articles shall not be amended in any manner which shall prejudice the rights of any "Institutional Mortgagee" (as such term is defined in the Declaration) without the prior written consent of such Institutional Mortgagee.

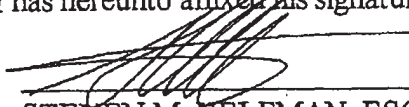
F. Notwithstanding the foregoing provisions of this Article XIII to the contrary, no amendment to these Articles shall be adopted which shall abridge, prejudice, amend or alter the rights of Declarant without the prior written consent of Declarant, including, but not limited to, Declarant's right to designate and select members of the First Board or otherwise designate and select Directors as provided in Article X above, nor shall any other amendment be adopted or become effective without the prior written consent of Declarant.

G. Any instrument amending these Articles shall identify the particular article or articles being amended and shall provide a reasonable method to identify the amendment being made. A certified copy of each such amendment shall be attached to any certified copy of these Articles, and a copy of each amendment certified by the Secretary of State shall be recorded amongst the Public Records of the County.

ARTICLE XIV
REGISTERED OFFICE AND REGISTERED AGENT


The street address of the initial registered office of the Association is 1600 Sawgrass Corporate Parkway, Suite 400, Sunrise, Florida 33323 and the initial registered agent of the Association at that address shall be Steven M. Helfman, Esq..

IN WITNESS WHEREOF, the Incorporator has hereunto affixed his signature, as of the 3rd day of December, 2009.



STEVEN M. HELFMAN, ESQ., Incorporator

The undersigned hereby accepts the designation of Registered Agent as set forth in Article XIV of these Articles of Incorporation, and acknowledges that he is familiar with and accepts the obligations imposed upon registered agents under the Florida Not For Profit Corporation Act.



STEVEN M. HELFMAN, Registered Agent

Dated: December 3, 2009

State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Amendment, filed on June 18, 2010, to Articles of Incorporation for THE TRAILS AT CANYON HOMEOWNERS ASSOCIATION, INC. which changed its name to CANYON TRAILS HOMEOWNERS ASSOCIATION, INC., a Florida corporation, as shown by the records of this office.

I further certify the document was electronically received under FAX audit number H10000143063. This certificate is issued in accordance with section 15.16, Florida Statutes, and authenticated by the code noted below.

The document number of this corporation is N09000011644.

Authentication Code: 310A00015106-061810-N09000011644-1/1

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Eighteenth day of June, 2010



Dawn K. Roberts
Dawn K. Roberts
Secretary of State

ARTICLES OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF
THE TRAILS AT CANYON HOMEOWNERS ASSOCIATION, INC.,
a Florida Not For Profit Corporation

The undersigned, pursuant to Section 617.1002, Florida Statutes, and the provisions of Article XIII of the Articles of Incorporation of THE TRAILS AT CANYON HOMEOWNERS ASSOCIATION, INC., a Florida not-for-profit corporation (the "Corporation"), do hereby certify as follows:

FIRST: The name of the Corporation is The Trails at Canyon Homeowners Association, Inc.

SECOND: The Articles of Incorporation of the Corporation were filed with the Secretary of State of Florida on December 4, 2009 under Document Number N09000011644 (the "Articles").

THIRD: Section 3 of Article I of the Articles is hereby amended to read in its entirety as follows:

"Association" means Canyon Trails Homeowners Association, Inc., a Florida corporation not for profit. Association is NOT a condominium association and is not intended to be governed by Chapter 718, Florida Statutes (the Condominium Act).

FOURTH: All references to "Boynton Beach Associates XVII, LLLP" in Section 8 of Article I are hereby amended to read "Boynton Beach Associates XXIII, LLLP".

FIFTH: Article II of the Articles of the Corporation is amended to read in its entirety as follows:

ARTICLE II
NAME

The name of the corporation shall be CANYON TRAILS HOMEOWNERS ASSOCIATION, INC., a Florida corporation not-for-profit, whose principal address and mailing address is 1600 Sawgrass Corporate Parkway, Suite 400, Sunrise, Florida 33323, or at such other place as may be designated, from time to time, by the Board of Directors.

SIXTH: All references in the Articles (other than in Section 17 of Article I) to "Trails at Canyon" are hereby amended to read "Canyon Trails".

SEVENTH: All references in the Articles to "Trails at Canyon Documents" are hereby amended to read "Canyon Trails Documents".

EIGHTH: These Articles of Amendment were adopted as of the date set forth below.

NINTH: These Articles of Amendment were adopted by Declarant pursuant to Article XIII which provides that: "Prior to the First Conveyance, these Articles may be amended only by an instrument in writing signed by the Declarant and filed in the Office of the Secretary of State of the State of Florida." The First Conveyance has not occurred.

Dated this 15th day of June, 2010.

BOYNTON BEACH ASSOCIATES XVII, LLLP, a
Florida limited liability limited partnership

By: Boynton Beach XVII Corporation, a Florida
corporation

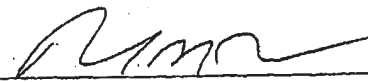
By: 
Richard M. Norwalk, Vice President

EXHIBIT C

Bylaws of Canyon Trails Homeowners Association, Inc.

[See Attached 9 Pages]

**BYLAWS
OF
CANYON TRAILS HOMEOWNERS ASSOCIATION, INC.**

Section 1. Identification of Association

These are the Bylaws of Canyon Trails Homeowners Association, Inc. ("Association") as duly adopted by its Board of Directors ("Board"). The Association is a corporation not for profit, organized pursuant to Chapters 617 and 720, Florida Statutes.

1.1. The office of the Association shall be for the present at 1600 Sawgrass Corporate Parkway, Suite 400, Sunrise, Florida 33323 and thereafter may be located at any place designated by the Board.

1.2. The fiscal year of the Association shall be the calendar year.

1.3. The seal of the Association shall bear the name of the Association, the word "Florida" and the words "Corporation Not For Profit."

Section 2. Explanation of Terminology

The terms defined in the Articles of Incorporation of the Association ("Articles") as well as in the Declaration of Covenants, Restrictions and Easements for Canyon Trails ("Declaration") are incorporated herein by reference and shall appear in initial capital letters each time such terms appear in these Bylaws.

Section 3. Membership; Members' Meetings; Voting and Proxies

3.1. The qualification of Members, the manner of their admission to membership in the Association, the manner of termination of such membership and the voting by Members shall be as set forth in the Articles.

3.2. The Members shall meet annually ("Annual Members' Meeting"). The Annual Members' Meeting shall be held at the office of the Association or at such other place in the County as the Board may determine and on such day and at such time as designated by the Board in the notice of such meeting commencing with the year following the year in which the Articles are filed with the Secretary of State. The purpose of the Annual Members' Meeting shall be to hear reports of the officers, elect members of the Board (when that shall be appropriate as determined by the provisions of the Articles) and transact any other business authorized to be transacted at such Annual Members' Meeting.

3.3. Special meetings (meetings other than the Annual Members' Meeting) of the Members shall be held at any place within the County whenever called by the President or Vice President or by a majority of the Board. A special meeting must be called by such President or Vice President upon receipt of a written request from Members having the right to vote at least one-third (1/3) of the total number of votes entitled to be cast by Members at any such special meeting.

3.4. Except as otherwise provided herein, a written notice of each Members' meeting, whether an Annual Members' Meeting or a special meeting (collectively "Meeting"), shall be given to each Member entitled to vote at such Member's last known address as it appears on the books of the Association, and shall be mailed or hand delivered to the said address or electronically transmitted to the location furnished by the Member for that purpose not less than fourteen (14) days nor more than

forty-five (45) days prior to the date of the Meeting. Proof of such mailing, hand delivery or electronic transmission shall be given by affidavit of the person giving the notice. Any notice given hereunder shall state the time and place of the Meeting and the purposes for which the Meeting is called. The notices of all Annual Members' Meetings shall, in addition, specify the number of Directors of the Association to be designated by Declarant and the number of Directors to be elected by the Members, if applicable. Notwithstanding any provisions hereof to the contrary, notice of any Meeting may be waived before, during or after such Meeting by a Member or by the person entitled to vote for such Member by signing a document setting forth the waiver of such notice and the attendance of any Member (or person authorized to vote for such Member), either in person or by proxy, shall constitute such Member's waiver of notice of such Meeting, and waiver of any and all objections to the place of the Meeting, the time of the Meeting or the manner in which it has been called or convened, except when his (or his authorized representative's) attendance is for the express purpose of objecting at the beginning of the Meeting to the transaction of business because the Meeting is not lawfully called.

3.5. The Members may, at the discretion of the Board, act by written response in lieu of a Meeting provided written notice of the matter or matters to be agreed upon is given to the Members or duly waived in accordance with the provisions of these Bylaws. Unless some greater number is required under Canyon Trails Documents and except as to the election of Directors, which shall be accomplished by plurality vote, the decision of a majority of the votes cast by Members as to the matter or matters to be agreed or voted upon shall be binding on the Members provided a quorum is either present at such Meeting or submits a response if action is taken by written response in lieu of a Meeting, as the case may be. The notice with respect to actions to be taken by written response in lieu of a Meeting shall set forth the time period during which the written responses must be received by the Association.

3.6. (a) A quorum of the Members shall consist of Members entitled to cast thirty percent (30%) of the total number of votes of the Members. A quorum of any class of Members shall consist of Class Members of such class entitled to cast thirty percent (30%) of the total number of votes of the class. Limited "Proxies" and general "Proxies" (as hereinafter defined in Paragraph 3.10) may be used to establish a quorum.

(b) When a quorum is present at any Meeting and a question which raises the jurisdiction of such Meeting is presented, the holders of a majority of the voting rights present in person or represented by written Proxy shall be required to decide the question. However, if the question is one upon which a vote other than the majority vote of a quorum is required by express provision of Canyon Trails Documents or by law, then such express provision shall govern and control the required vote on the decision of such question.

3.7. Not less than sixty (60) days before any Annual Members' Meeting at which elections of Directors are to occur, the Association shall mail, delivery or electronically transmit, whether by separate Association mailing or included in another Association mailing, delivery or transmission, including regularly published newsletters, to each Member entitled to a vote, a first notice of the date of the Election Meeting. Any Member or other eligible person desiring to be a candidate for the Board must give written notice to the Association not less than forty (40) days before the Election Meeting. Together with an agenda, the Association shall mail, delivery or electronically transmit a second notice of the Election Meeting to all Members entitled to vote therein, together with a ballot which shall list all candidates. Upon request of a candidate, the Association shall include an information sheet, no larger than 8 ½ by 11 inches, which must be furnished by the candidate not less than thirty-five (35) days before the Election Meeting, to be included with the mailing, delivery or transmission of the ballot, with the costs of mailing, delivery or electronic transmission and copying to be borne by the Association. The Association shall not be liable for the contents of any information sheets prepared and supplied by the

candidates. Elections shall be decided by a plurality of those ballots cast. There shall be no quorum requirement; however, at least twenty percent (20%) of the eligible voters must cast a ballot in order to have a valid election of Members of the Board. Members may not vote for Directors by Proxy. Voting by secret ballots by Members shall be conducted in accordance with Section 720.306(8)(b) of the HOA Act. Furthermore, at any Election Meeting, the "Chairman" (as hereinafter defined in Paragraph 7.2) shall appoint an "Election Committee" consisting of three (3) Members to supervise the election, count and verify ballots, disqualify votes if such disqualification is justified under the circumstances and certify the results of the election to the Board. The Election Committee shall be able to determine questions within its jurisdiction by plurality vote of all three (3) members, but matters resulting in deadlocked votes of the Election Committee shall be referred to the entire Board for resolution.

3.8. If a quorum is not in attendance at a Meeting, the majority of the Members who are present, either in person or by Proxy, may adjourn the Meeting from time to time until a quorum is present and no further notice of the adjourned and continued Meeting need be given. Except as required above, Proxies given for the adjourned Meeting shall be valid for the adjourned and continued Meeting unless revoked for reasons other than the adjourned and continued date of the Meeting with no further notice of such adjourned Meeting being required unless otherwise determined by the Board.

3.9. Minutes of all Meetings shall be kept in a businesslike manner and be available for inspection by the Members and Directors at all reasonable times. The Association shall retain minutes for at least seven (7) years subsequent to the date of the meeting the minutes reflect.

3.10. Voting rights of Members shall be as stated in the Articles with respect to the election of all Boards other than the First Board. Such votes may be cast in person, by secret ballot or by Proxy (as hereinafter defined). Proxies may also be used to vote on other agenda items at meetings at which Directors are to be elected, and may also be used to establish a quorum. "Proxy" is defined to mean an instrument containing the appointment of a person who is substituted in the place and stead of the person or authorized representative of an entity entitled to vote. Proxies shall be in writing signed by the person or authorized representative of an entity giving the same and shall be valid only for the particular Meeting designated therein and, if so stated in the Proxy, any adjournments thereof, provided, however, any proxy automatically expires ninety (90) days after the date of the meeting for which it was originally given. A Proxy must be filed with the Secretary of the Association before the appointed time of the Meeting in order to be valid. Any Proxy may be revoked prior to the time a vote is cast in accordance with such Proxy. Any proxy holder may appoint, in writing, a substitute to act in his or her place.

3.11. The voting on any matter at a Meeting shall be by secret ballot upon request of the holders of ten percent (10%) of the votes represented at such Meeting and entitled to be cast on such matter, if such request is made prior to the vote in question.

Section 4. Board; Directors' Meetings

4.1. The business and administration of the Association shall be by its Board.

4.2. The election and, if applicable, designation of Directors shall be conducted in accordance with Section 3.7 above. Except for Declarant-appointed Directors, Directors must be Members or the parents, children or spouses of Members except that if a Lot is owned by an entity and not an individual, such entity may only appoint a partner, shareholder, member, manager, director or officer of such entity or any of its constituent entities on its behalf to be eligible to serve on the Board.

4.3. (a) Any person elected or designated as a Director shall have all the rights, privileges, duties and obligations of a Director of the Association.

(b) The term of a Director's service shall be as stated in the Articles and, if not so stated, shall extend until the next Annual Members' Meeting and thereafter until his or her successor is duly elected and qualified or until he or she resigns or is removed in the manner elsewhere provided.

4.4. The organizational meeting of a newly elected Board shall be held within ten (10) days of its election at such place and time as shall be fixed by the Directors at the meeting at which they were elected. Provided the organizational meeting is held directly following the Annual Members' Meeting, no further notice of the organizational meeting shall be necessary; if not, however, notice of the organizational meeting shall be given in accordance with the HOA Act.

4.5. Regular meetings of the Board may be held at such times and places in the County as shall be determined from time to time by a majority of the Directors. Special meetings of the Board may be called at the discretion of the President or the Vice President. Special meetings must be called by the Secretary at the written request of at least one-third (1/3) of the Directors. Any such special meeting may be held in the County at such time and place as determined by the Directors requesting such meeting or in such other place as all of the Directors shall agree upon.

4.6. Notice of the time and place of regular and special meetings of the Board, or adjournments thereof, shall be given to each Director personally or by mail, telephone, facsimile or electronically transmitted if correctly directed to an electronic mail address at which the Director has consented to receive notice, at least three (3) days prior to the day named for such meeting unless such notice is waived before, during or after such meeting. Any Director may waive notice of the meeting in writing before, during or after a meeting and such waiver shall be deemed equivalent to the receipt of notice by such Director. Attendance by any Director at a meeting shall constitute a waiver of notice of such meeting, and a waiver of any and all objections to the place of the meeting, to the time of the meeting or the manner in which it has been called or convened, except when a Directors states at the beginning of the meeting, or promptly upon arrival at the meeting, any objection to the transaction of affairs because the meeting is not lawfully called or convened.

4.7 Notice of all Board meetings shall be given to the members in accordance with the HOA Act.

4.8. A quorum of the Board shall consist of the Directors entitled to cast a majority of the votes of the entire Board. Matters approved by a majority of the Directors present at a meeting at which a quorum is present shall constitute the official acts of the Board, except as may be otherwise specifically provided by law, by the Articles or elsewhere herein. If at any meeting of the Board there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any meeting that takes place on account of a previously adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted. In the case of the adjournment of a meeting, no further notice of the adjourned meeting need be given unless otherwise determined by the Board.

4.9. The presiding officer at all Board meetings shall be the President. In the absence of the President, the Vice-President shall preside and in the absence of the Vice President, the Directors shall designate any one of their number to preside.

4.10. No Director shall receive any compensation from the Association for acting in such capacity or capacities, unless approved by a majority vote of the Members at a Meeting.

4.11. Minutes of all meetings of the Board shall be kept in a businesslike manner and be available for inspection by Members and Directors at all reasonable times.

4.12. The Board shall have the power to appoint an "Executive Committee(s)" of the Board consisting of not less than three (3) Directors. An Executive Committee(s) shall have and exercise such powers of the Board as may be delegated to such Executive Committee(s) by the Board.

4.13. Meetings of the Board shall be open to all Members pursuant to, and as limited by, the HOA Act. The Board may also hold closed meetings to the extent permitted by applicable law, including, by way of example but not by way of limitation, when the discussion at a meeting is governed by attorney-client privilege, meetings between the Board or a committee and the Association's attorney to discuss proposed or pending litigation or meetings of the Board held for the purpose of discussing personnel matters. Members shall have the right to speak on any matter placed on the agenda by petition of the voting interests for at least three (3) minutes and otherwise participate in meetings with reference to all designated agenda items in accordance with, and as limited by, the HOA Act and any rules and regulations promulgated by the Association governing the frequency, duration and other manner of Member statements, which rules may include a sign up sheet for Members wishing to speak. In the event a Member conducts himself or herself in a manner detrimental to the carrying on of the meeting, then any Director may expel said Member from the meeting by any reasonable means which may be necessary to accomplish said Member's expulsion. Also, any Director shall have the right to exclude from any meeting of the Board any person who is not able to provide sufficient proof that he or she is a Member or a duly authorized representative, agent or proxy holder of a Member, unless said person has been specifically invited by any of the Directors to participate in such meeting.

4.14. The Board may by resolution also create committees and appoint persons to such committees and vest in such committees such powers and responsibilities as the Board shall deem advisable.

4.15. Prior to the Turnover Date, any action required or permitted to be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, specifically setting forth the action to be taken, shall be signed by all the Directors entitled to vote with respect to the subject matter thereof and such consent shall have the same force and effect as a unanimous vote of the Directors, provided, however, whenever assessments are to be considered, they may be considered only at a meeting of the Directors properly noticed in accordance with the HOA Act.

Section 5. Powers and Duties of the Board

5.1. All of the powers and duties of the Association shall be exercised by the Board. Such powers and duties of the Board shall include, but not be limited to, all powers and duties set forth in Canyon Trails Documents, as well as all of the powers and duties of a director of a corporation not for profit not inconsistent therewith.

5.2. The Association may employ a manager to perform any of the duties, powers or functions of the Association. Notwithstanding the foregoing, the Association may not delegate to the manager the power to conclusively determine whether the Association should make expenditures for capital additions or improvements chargeable against the Association funds. The members of the Board shall not be personally liable for any omission or improper exercise by the manager of any duty, power or function delegated to the manager by the Association.

Section 6. Late Fees

An Owner who fails to timely pay any Assessment shall be charged a late charge of Twenty-Five Dollars (\$25) by the Association for such late Assessment or such other amount determined by the Board to be charged for the late payments of Assessments provided such amount does not exceed the highest amount permitted by law. Owners shall also be responsible to pay all legal fees (including, but not limited to, attorney and paralegal fees and court costs) incurred in connection with the collection of late Assessments whether or not an action at law to collect said Assessments and foreclose the Association's lien has been commenced. Without limitation, the Board has authorized the following initial schedule of fees for such circumstances:

- (a) Reasonable attorney's fees, costs and expenses incurred in the filing of a Claim of Lien.
- (b) Reasonable attorney's fees, costs and expenses incurred in the filing of a Satisfaction of Lien;
- (c) Reasonable attorney's fees, costs and expenses incurred in the preparation and sending of any Notice of Intent to Lien and Notice of Intent to Foreclose; and
- (d) Any further action would require an hourly computation of attorney and/or paralegal time spent pursuing collection of such unpaid Assessments or violation by a Member or their guests and invitees of any part of the Canyon Trails Documents.

Section 7. Officers of the Association

7.1. Executive officers of the Association shall be the President, who shall be a Director, one or more Vice Presidents, a Treasurer and a Secretary, all of whom shall be elected annually by the Board. Any officer may be removed without cause from office by vote of a majority of the Directors at any meeting of the Board. The Board may, from time to time, elect such other officers and assistant officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association. One person may hold any two offices simultaneously, except when the functions of such offices are incompatible, but no person shall hold the office of President and any of the following offices simultaneously: Vice President, Secretary or Assistant Secretary.

7.2. The President shall be the chief executive officer of the Association. He or she shall have all of the powers and duties which are usually vested in the office of the President of an association or a corporation not for profit, including, but not limited to, the power to appoint such committees from among the Members at such times as he or she may, in his or her discretion, determine appropriate to assist in the conduct of the affairs of the Association. If in attendance, the President ("Chairman") shall preside at all meetings of the Board and the Members; provided, however, that the President may appoint a substitute.

7.3. In the absence or disability of the President, a Vice President shall exercise the powers and perform the duties of the President. If there is more than one (1) Vice President, the Board shall designate which Vice President is to perform which duties. The Vice President(s) shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board. ~~In the event there shall be more than one Vice President elected by the Board,~~

then they shall be designated "First," "Second," *etc.*, and shall exercise the powers and perform the duties of the presidency in such order.

7.4. The Secretary shall keep the minutes of all meetings of the Board and the Members, which minutes shall be kept in a businesslike manner and be available for inspection by Members and Directors at all reasonable times. The Secretary shall have custody of the seal of the Association and affix the same to instruments requiring such seal when duly authorized and directed to do so. The Secretary shall be custodian for the corporate records of the Association, except those of the Treasurer, and shall perform all of the duties incident to the office of Secretary of the Association as may be required by the Board or the President. The Assistant Secretary, if any, shall perform the duties of the Secretary when the Secretary is absent and shall assist the Secretary under the supervision of the Secretary.

7.5. The Treasurer shall have custody of all of the monies of the Association, including funds, securities and evidences of indebtedness. The Treasurer shall keep the assessment rolls and accounts of the Members and shall keep the books of the Association in accordance with good accounting practices and he or she shall perform all of the duties incident to the office of the Treasurer. The Assistant Treasurer, if any, shall perform the duties of the Treasurer when the Treasurer is absent and shall assist the Treasurer under the supervision of the Treasurer.

7.6. The compensation, if any, of the Directors, officers, committee members and other employees of the Association shall be fixed by the Board. Directors and officers shall not receive any compensation from the Association for acting in such capacity or capacities, unless approved by a majority vote of the Members at a Meeting. This provision shall not preclude the Board from hiring a Director or Officer as an employee of the Association or preclude contracting with a Director or Officer, or a party affiliated with a Director or Officer for the management or performance of contract services for all or any part of Canyon Trails.

Section 8. Resignations; Vacancy; Removal

8.1 Any Director or officer may resign his or her post at any time by written resignation, delivered to the President or Secretary, which shall take effect upon its receipt unless a later date is specified in the resignation, in which event the resignation shall be effective from such date unless withdrawn. The acceptance of a resignation shall not be required to make it effective. The conveyance of all Lots owned by any Director or officer (other than appointees of Declarant) shall constitute a written resignation of such Director or officer.

8.2 Except as to vacancies resulting from removal of Directors by Members, when a vacancy occurs on the Board, the vacancy shall be filled by the remaining members of the Board at any meeting by electing a person who shall serve the remaining portion of the unexpired term, provided that all vacancies in directorships to which Directors are appointed by Declarant pursuant to the provisions of the Canyon Trails Documents shall be filled by the Declarant without the necessity of any meeting so long as at the time such vacancies are filled, no members other than the Declarant are entitled to elect Directors.

8.3 Any Director elected by the Members (other than the Declarant) may be removed by concurrence of a majority of voting interest of the Members (other than the Declarant) at a Special Meeting of Members called for that purpose, by written agreement signed by a majority of all such Members' voting interest or by written ballot without a Meeting in accordance with Section 720.303(10),

Florida Statutes. The vacancy of the Board so created shall be filled in accordance with the procedures specified in the HOA Act.

8.4 When a vacancy occurs in an office for any cause, the office shall be filled by the Board at any meeting.

Section 9. Accounting Records; Fiscal Management

9.1. The Association shall prepare financial reports and maintain accounting records in accordance with the HOA Act. The accounting records of the Association shall be open to inspection by Members and Institutional Mortgagees or their respective authorized representatives at reasonable times and in accordance with, but subject to the limitations of, the HOA Act. Such authorization as a representative of a Member must be in writing and signed by the person giving the authorization and dated within sixty (60) days of the date of the inspection. Such records shall include, but not be limited to: (i) a record of all receipts and expenditures; (ii) an account for each Lot within Canyon Trails which shall designate the name and address of the Owner thereof, the amount of Individual Lot Assessments and all other Assessments, if any, charged to the Lot, the amounts and due dates for payment of same, the amounts paid upon the account and the dates paid, and the balance due; (iii) any tax returns, financial statements and financial reports of the Association; and (iv) any other records that identify, measure, record or communicate financial information.

9.2. The Board shall adopt a Budget (as defined and provided for in the Declaration) of the anticipated Operating Expenses for each forthcoming calendar year (the fiscal year of the Association being the calendar year) at a special meeting of the Board ("Budget Meeting") called for that purpose to be held during the month of November of the year preceding the year to which the Budget applies. Prior to the Budget Meeting, a proposed Budget for the Operating Expenses shall be prepared by or on behalf of the Board. Within thirty (30) days after adoption of the Budget, the Association shall provide each Member with a copy of the Budget or a written notice that a copy of the Budget is available upon request at no charge to the Members. A copy thereof shall be furnished to each Member, within ten (10) business days after the Association's receipt of the written request, and each Owner shall be given notice of the Individual Lot Assessment applicable to his or her Lot(s). The copy of the Budget, if requested, shall be deemed furnished and the notice of the Individual Lot Assessment shall be deemed given upon its delivery or upon its being mailed to the Owner shown on the records of the Association at such Owner's last known address as shown on the records of the Association.

9.3. In administering the finances of the Association, the following procedures shall govern: (i) the fiscal year shall be the calendar year; (ii) any monies received by the Association in any calendar year may be used by the Association to pay expenses incurred in the same calendar year; (iii) there shall be apportioned between calendar years on a *pro rata* basis any expenses which are prepaid in any one calendar year for Operating Expenses which cover more than such calendar year; (iv) Assessments shall be made quarterly in amounts no less than are required to provide funds in advance for payment of all of the anticipated current Operating Expenses and for all unpaid Operating Expenses previously incurred; and (v) items of Operating Expenses incurred in a calendar year shall be charged against income for the same calendar year regardless of when the bill for such expenses is received. Notwithstanding the foregoing, the Assessments for Operating Expenses and any periodic installments thereof shall be of sufficient magnitude to insure an adequacy and availability of cash to meet all budgeted expenses in any calendar year as such expenses are incurred in accordance with the cash basis method of accounting.

9.4. Individual Lot Assessments shall be payable as provided in the Declaration.

9.5. No Board shall be required to anticipate revenue from Assessments or expend funds to pay for Operating Expenses not budgeted or which shall exceed budgeted items, and no Board is required to engage in deficit spending. Should there exist any deficiency which results from there being greater Operating Expenses than monies from Assessments, then such deficits shall be carried into the next succeeding year's Budget as a deficiency or shall be the subject of a Special Assessment or an upward adjustment to the Budget and Individual Lot Assessment, as amended by the Board.

9.6. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board in which the monies of the Association shall be deposited. Withdrawal of monies from such account shall be only by checks signed by such persons as are authorized by the Board.

9.7. A report of the accounts of the Association shall be made annually by an accountant and a copy of the report shall be furnished to each Member who requests same in writing no later than the first day of April of the year following the year for which the report is made. The report shall be deemed to be furnished to the Member upon its delivery or mailing to the Owner at such Owner's last known address as shown on the records of the Association.

Section 10. Rules and Regulations

The Board may at any meeting of the Board adopt rules and regulations or amend, modify or rescind, in whole or in part, then existing rules and regulations for the operation of Canyon Trails; provided, however, that such rules and regulations are not inconsistent with the terms or provisions of Canyon Trails Documents. Copies of any rules and regulations promulgated, amended or rescinded shall be mailed or delivered to all Members at the last known address for such Members as shown on the records of the Association at the time of such delivery or mailing and shall not take effect until forty-eight (48) hours after such delivery or mailing, or, in the event both forms of notification are used, whichever is later. Notwithstanding the foregoing, when rules and regulations are to regulate the use of a specific portion of the Association Property, same shall be conspicuously posted at such facility and such rules and regulations shall be effective immediately upon such posting. Care shall be taken to insure that posted rules and regulations are conspicuously displayed and easily readable and that posted signs or announcements are designed with a view toward protection from weather and the elements. Posted rules and regulations which are torn down or lost shall be promptly replaced.

Section 11. Parliamentary Rules

The then latest edition of Robert's Rules of Order shall govern the conduct of all meetings of the Members and the Board; provided, however, if such rules of order are in conflict with any of the Canyon Trails Documents or Chapters 617 and 720 Florida Statutes, Robert's Rules of Order shall yield to the provisions of such instrument(s)

Section 12. Roster of Owners

Each Owner shall file with the Association a copy of the deed or other document showing his or her ownership interest in Canyon Trails. The Association shall maintain such information. The Association shall also maintain the electronic mailing addresses and numbers of those Owners consenting to receive notice by electronic transmission. The electronic mailing address and numbers provided by Owners consenting to receive notice by electronic transmission shall be removed from Association records when consent to receive notice by electronic transmission is revoked. The Association may rely on the accuracy of such information for all purposes until notified in writing of changes therein.

Section 13. Amendment of the Bylaws

13.1. These Bylaws may be amended as hereinafter set forth in this Section 13.

13.2. After the Turnover Date, any Bylaw of the Association may be amended or repealed, and any new Bylaw of the Association may be adopted by either:

(i) a majority vote of the Members at any Annual Members' Meeting or any special meeting of the Members called for that purpose or by majority action of the Members who have acted by written response in lieu of a Meeting as permitted by these Bylaws; or

(ii) by the affirmative vote of a majority of the Directors then in office at any regular meeting of the Board or at any special meeting of the Board called for that purpose or by written instrument signed by all of the Directors as is permitted by these Bylaws, provided that the Directors shall not have any authority to adopt, amend or repeal any Bylaw if such new Bylaw or such amendment or the repeal of a Bylaw would be inconsistent with any Bylaw previously adopted by the Members.

13.3. Notwithstanding any of the foregoing provisions of this Section 13 to the contrary, until the Turnover Date, all amendments or modifications to these Bylaws and adoption or repeal of Bylaws shall only be made by action of the First Board as described in the Articles, which First Board shall have the power to amend, modify, adopt and repeal any Bylaws without the requirement of any consent, approval or vote of the Members.

13.4. Notwithstanding the foregoing provisions of this Section 13, there shall be no amendment to these Bylaws which shall abridge, prejudice, amend or alter the rights of: (i) Declarant, without the prior written consent thereto by Declarant; or (ii) any Institutional Mortgagee without the prior written consent of such Institutional Mortgagee; nor shall any other amendment to these Bylaws be adopted or become effective without the prior written consent of Declarant for so long as Declarant holds either a leasehold interest in or title to at least one (1) Lot.

13.5. Any instrument amending, modifying, repealing or adding Bylaws shall identify the particular section or sections affected and give the exact language of such modification, amendment or addition or of the provisions repealed. A copy of each such amendment, modification, repeal or addition attested to by the Secretary or Assistant Secretary of the Association shall be recorded amongst the Public Records of the County.

Section 14. Mediation

Pursuant to the HOA Act, mandatory mediation before the Department of Business and Professional Regulation (the "Department") shall be required prior to institution of court litigation for disputes involving certain actions or inactions, as described in the HOA Act.

Section 15. Recall of Board Members and Election Disputes

Pursuant to the HOA Act, mandatory binding arbitration before the Department shall be required for election disputes and disputes involving the recall of any member of the Board. Any member of the member elected Board may be recalled and removed from office as provided for and described in the HOA Act.

Section 16. Interpretation

In the case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control; and in the event of any conflict between the Articles and the Declaration, the Declaration shall control.

CANYON TRAILS HOMEOWNERS
ASSOCIATION, INC.

By: _____
Name: Barbara Smith
Title: President

Attest: _____
Name: N. Maria Menendez
Title: Secretary

[CORPORATE SEAL]

**CANYON TRAILS HOMEOWNERS ASSOCIATION, INC.
INITIAL RULES AND REGULATIONS**

GENERAL

These Rules and Regulations are designed for the mutual benefit of all Owners. All Rules and Regulations shall apply to and be binding upon all Owners. Notwithstanding the foregoing, the Rules and Regulations shall not apply to Declarant or Declarant's agents, employees or contractors or to Lots or Homes owned by Declarant until they are conveyed to Owners. All initial capitalized terms used herein, but not defined, shall have the meaning given to such terms as set forth in the Declaration of Covenants, Restrictions and Easements for Canyon Trails.

1. Responsibility. With respect to compliance with the Rules and Regulations, an Owner shall be held responsible for the actions of his family members, guests, invitees, tenants, contractors and other persons for whom he is responsible, as well as for the actions of persons over whom he exercises control and supervision.
2. Observance of Governmental Requirements. All applicable laws, zoning ordinances, orders, rules, regulations and requirements of all governmental bodies having jurisdiction (collectively, "Governmental Requirements") shall be observed. Violations of any Governmental Requirements relating to the Association Property or any Lot or Home shall be corrected by, and at the sole expense of, the responsible Owner and, as appropriate, the violator.
3. Improper Use. No improper, hazardous or unlawful use shall be made of the Association Property or any Home or Lot.
4. Nuisance. No obnoxious activity shall be carried on at any Home or Lot or in or about any portion of the Community. Nothing shall be done which may be an unreasonable annoyance or a nuisance to any other Owner or which interferes with the peaceful possession or proper use of the Homes or the surrounding areas. Nothing shall be done within the Association Property or any Home or Lot which tends to cause embarrassment, discomfort or unreasonable annoyance or nuisance to any Owner or his family members, guests, invitees and tenants using any portion of the Community.
5. Disturbance. No loud noises or noxious odors shall be permitted. None of the following shall be located, used or placed on any Lot or inside any Home, or exposed to other Owners without the prior written approval of the Board of Directors (the "Board"): (a) horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes); (b) noisy vehicles, power equipment, power tools or off-road motor vehicles; or (c) any items which may unreasonably interfere with television or radio reception. Owners shall not operate radios, televisions, musical instruments or any other noise producing items at times or at volume levels which shall disturb others.
6. Violations. Violations of any Rule or Regulation shall subject the responsible Owner and/or violator to any and all remedies available to the Association pursuant to the Declaration of Covenants, Restrictions and Easements for Canyon Trails (the "Declaration"), the Rules and Regulations or Florida Statute 720. All violations of any of the Rules and Regulations should be reported immediately to the Board or its designees. Violations shall be called to the attention of the responsible Owner(s) and, as appropriate, the violator(s) by the Board or its designees in writing. Disagreements concerning violations shall be presented to and be ruled upon by the Board or its designees in accordance with the Declaration and Florida Statute 720.
7. Enforcement. Failure of an Owner to comply with any Rule or Regulation adopted by the Association shall be grounds for action which may include an action to recover sums due for damages, injunctive relief or any combination thereof. In addition to all other remedies for failure to comply with any Rule or Regulation, the Association may suspend any or all of the rights of an Owner or an Owner's tenants, guests or invitees to use the Association Property and facilities (including, without limitation, the Recreation Trace and Park Tract) as provided in the Declaration. In any actions, the Association shall be entitled to recover any and all court costs incurred by it, together with reasonable attorney's fees, against the responsible Owner(s) and, as appropriate, any violator(s). In addition, and in the sole discretion of the Board, fines may be imposed upon an Owner for failure to comply with any Rule or Regulation. Procedures for the impositions of fines are spelled out in the Declaration.
8. Revocation. Any waivers of the Rules and Regulations and/or consents or approvals in violation of the Rules and Regulations given by the Board shall be revocable at any time and shall not be considered as a waiver, consent or approval of identical or similar situations unless set forth in writing by the Board.
9. No Amendment. The Rules and Regulations contained in this document do not amend any provision of the Declaration. In the event of conflict between the two, the provisions of the Declaration shall prevail.
10. Further Amendment. The Board reserves the right to amend, clarify or alter these Rules and Regulations at any time.

**CANYON TRAILS HOMEOWNERS ASSOCIATION, INC.
INITIAL RULES AND REGULATIONS**

ADDITIONS AND ALTERATIONS

As provided in the Declaration, no Owner shall make any improvement, addition or alteration to his Lot or the exterior of his Home without the prior written approval of the Architectural Control Committee ("ACC") and a security deposit in an amount determined by the Board to cover incidental damage caused to Association Property or to an adjacent Lot or Home by virtue of such Owner's construction of improvements, additions, or alterations to such Owner's Lot or the exterior of the Home. All requests for ACC approval of any Improvement (as defined below) must be on the form designated for this purpose by and available from the Association. No changes shall be commenced until such time as the Owner is in receipt of written approval from the ACC.

ARCHITECTURAL CONTROL COMMITTEE ("ACC"):

All exterior improvements, additions, modifications, decorations or alterations to the Lot or Home (the "Improvement") shall be reviewed by and have written approval given by the ACC. The ACC shall require the submission of plans and specifications showing the materials, color, structure, dimensions and location of the proposed Improvement in sufficient detail to assure compliance with any criteria established for approvals. Submissions shall be accompanied by justification or reasoning for the Improvement and the security deposit, if any, required by the Board to cover the costs of incidental damage caused to Association Property or to an adjacent Lot or Home by virtue of an Owner's construction of improvements, additions or alterations to such Owner's Lot or exterior of the Home. Notwithstanding any criteria established, the ACC shall in its discretion determine whether the Improvement shall be in harmony with or detrimental to the appearance of the Community. The ACC shall approve or disapprove the request within 45 days from receipt of all requested submission plans and materials. In the event the ACC fails to approve or disapprove a request in writing within 45 days of receipt of all requested plans, materials and information, unless a request is specifically deferred, the request shall automatically be deemed disapproved. The ACC shall employ the following minimum criteria for approval or rejection of requests:

- (i) Uniformity of type and design in relation to similar improvements.
- (ii) Comparability of quality of materials as used in existing improvements.
- (iii) Uniformity with respect to color, size and location.
- (iv) Consistency with municipal requirements.

If approved by the ACC, all construction shall be subject to the terms and conditions set forth in the Declaration, the Rules and Regulations, and any federal, state, municipal or county ordinance, rule, statute or code or any other applicable laws or regulations ("Governmental Requirements"), including obtaining all proper permits.

**CANYON TRAILS HOMEOWNERS ASSOCIATION, INC.
INITIAL RULES AND REGULATIONS**

ADDITIONAL GUIDELINES FOR ADDITIONS AND ALTERATIONS

Without limiting the generality of the criteria included on Page 2 of these Rules and Regulations and without curtailing the right of the ACC or the Board in rejecting certain requests or employing judgment in evaluating requests, the following guidelines shall be considered when evaluating requests for Improvements. Note that, even in the event of strict compliance with the following guidelines, prior approval from the ACC shall be required for each and every of the following items:

1. **Painting.** The painting, staining or varnishing of the exterior of the Home, including doors and garage doors, may be approved only if the colors and style are consistent with existing improvements. Declarant's original paint color schemes provided to its original purchasers shall be the basis for determining consistency with existing improvements, but shall not be the sole basis. For example, the ACC may permit Owners to stain or varnish their doors and garage doors, or replace same with wood or wood-like products notwithstanding such stain or varnish colors and/or wood or wood-like products are not provided by Declarant to its original purchasers.
2. **Metal or Aluminum Roofs.** Metal or aluminum roofs shall not be permitted.
3. **Temporary Structures.** No tents, trailers, shacks, utility sheds or other temporary buildings or structures shall be constructed or otherwise placed on a Lot.
4. **Antennae.** No antennae, microwave receiving devices, satellite receiving devices, aerials or ham radios shall be placed or erected on any Lot, within any Home or upon any other portion of the Community, except to the extent applicable law requires the Association to permit any such device, in which case such improvement shall be subject to all of the other requirements of the Declaration, the Rules and Regulations and the ACC to the maximum extent permitted by law. Satellite dishes which are reasonable in size (such as one (1) meter (39.37 inches) or less in diameter) may be approved, subject to any rules adopted by the Associations relating to the location and effectiveness with respect to concealing their appearance from adjacent lots and rights of way.
5. **Driveways.** Approval for the widening of driveways may be considered if the width shall be no wider than the outside width of the garage. Approval for the refinishing of driveways with brick pavers may be approved only if the colors and textures are consistent with existing improvements, the Home Owner assumes the responsibility for continued maintenance and it does not interfere with existing utilities, as determined by the Association. Declarant's original brick paver schemes provided to its original purchasers (on either an optional or standard basis) shall be the basis for determining consistency with existing improvements.
6. **Awnings.** An Owner shall not install or attach any awnings to his Home.
7. **Lighting Fixtures.** Approval may be given for lighting fixtures (e.g. coach lights and entry chandeliers), subject to limited wattage, fixture sizes which are to scale with others in Community and fixture styles which are consistent with others in the Community.
8. **Above Ground Swimming Pools.** Above ground swimming pools shall not be permitted.
9. **Exterior Lighting.** Except for seasonal decorative lights, which may be displayed between Thanksgiving and January 31 only, all exterior lights must be approved by the ACC.
10. **Play Equipment.** Permanently installed play equipment may be approved which is of a common playground type designed for children. No equipment shall be permitted within lake maintenance, utility, drainage or access easements, except basketball hoops in the driveway areas. All basketball hoops and backboards in front yard areas shall be permitted on a pole in the driveway only at a location which is no closer than midway between the garage door and the front property line.
11. **Conversions of Garages.** Conversions of garages to air conditioned space shall not be permitted.
12. **Mailboxes.** Replacement of the mailboxes installed by Declarant must be submitted for approval. Any replacements must be in conformance to the mailboxes originally installed by Declarant for its original purchasers.
13. **Security Deposit.** Any Owner desiring to make Improvements may be required by the Committee, depending upon the Improvements being requested and the manner of installation of such Improvements, to provide to the Committee, at the time of the Owner's submission of plans and specifications for review and approval by the Committee, a Five Thousand Dollar (\$5,000.00) security deposit to cover costs of incidental damage caused to Association Property or to an adjacent Lot or Home by virtue of such Owner's construction of Improvements. The Committee shall have the sole and absolute discretion to determine whether a security deposit is required for the Improvements being requested.

**CANYON TRAILS HOMEOWNERS ASSOCIATION, INC.
INITIAL RULES AND REGULATIONS**

**ADDITIONAL GUIDELINES FOR ADDITIONS AND ALTERATIONS FOR
OPEN PATIOS, SCREEN ENCLOSED PATIOS AND POOL DECKS**

Without limiting the generality of the criteria included on Page 2 of these Rules and Regulations and without curtailing the right of the ACC or the Board in rejecting certain requests or employing judgment in evaluating requests, the following guidelines shall be considered when evaluating requests for open patios, screen enclosed patios and pool decks. Note that, even in the event of strict compliance with the following guidelines, prior approval from the ACC shall be required for each and every screen enclosure installation:

1. Approval for screen enclosures shall be limited to aluminum frame structures which are bronze.
2. Approval for screen enclosures shall be limited to screen meshes on the enclosure which are a standard dark color (e.g. charcoal, bronze or black).
3. Kick plates may be approved which are no taller than 24" above the patio and/or pool deck.
4. Obscure screen materials shall be prohibited.
5. No enclosures shall be permitted at the front entries.
6. No aluminum or flat roofing material shall be permitted. Either the existing roof line may be extended or a screen enclosure may be installed if approved by the ACC.
7. Open patios, screen enclosed patios and pool decks must maintain the following setbacks, assuming drainage easements and other easements do not exist and assuming that any enclosure is built with a screen roof rather than a solid roof:

POOLS

Minimum decking behind pool – building code issue, not zoning issue
 Rear yard setback from edge of pool water to property line – non open space lots
 Rear yard setback from edge of pool water to property line - open space lots (excludes LME)
 Side yard setback from property line to edge of pool water (corner lots)
 Side yard setback from property line to edge of pool water (interior lots)

45's	50's	70's
per building code	per building code	per building code
5'	5'	10.5'
3'	3'	3'
18'	18'	18'
ZLL-3' / NZ-5'	ZLL-3' / NZ-5'	10.5'

SCREEN ENCLOSURES

Rear yard setback from property line to screen – non open space lots
 Rear yard setback from property line to screen – open space lots* (excludes LME)
 Side yard setback from property line to screen – interior lots
 Side yard setback from property line to screen – corner lots

45's	50's	70's
2'	2'	7.5'
0'	0'	0'
ZLL-0' / NZ-2'	ZLL-0' / NZ-2'	7.5'
10'	10'	15'

ZLL - Zero Lot Line
 NZ - Non Zero Lot Line

* An "open space Lot" is a Lot that abuts an open space area fifty (50') feet or greater in width.

8. Notwithstanding anything to the contrary contained in these Rules and Regulations, there shall be a minimum two foot (2') setback requirement from the side yard lot line on the "zero lot line" side of a Home for that portion of any open patio, screen enclosed patio and/or pool deck that extends beyond the foot masonry wall extending from such "zero lot line" side of the Home (the "Privacy Wall"). In addition, if an Owner installs or constructs such open patio, screen enclosed patio and/or pool deck between two feet (2') and five feet (5') from the side yard lot line on the "zero

**CANYON TRAILS HOMEOWNERS ASSOCIATION, INC.
INITIAL RULES AND REGULATIONS**

**ADDITIONAL GUIDELINES FOR ADDITIONS AND ALTERATIONS FOR
OPEN PATIOS, SCREEN ENCLOSED PATIOS AND POOL DECKS
(continued)**

lot line" side of a Home, then a Hedge must also be installed by said Owner within the two foot (2') setback area along that portion of the open patio, screen enclosed patio and/or pool deck that extends beyond the Privacy Wall in order to provide a vegetative privacy barrier.

9. Except as expressly provided in this paragraph, no planting, landscaping and/or other improvement whatsoever, including, without limitation, hedges, trees, pool decks, patios, screen enclosures, etc. shall be permitted within the rear five (5') feet (the "Rear Yard Drainage Swale Area") of any "Non-Lake Lot" which for the limited purposes of this paragraph is defined to mean a Lot in which no portion of such Lot is abutting any portion of a lake maintenance easement. The Rear Yard Drainage Swale Area is for drainage and flowage of storm water runoff. Notwithstanding the first sentence of this paragraph to the contrary, subject to the prior written approval from the ACC, an Owner of a Non-Lake Lot may install a pool/spa deck, patio and/or screen enclosure within the Rear Yard Drainage Swale Area provided that such pool/spa deck, patio and/or screen enclosure is constructed in a manner that will not cause storm water runoff to discharge therefrom onto any adjacent property (including, without limitation, any adjacent Owner's Lot or Association Property). In that regard, no pool/spa deck, patio and/or screen enclosure to be constructed within a Rear Yard Drainage Swale Area shall be approved by the ACC unless such pool/spa deck, patio and/or screen enclosure is designed and constructed in a manner that will retain all storm water runoff within the Non-Lake Lot including, without limitation, installation of a commercial grade deck drain that will collect such runoff and discharge it to the side yard of the Non-Lake Lot. In addition, each Owner of a Non-Lake Lot shall have the right to seek approval from the Committee for the installation of a fence across the Rear Yard Drainage Swale Area to the rear property line of such Owner's Non-Lake Lot, subject to the terms and conditions of the Canyon Trails Documents and the prior approval of the Committee.

**CANYON TRAILS HOMEOWNERS ASSOCIATION, INC.
INITIAL RULES AND REGULATIONS**

ADDITIONAL GUIDELINES FOR ADDITIONS AND ALTERATIONS - FENCES

Without limiting the generality of the criteria included on Page 2 of these Rules and Regulations and without curtailing the right of the ACC or the Board in rejecting certain requests or employing judgment in evaluating requests, the following guidelines shall be considered when evaluating requests for fences. Note that, even in the event of strict compliance with the following guidelines, prior approval from the ACC shall be required for each and every fence installation:

1. Only certain styles of aluminum rail fences shall be approved.
2. No style of wood or chain link fence shall be approved.
3. No fence shall be approved or installed which encroaches into Association Property or other Lots.
4. No fence shall be approved which is not set back a minimum of 10' back from the front wall of the Home and at least 5' back from the sidewalk where applicable. No fences shall be attached to a neighbor's home. In considering requests for fence installations, the following may be taken into consideration: locations of air conditioning units; locations of garage access doors; and positions of adjacent Homes.
5. No fence shall be approved which extends in front of the front corner of a neighbor's Home where the two Homes are immediately adjacent to each other and where both Homes face the same direction.
6. Except for fences originally installed by Declarant, the only fence type allowed to be installed by an Owner shall be an aluminum, bronze-colored rail picket fence, with rails no wider than one (1") inch and spaced no closer than three (3") inches on center.
7. All fences shall have a height of five (5') feet. However, if the fence serves as a pool barrier and the requirements of Palm Beach County (the "County") provide for a minimum height of the fence in excess of five (5') feet, then the height of the fence shall be the minimum height required by County requirements and all other fencing on the Lot connected and tying-in thereto shall be the same minimum height required by the County requirements so that all fencing on the Lot shall have a common and uniformed height.
8. For fences installed on corner Lots whose rear property line is common with the adjacent Lot's side property line and/or whose side property line is adjacent to or visible from a road, a landscape hedge must be installed on the outer side of the fence within the Lot to provide screening. For fences installed on corner Lots whose side property line is adjacent to a street or road, no fences shall be permitted to cross or be installed within any utility easement which runs along such side property line.
9. No fence shall be approved which does not provide access to the Owner's neighbor for maintenance of the neighbor's zero lot line wall and roof overhang, if applicable.
10. For Lots with drainage easements, the approval from and execution of fence removal agreements with Palm Beach County Utilities and the Association may be required.
11. Any fence which crosses a utility easement may require approval in writing by all utility companies occupying the easement.
12. For any fence, if approved, the Owner shall assume the responsibility to maintain the fence, including trimming any grass or other plants from the fence.
13. For any fence, if approved, the Owner shall be responsible for the costs associated with any required removal, repair and/or replacement if that fence is erected on or adjacent to a lot line common with a Lot where the house is not yet under construction or, if under construction, not yet closed to the new Owner.
14. For any fence, if approved, the Owner shall be responsible to meet all County requirements and criteria including, but not limited to, proper permitting and surveying.

**CANYON TRAILS HOMEOWNERS ASSOCIATION, INC.
INITIAL RULES AND REGULATIONS**

ADDITIONAL GUIDELINES FOR ADDITIONS AND ALTERATIONS – PERMANENT GENERATORS

Without limiting the generality of the criteria included on Page 2 of these Rules and Regulations and without curtailing the right of the ACC or the Board in rejecting certain requests or employing judgment in evaluating requests, the following guidelines shall be considered when evaluating requests for a permanent emergency generator and any underground propane storage tank and other appurtenances applicable to the permanent generator (collectively, a "Generator System"). Note that, even in the event of strict compliance with the following guidelines, prior approval from the ACC shall be required for each and every installation of a Generator System on a Lot:

1. Location. No above-ground portions of a Generator System shall be permitted to be installed within any portion of the front yard of a Lot. No portion of a Generator System shall encroach onto: (a) any Association Property, (b) any other Lot in the Community, (c) any easements benefiting or burdening the Lot including, without limitation, utility easements, drainage easements, lake maintenance easements and/or lake maintenance access easements, fence and hedge easement, wall and hedge easements or (d) drainage swales on the Lot. In addition to the foregoing, the locations of the various components of the Generator System shall otherwise comply with all Governmental Requirements. The location of the Generator System shall also comply with all applicable setback requirements set forth in the Association Documents and Governmental Requirements.
2. Applications; Submittals. All applications for Generator Systems shall include, in addition to other standard information: (a) the make, model, propane capacity and sound level ratings for all components of the Generator System, and (b) an indemnification and hold harmless agreement from the Owner(s) of the Lot in favor of the Association, the ACC and all other Owners. With the application for installation of a Generator System, the Owner shall be required to submit a survey to the ACC showing the general location and placement of all components of the Generator System, including any underground propane storage tank. The survey shall depict (i) the location of all components of the Generator System including, without limitation, the storage tank and the distances from the Home on the Lot and the Home(s) adjacent to the Lot on the side(s) where the Generator System or any portion thereof is to be installed, (ii) the size and layout of the slab that the physical generator will be installed on, (iii) the location of all easements and applicable setbacks affecting the Lot to show that no portion of the Generator System encroaches thereon, and (iv) the location and size and species of any screening to be installed to screen the above-ground portions of the Generator System as required below.
3. Screening. Generators shall at all times be screened from view by all adjacent Lot Owners and from the street. Screening may include the use of fences, walls or hedges, or a combination thereof, as determined by the ACC. Owner shall be required to submit a landscaping/screening plan to show proper screening of the Generator.
4. Compliance with Governmental Requirements. For any Generator System approved by the ACC, the Owner shall at all times be responsible to comply with all Governmental Requirements relating to the installation and use of the Generator System including, without limitation, applicable set-back requirements and maximum sound level restrictions. In that regard, all approvals for a Generator System shall require the Owner to obtain all necessary building permits and other approvals required by the Governmental Requirements. Regardless of an approval by the ACC, no Generator System may be installed or used without such building permits and approvals. No portion of an Owner's Security Deposit shall be returned to an Owner unless and until evidence satisfactory to the ACC of such compliance with Governmental Requirements has been delivered to the ACC.
5. Underground Propane Tanks and Plumbing. A licensed and insured LP gas contractor must be used to install any underground propane tank and any necessary plumbing.
6. Maintenance. All Generator Systems must be regularly and properly maintained, repaired and replaced, as applicable, by the Owner of the Lot on which such Generator System is installed.
7. Required Removals. For any Generator System, if approved, the Owner shall be responsible for the costs associated with any required removal, repair and/or replacement if the Generator System is erected on or adjacent to a lot line common with a Lot where the house is not yet under construction or, if under construction, not yet closed to the new Owner.
8. Limitations. Not all Lots in the Community may be able to have Generator System installed thereon due to, among other things, the Governmental Requirements, applicable set back requirements, location of easements and the configuration of the Lot. Accordingly, even if an application for a Generator System is approved by the ACC, there is no guarantee that a particular Lot will accommodate a Generator System thereon. Accordingly, each Owner shall be responsible to confirm that their Lot can accommodate a Generator System prior to making application to the ACC and/or applying for any necessary permits and approvals.

**CANYON TRAILS HOMEOWNERS ASSOCIATION, INC.
INITIAL RULES AND REGULATIONS**

MAINTENANCE AND APPEARANCE OF HOMES

1. **General.** Each Owner shall keep and maintain his Home and Lot in good order, condition and repair, and shall perform promptly all maintenance and repair work within his Home and Lot which, if omitted, would adversely affect the Community, other Owners or the Association. Maintenance obligations are more fully defined in the Declaration.
2. **Personal Property.** The personal property of an Owner shall be stored inside his Home or garage and not be visible to surrounding neighbors or from Association Property.
3. **Hurricane Season.** Each Owner who plans to be absent from his Home during the hurricane season shall prepare his Home and Lot prior to departure by removing all furniture, potted plants and other movable objects, if any, from the covered patio or screen enclosure area and from the outside of the Home. The Owner shall also designate a responsible firm, person or individual satisfactory to the Association to care for the Home and Lot should it suffer hurricane damage and shall furnish the Association with the name of the designated firm or individual.
4. **Hurricane Shutters.** No hurricane shutters shall cover window or door openings except during periods of a hurricane watch or a hurricane warning that impacts the Community. Any removable tracks which have been installed by Declarant or approved by the ACC as part of a hurricane shutter package shall not remain installed on a Home other than during periods of a hurricane watch or a hurricane warning. An Owner shall remove any removable type of hurricane shutters attached to his Home immediately after a hurricane watch or a hurricane warning has been lifted. In that regard, if an Owner installs removable hurricane shutters on his Home during a hurricane watch or a hurricane warning and thereafter leaves his Home, that Owner must either: (a) immediately return to his Home after the hurricane watch or hurricane warning has been lifted and remove such hurricane shutters from his Home; or (b) make arrangements for another individual to remove such hurricane shutters from his Home immediately after the hurricane watch or hurricane warning has been lifted. The installation of hurricane shutters, other than those provided by Declarant, shall require ACC approval.
5. **Window Decor.** Window treatments (drapery, blinds, decorative panels or other tasteful window coverings) are permitted. No newspaper, aluminum foil, sheets or other temporary window treatments are permitted, except for periods not exceeding two (2) weeks after an Owner first moves into a Home, or when permanent window treatments are being cleaned or repaired.
6. **Landscape Material.** No trees, shrubbery or landscaping shall be removed from Lots without prior written consent of the ACC. No additional trees, shrubbery or landscaping are permitted to be planted by an Owner on the Lot or Association Property without the prior written consent of the ACC. All hedges shall follow the fence setbacks and height limits established for fences.
7. **Alteration of Drainage.** No sod, top soil, fill or muck shall be removed from or added to Lots without prior written consent of the ACC. No change in the condition of the soil or the level of land shall be made which would result in any permanent change in the flow or drainage of surface water within the Community or on the Lot.
8. **Outdoor Furniture.** Outdoor furniture shall be permitted only in the rear yard of a Lot, provided the Owner assumes the responsibility for maintenance, including the control of mildew, rust, wood rot and deterioration of equipment components.
9. **Air Drying.** No linens, cloths, clothing, curtains, rugs, mops, laundry of any kind or other articles shall be hung, dried or aired from any window, door, fence or balcony in such a way as to be visible to any other Owner. Clotheslines may be approved if reasonable in size, style, location and effectiveness with respect to appearance from adjacent lots and rights of way.
10. **Basketball Hoops.** Temporary or mobile basketball hoops shall be permitted provided that they are located such that the base and rim are entirely within the Lot and at all times located and stored in the driveway at a location which is no closer than midway between the garage door and the front property line.

EXHIBIT "A"

Paragraph 10 of Maintenance and Appearance of Homes

1. Basketball Hoops. Temporary or mobile basketball hoops shall be permitted provided that they are located such that the base and rim are entirely within the Lot and ~~no in the right of way bounding the Lot.~~ at all times located and stored in the driveway at a location which is no closer than midway between the garage door and the front property line.

**CANYON TRAILS HOMEOWNERS ASSOCIATION, INC.
INITIAL RULES AND REGULATIONS**

TRASH AND OTHER MATERIALS

1. No rubbish, trash, garbage, refuse, tree limbs, grass clippings, hedge trimmings or other waste material ("Trash") shall be kept or permitted on the Lots or Association Property except in sanitary self-locking containers located in appropriate areas (i.e., areas not visible from the street or any other Lot other than at times of scheduled curbside trash pick-up). For curbside pick-up, Trash shall be placed in sanitary self-locking containers.
2. Trash that is required to be placed at the front of a Lot in order to be collected may be placed and kept at the curb after 5:00 p.m. on the day before the scheduled day of collection, but not sooner. All trash containers shall be removed after pick-up on the day of collection.
3. No odors shall be permitted to arise from trash containers so as to render any portion of the Community unsanitary, offensive or a nuisance to any Owners, to the Association Property or to any other property in the vicinity.
4. No stripped-down vehicles, lumber or other building materials, grass, tree clippings, metals, scrap, automobile pieces or parts, refuse or Trash shall be stored or allowed to accumulate on any portion of the Community.
5. Each Owner shall regularly pick up all Trash around his Home and Lot.

**CANYON TRAILS HOMEOWNERS ASSOCIATION, INC.
INITIAL RULES AND REGULATIONS**

PARKING AND VEHICULAR RESTRICTIONS

1. Parking shall be permitted only on driveways and inside garages. No overnight parking on the streets or swales is permitted.
2. If parked on driveways, vehicles shall not obstruct traffic on the streets.
3. Only vehicles belonging to authorized persons actively using the Recreation Tract are permitted to be parked in the Recreation Tract parking spaces. The parking spaces in the Recreation Tract shall not be utilized for parking other than during periods of use of the Recreation Tract by the vehicle's owner.
4. No vehicle or other possessions belonging to an Owner or to an Owner's family member, guest, invitee or tenant shall be positioned in such a manner as to impede or prevent ready ingress or egress to another Owner's driveway.
5. Overnight parking of boats in the Community shall only be allowed from 6:00 p.m. on Friday evenings until 8:00 a.m. on Monday mornings (or until 8:00 a.m. on Tuesday mornings if the preceding Monday is a national holiday). At all other times, no overnight parking of boats in the Community is allowed unless within the garage of the Home and with the garage door closed.
6. No overnight parking of commercial vehicles on a Lot is allowed unless within the garage of the Home and with the garage door closed. Trailers, motor homes and recreational vehicles shall not be parked in the Community.
7. No repairs of vehicles shall be made within the Community unless the repairs take less than twenty-four hours. The only exceptions to the preceding shall be: (a) emergency repairs; and (b) repairs made within the garage of the Home and with the garage door closed.
8. Disposal of drained automotive fluids is not allowed within the Community.
9. All vehicles shall be kept in proper operating condition so as not to be a hazard or a nuisance by noise, exhaust emission, appearance or otherwise.
10. No Owner shall keep any vehicle on the Lot which is deemed to be a nuisance by the Board.
11. No Owner shall perform restorations of any motor vehicle, boat or other vehicle within the Community unless made within the garage of the Home and with the garage door closed.
12. Car washing shall be permitted only on an Owner's driveway.
13. Owners shall maintain a current registration and all required insurance coverages for all vehicles parked within the Community.
14. The operation of golf carts, motorized scooters, go-carts and other non-licensed or non-registered vehicles shall be prohibited in the Community except when used for the transportation of disabled persons.
15. Vehicles which cannot operate under their own power and/or which remain within the Community for more than seventy-two hours shall be towed at the Owner's expense, unless parked on the Owner's driveway or inside the Owner's garage.
16. The Board shall make a reasonable attempt to give notice to the owners of offending vehicles. If such vehicle is not removed or if the violation is not corrected, the Board may have the offending vehicle towed at the expense and risk of the owner of the vehicle.

**CANYON TRAILS HOMEOWNERS ASSOCIATION, INC.
INITIAL RULES AND REGULATIONS**

ANIMALS AND PETS

1. Ordinary house pets are permitted subject to the guidelines contained herein. Ordinary house pets shall include dogs (except Pit Bulls, Rottweilers, Doberman Pinschers, Presa Canarios (canary dog) and "Dangerous Dogs" – all as provided in the Declaration), cats, caged domesticated birds, hamsters, gerbils, guinea pigs, aquarium fish, small snapping turtles and tortoises, domesticated rabbits and pets normally maintained in a terrarium or aquarium. The Board may determine, in its discretion, a maximum number of pets per household, not to be less than three.
2. Under no circumstances shall a Pit Bull, Rottweiler, Doberman Pinscher, Presa Canario (canary dog) or Dangerous Dog be permitted on the Property. As used in the Declaration: (i) a "Pit Bull" is defined as any dog that is an American Pit Bull Terrier, American Staffordshire Terrier, Staffordshire Bull Terrier, or any dog displaying a majority of the physical traits of any one (1) or more of the above breeds, or any dog exhibiting those distinguishing characteristics which substantially conform to the standards established by the American Kennel Club or United Kennel Club for any of the above breeds; and (ii) a "Dangerous Dog" is defined as a dog which meets any one (1) of the following criteria: (a) has aggressively bitten, attacked, endangered or has inflicted severe injury on a human being at any time whether on or off the Property, (b) has severely injured or killed a domestic animal at any time whether on or off the Property, or (c) has, when unprovoked, chased or approached any person upon the Streets, Drives, Roads, Avenues, Roadways and/or Sidewalks, or any other portion of the Property in a menacing fashion or apparent attitude of attack; provided, however, a dog shall not be a "Dangerous Dog" if the threat, injury, death or damage was sustained by a person who, at the time, was unlawfully on the Property (or any portion thereof), or, while lawfully on the Property (or any portion thereof), was tormenting, abusing or assaulting the dog or its owner or a family member; provided further, that no dog may be a "Dangerous Dog" if the dog was protecting or defending a human being within the immediate vicinity of the dog from an unjustified attack or assault.
3. Notwithstanding the foregoing, breeding of any animals or pets, including ordinary house pets, or any other keeping of pets for any commercial purpose whatsoever within the Community is prohibited.
4. Unusual pets shall not be kept, raised, bred or maintained on any portion of the Community, including the Home, Lot and Association Property. Unusual pets shall include, by way of example and not limitation, those animals not generally maintained as pets, such as poultry, livestock, horses, large reptiles, anthropoids, felines other than cats, canines other than dogs, rodents, birds and other creatures other than those listed in item 1 above, or not maintained in a terrarium or aquarium. Pit Bulls, Rottweilers, Doberman Pinschers, Presa Canarios (canary dog) and Dangerous Dogs (all as provided in the Declaration) are also classified as an unusual pets and are, therefore, prohibited.
5. Pet owners are responsible for any property damage, personal injury or disturbance which their pet may cause or inflict. Each Owner who determines to keep a pet agrees to indemnify the Association and hold the Association harmless against any loss or liability of any kind or character whatsoever arising from or growing out of his having any animal in the Community.
6. Pets shall not be left unattended outside the Home. No pet shall be kept tied up outside of a Home or in any covered or screened porch or patio, unless someone is present in the Home.
7. All dogs and cats shall be walked on a leash and in full control by their owners at all times. Any pet shall be carried or kept on a leash when outside of a Home or outside of a fenced-in area.
8. Any solid animal waste shall be immediately picked up and removed and shall not be deposited on or within the Association Property.
9. All pets shall have and display, as appropriate, evidence of all required registrations and inoculations and the name and address of its owners.
10. Every female animal, while in heat, shall be kept confined in the Home by its owner in such a manner that she shall not be in contact with another animal nor create a nuisance by attracting other animals.
11. If any pet becomes obnoxious to the Owners by barking or otherwise, the owner of the pet shall cause the problem to be corrected. If the problem is not corrected, then the Owner, upon written notice from the Association, shall be required to dispose of the animal.
12. No Owner shall inflict or cause cruelty upon or in connection with any pet.

**CANYON TRAILS HOMEOWNERS ASSOCIATION, INC.
INITIAL RULES AND REGULATIONS**

USE AND ENJOYMENT OF LAKES

1. Owners, or the family members, guests, invitees and tenants of Owners, shall be permitted to engage in "catch and release" fishing in the lakes. An Owner shall only access the lakes for fishing from the lake maintenance easement area or lake maintenance access easement area which immediately abuts his Lot if the Owner's Lot is a Lake Lot. If the Owner's Lot is not a Lake Lot, or if an Owner of a Lake Lot wishes to access a different lake or another area of the same lake, then access to the lake for fishing shall be exclusively from a lake maintenance access easement area abutting Association Property. Notwithstanding the preceding, an Owner shall not be permitted to fish from any lake maintenance easement or lake bank area which immediately abuts another Owner's Lake Lot. If no portion of the lake maintenance access easement or lake maintenance easement abuts Association Property, Owners other than lake lot Owners whose lots abut the lakes shall not be permitted access to that lake. In addition, no Owner shall be permitted access to or to fish in any lake maintenance easement or lake bank area which immediately abuts a Lake Lot owned by another Owner.
2. Lake Lot Owners, or the family members, guests, invitees and tenants of Lake Lot Owners, shall be permitted to operate non-motorized and electric watercraft in the lakes. No other persons shall be permitted to operate watercraft in the lakes. Notwithstanding the foregoing, a Lake Lot Owner shall only access the lakes from the lake maintenance easement area or lake maintenance access easement area which immediately abuts his Lot. The launching into and removal from a lake of any permitted non-motorized and electric watercraft by a Lake Lot Owner shall be limited to that Owner's Lake Lot. Watercraft shall be limited in size to eighteen (18') feet in length.
3. No alteration, relocation, removal or damage shall be caused to any littoral plantings, wetlands plantings or upland plantings.
4. No planting, fencing or other improvements or additions to the grassed area surrounding the lake and outside the Lot is permitted.
5. No installation of sand or other materials intended to simulate a beach is permitted along the lake banks or within the lake maintenance easements or rear yards of Lake Lots.
6. Swimming and the operation of motorized water craft, other than electrically operated water craft, in the lakes are prohibited.
7. Water craft and trailers shall not be stored on the lake banks or in the easement areas. Only water craft which are permitted to be used within the lakes of the Community may be stored within the back yards of Lake Lots.
8. In no event shall an Owner cause any erosion or change in grade of any Lake Bank slope from design grade.

**CANYON TRAILS HOMEOWNERS ASSOCIATION, INC.
INITIAL RULES AND REGULATIONS**

LEASING OF HOMES

1. No portion of a Home, other than an entire Home, shall be rented by the Owner. No Home, or portion thereof, shall be sub-let.
2. All leases shall provide that the right of the tenant to use and occupy the Home and the Association Property shall be subject and subordinate in all respects to the provisions of the Declaration and the Rules and Regulations.
3. All leases shall provide for a minimum lease term of twelve months. No lease shall provide for an early lease termination which would reduce a lease term to a period of less than twelve months except in the event of a default by the tenant.
4. Each Owner shall be required to use a lease addendum which provides, among other things, that the tenant will pay the rent due under the lease directly to the Association upon receipt of notice from the Association that the Owner is delinquent in amounts due to the Association. Even if such lease addendum is not included, each lease entered into by Owner for a Home shall be deemed to include the foregoing by this reference.
5. All leases shall provide, and if they do not so provide then the leases shall be deemed to provide, that the Association shall have the right to terminate the lease upon default by the tenant in observing any of the provisions of the Declaration, the Articles, the Bylaws, the Rules and Regulations, or of any other agreement, document or instrument governing the Lots or Homes.
6. The Owner of a leased Home shall be jointly and severally liable with his tenant for compliance with the Association Documents and the Rules and Regulations and to the Association to pay Assessments and/or any claim for injury or damage to persons or property caused by the acts or omissions of the tenant and/or those for whom the Owner is responsible.
7. A person occupying a Home for more than one (1) months without the Owner or tenant or a member of Owner's or tenant's family being present shall not be deemed a guest, but rather, shall be deemed a tenant for purposes of the Declaration and these Rules and Regulations (regardless of whether a lease exists or rent is paid) and shall be subject to the provisions of the Declaration and these Rules and Regulations which apply to tenants.

**CANYON TRAILS HOMEOWNERS ASSOCIATION, INC.
INITIAL RULES AND REGULATIONS**

MISCELLANEOUS RULES AND REGULATIONS

1. Signs. No sign, display, poster, advertisement, notice or other lettering (including, without limitation, "For Sale", "For Rent" or "By Owner" signs) shall be exhibited, displayed, inscribed, painted or affixed to a Lot or Home or any element of the Association Property without the prior written approval of the Board, which approval may be given, conditioned, withheld or denied in the sole and absolute discretion of the Board. Notwithstanding anything to the contrary contained in these Rules and Regulations, the Board shall not approve any sign, display, poster, advertisement, notice or other lettering which is or in the nature of a "For Sale" or "For Rent, "By Owner" or similar sign for renting or sale of a Home for so long as Declarant owns a Lot in Canyon Trails or so long as Declarant or any of Declarant's affiliates (or any of their respective successors or assigns) are conducting sales and marketing of homes in Canyon Trails or other communities developed or marketed by Declarant or any of Declarant's affiliates, whichever is later.
2. Chemicals. Except as otherwise specifically provided herein, Owners shall not keep any flammable, combustible or explosive fluids, fuels, chemicals or substances in any Home, its adjacent yard area or within the Association Property. No above-ground or under-ground propane or other fuel storage tanks shall be permitted except only for: (a) customary propane tanks associated with barbecue grills, (b) those substances use for normal household or yard maintenance use, and (c) an under-ground propane tank associated with a Generator System approved and installed pursuant to the "Additional Guidelines for Additions and Alterations – Permanent Generators" as set forth above. Any such propane tanks and household substances shall be maintained in accordance with the prescribed use and safety instructions but in no event shall they be installed or stored on Association Property.
3. Solicitation. All door-to-door commercial solicitation is prohibited. Placing of materials in mailboxes or on or within any portion of the Homes or Lots is strictly prohibited unless express written permission is granted by the Board.
4. Hunting, Trapping and Use of Firearms. Hunting, trapping or the use/discharge of firearms, including, but not limited to, hand guns, rifles, shot guns, BB guns, pellet guns, paint guns, slingshots and bows and arrows, are not permitted anywhere in the Community. This rule shall not prohibit an Owner from keeping a lawful firearm in his or her Home.

**CANYON TRAILS HOMEOWNERS ASSOCIATION, INC.
INITIAL RULES AND REGULATIONS**

GENERAL USE OF ASSOCIATION PROPERTY AND RECREATION TRACT

1. Responsibility:
 - a. With respect to the use of Association Property, including the Recreation Tract and Park Tract, an Owner shall be held responsible for his actions and conduct and that of his family members, guests, invitees and tenants. Decorum, good conduct and safety shall be observed and shall be strictly enforced.
 - b. Any damage to Association Property, including the Recreation Tract, Park Tract or equipment therein, which is caused by any Owner or family member, guest, invitee or tenant of the Owner shall be repaired or replaced at the expense of the Owner.
 - c. The use of the Recreation Tract and Park Tract by persons other than an Owner or the family members, guests, invitees or tenants of the Owner is strictly prohibited and shall be at the risk of those involved and not, in any event, the risk of the Association or its manager.
 - d. The Association shall not be responsible for any personal injury or any loss or damage to personal property at the Recreation Tract and/or Park Tract regardless of where such property is kept, checked, left or stored on the premises.
2. General Use Restrictions:
 - a. The Recreation Tract, Park Tract, Indoor Sports Complex, Arcade, Fitness Center, Tennis Courts, Open Play Field, Basketball Courts, Pools or any other open play area(s), or any portion thereof, and the facilities located thereon and therein, shall be solely for the use of the Owners and their family members, guests, invitees and tenants, subject to the provisions of the Association Documents; provided, however, no more than two (2) guests or invitees of a single "Household" (as hereinafter defined) are permitted to use the Recreation Tract, Park Tract, Indoor Sports Complex, Arcade, Fitness Center, Tennis Courts, Open Play Field, Basketball Courts, Pools or any other open play area(s), or any portion thereof, and/or the facilities located thereon and therein, at any one time. For purposes of this paragraph, the term "Household" shall mean an Owner and/or tenant and the Owner's and/or tenant's family members residing in the Owner's and/or tenant's Home.
 - b. The Recreation Tract, Park Tract, Indoor Sports Complex, Arcade, Fitness Center, Tennis Courts, Open Play Fields, Basketball Courts, Pools or any other open play area(s), or any portion thereof, and the facilities located thereon and therein, by any organized team (i.e., school teams, municipal recreation league teams, etc.) as a practice or scrimmage court, facility, field or area is strictly prohibited.
 - c. Any use of the Recreation Tract, Park Tract, Indoor Sports Complex, Arcade, Fitness Center, Tennis Courts, Open Play Fields, Basketball Courts, Pools or any other open play area(s), or any portion thereof, and the facilities located thereon and therein, or any other portion of Association Property, for any private use shall be submitted for prior approval to the Board or its manager. For this purpose, "private use" shall include, by way of example but not limitation, any of the following: private lessons (such as tennis lessons or swimming lessons), group lessons, instructional classes, aerobics classes, weight training instruction, exercise classes (including karate or other martial arts classes), social meetings, fraternal meetings, political meetings, religious group meetings, parties, socials, barbecues, seminars, educational classes, computer training courses, and motivational speakers.
 - d. Residents shall accompany and remain with their guests, invitees and tenants to the Recreation Tract and Park Tract.
 - e. Pets shall not be permitted in the Recreation Tract or the Park Tract.
 - f. The walkways and entrances of the Recreation Tract and the Park Tract and facilities located thereon and therein shall not be obstructed or used for any purpose other than ingress and egress.
3. Cleanliness:
 - a. It is prohibited to litter or cause debris to be put in any of the Association Property, including the Recreation Tract and the Park Tract. Owners, their family members, guests, invitees and tenants shall cause to be removed or disposed of all rubbish, garbage, trash, refuse or other waste materials generated during their respective use within any recreational facilities or other Association Property.
 - b. No personal articles shall be allowed to stand overnight in any of the Association Property.
 - c. No garbage cans other than those provided by the Association, supplies, water bottles or other articles shall be placed or left within the Association Property, including the Recreation Tracts and Park Tracts.

**CANYON TRAILS HOMEOWNERS ASSOCIATION, INC.
INITIAL RULES AND REGULATIONS**

RULES FOR THE SWIMMING POOL AREA

1. Pool Area Use:
 - a. THERE SHALL BE NO LIFEGUARD ON DUTY. ALL PERSONS USING THE POOL, AQUA LOT AND WADING POOL DO SO AT THEIR OWN RISK. The Association and its Board assume no responsibility for any accident or personal injury or for any loss or damage to personal property arising out of or in connection with the use of the pool, aqua lot, wading pool and/or the pool area in general. Persons using the pool, aqua lot, wading pool and/or the pool area in general agree not to hold the Association or the Board liable for actions of any nature occurring within the pool, aqua lot, wading pool and/or the pool area.
 - b. Pool hours are from Dawn to Dusk, but in no event later than 9:00 p.m. Outdoor recreation lights shall be turned off no later than 9:00 p.m. Prior to 8:00 a.m., the use of pool facilities shall be restricted to Owners only. No use prior to 8:00 a.m. shall be allowed which is deemed disruptive to the peaceful enjoyment of those residents living in close proximity to the pool area.
 - c. All persons fourteen (14) years of age or younger shall be accompanied and closely supervised by an Owner or supervising adult over the age of twenty-one (21). Persons over the age of six (6) are not permitted to use the wading pool.
 - d. Wheelchairs, strollers and child waist and arm flotation devices shall be permitted in the pool area. No rafts and similar flotation devices shall be permitted in the pool area.
2. Code of Conduct for the Pool Area:
 - a. No nude swimming shall be allowed at any age. Children wearing diapers must wear approved swim diapers while in the pool.
 - b. No intoxicants shall be permitted in the pool area.
 - c. No roller skates, skateboards, roller blades, bicycles, scooters, balls of any kind, scuba equipment, swimming fins and other play or exercise equipment shall be permitted in the pool or pool area.
 - d. No dunking, rough play, profane language, diving or jumping in the pool shall be permitted.
 - e. No running, pushing, rough play or profane language in the pool area shall be permitted.
 - f. No radios, tape or CD players or portable televisions shall be permitted in the pool area without the use of headphones.
3. Health and Safety Considerations:
 - a. All users shall shower before entering the pool.
 - b. No soaps or shampoos shall be used at the pool side shower.
 - c. Persons wearing bandages or having colds, coughs, inflamed eyes, infections or open sores shall not use the pool.
 - d. No glass containers or other breakable objects shall be permitted in the pool area.
 - e. All belongings shall be removed when the user is leaving the pool area. The Association and its Board shall not be responsible for any belongings lost or stolen.
 - f. All rubbish, garbage, trash, refuse or other waste materials shall be placed into containers around the pool area provided for this purpose or removed from the pool area.
 - g. A three (3) foot walking area shall be maintained around the pool at all times. Additionally, walking areas around and through the pool area shall not otherwise be blocked.
 - h. In accordance with health department regulations, no food, drink or animals are permitted in the pool or on the pool deck.

**CANYON TRAILS HOMEOWNERS ASSOCIATION, INC.
INITIAL RULES AND REGULATIONS**

**RULES FOR THE SWIMMING POOL AREA
(continued)**

4. Use of pool furniture and equipment:
 - a. Pool furniture shall not be removed from the pool area.
 - b. Pool furniture shall not be reserved for anyone not in the pool area.
 - c. Pool furniture and equipment shall not be modified, altered or changed in any manner.
 - d. Towels shall be placed on pool furniture when in use.
5. Use of the pool area shall also be governed by all other applicable Rules and Regulations adopted by the Board, including but not limited to those concerning the "General Use of Association Property and Recreation Tracts".

**CANYON TRAILS HOMEOWNERS ASSOCIATION, INC.
INITIAL RULES AND REGULATIONS**

RULES FOR THE TENNIS COURTS, BASKETBALL COURT AND OTHER USES

1. PLAYERS SHALL PLAY AT THEIR OWN RISK.
2. Court and Playing Field Use:
 - a. The courts and playing fields are open for play from 8:00 a.m. until 10:00 p.m.
 - b. During morning hours (8:00 a.m. to 12:00 noon), players shall maintain low noise levels.
 - c. Private lessons shall not be given during prime playing hours (5:00 p.m. to 9:00 p.m.).
 - d. Tennis shall be limited to one and a half (1½) hours for doubles play and one (1) hour for singles play. Other playing fields and courts are limited to one and a half (1½) hours of play. Play may continue provided no other players are waiting at the expiration of the preceding time limits.
3. Specific Use Restrictions:
 - a. The courts and playing fields are restricted to the playing of appropriate games or game-related activities (i.e., exhibitions and clinics) only.
 - b. No one shall be permitted on the courts or the playing fields except those persons playing.
 - c. Roller skates, skateboards, roller blades, bicycles, scooters and other play or exercise equipment are prohibited on the other courts and playing fields.
 - d. Children fourteen (14) years of age and younger shall be accompanied and closely supervised by an adult over the age of twenty-one (21) and shall not disrupt the play of others.
 - e. No intoxicants, food or breakable containers shall be permitted on the courts or playing fields.
 - f. All belongings shall be removed from the courts and playing fields when play is complete. The Association and its Board shall not be responsible for belongings lost or stolen.
 - g. An Owner shall be responsible for repair and/or replacement costs incurred as a result of deliberate or irresponsible behavior resulting in damage to the courts, playing fields and/or related equipment caused by the Owner, his family members, tenants, guests, invitees and others for whom the Owner is responsible.
 - h. Use of the Tennis Courts, Pool, Basketball Court, Fitness Center or any other open play area(s), or any portion thereof, by any organized team (i.e., school teams, municipal recreation league teams, etc.) as a practice or scrimmage court, facility, field or area is strictly prohibited.
4. Code of Conduct for the Courts and Playing Fields:
 - a. Boisterous or profane language shall be not used by players or spectators.
 - b. Walking behind or through the playing areas during play shall be prohibited.
 - c. Entering or leaving a court or playing field shall only occur when the play of other players is stopped.
 - d. Only proper attire, shoes and protective wear shall be worn. No swimsuits or bare chests shall be allowed. Only sneakers shall be worn on the courts. Black soled sneakers shall not be permitted.
5. If a reservation schedule is maintained on a board at the tennis courts, the following shall apply:
 - a. Reservations for play shall not be made earlier than the day before the requested time.
 - b. Names of all players shall be posted with the requested time.
 - c. Players shall not reserve more than one time slot. Any duplicate reservations shall not be honored until all other players have played.
 - d. Unassigned court time may be signed up for by the same players on the same day.
 - e. Court time shall be forfeited if players do not show up within ten (10) minutes of the reserved time.
 - f. If the court loses playability during a reserved time, playing time shall not be extended if other players are waiting or have reservations.

**CANYON TRAILS HOMEOWNERS ASSOCIATION, INC.
INITIAL RULES AND REGULATIONS**

**RULES FOR THE TENNIS COURTS, BASKETBALL COURT AND OTHER OUTDOOR USES
(continued)**

6. There shall be a Tennis Committee consisting of residents who are familiar with the game of tennis. The Tennis Committee shall supervise the use of the court and bring all problems that may arise to the attention of the Board. All special events, lessons and planned activities shall be scheduled and approved in advanced through the Tennis Committee.
7. Use of the courts and playing fields shall also be governed by all other applicable Rules and Regulations adopted by the Board, including but not limited to those concerning the "General Use of Association Property and Recreation Tract".

**CANYON TRAILS HOMEOWNERS ASSOCIATION, INC.
INITIAL RULES AND REGULATIONS**

RULES FOR THE CLUBHOUSE

1. Clubhouse Use:

- a. Clubhouse hours shall be as established by the Board from time to time. Time extensions for social or Community events may be granted at the discretion of the Board or, if applicable, the Clubhouse Committee. Activities outside the Clubhouse shall not be allowed after 9:00 p.m. without the prior approval of the Board.
- b. All persons fourteen (14) years of age and younger shall be accompanied and closely supervised by an Owner or supervising adult over the age of twenty-one (21).
- c. All belongings shall be removed from the Clubhouse when leaving. The Association and its Board shall not be responsible for belongings lost or stolen.
- d. No immoral, offensive or unlawful use shall be made of the Clubhouse. All laws and regulations of all applicable governmental entities shall also be strictly observed.

2. Code of Conduct for the Clubhouse:

- a. No smoking in the Clubhouse or any rooms therein shall be allowed.
- b. Proper attire shall be worn in the Clubhouse.
- c. Bare feet, bare chests and swimsuits shall be prohibited throughout the Clubhouse, except in specifically designated areas.

3. Rules for Use of Exercise Room:

- a. All equipment shall be used at the risk of the person exercising.
- b. Children sixteen (16) years of age and younger shall not be permitted in the exercise room.
- c. Athletic shoes and shirts shall be worn at all times.
- d. As a courtesy to others, people exercising are requested to allow others to work in with them.
- e. A thirty (30) minute time limit shall apply on all cardio-vascular equipment when someone is waiting.
- f. Equipment shall be wiped down after usage. Accordingly, people exercising are requested to bring a towel to the exercise room for that purpose.

4. Rules for Use of Indoor Sports Complex and Arcade:

- a. The sports court and arcade are restricted to the playing of appropriate games or game-related activities (i.e., exhibitions and clinics) only.
- b. No one shall be permitted on the sports court except those persons playing.
- c. Roller skates, skateboards, roller blades, bicycles, scooters and other play or exercise equipment are prohibited on the sports court and in the arcade.
- d. Only proper attire, shoes and protective wear shall be worn. No swimsuits or bare chests shall be allowed. Only sneakers shall be worn on the sports courts. Black soled sneakers shall not be permitted.
- e. No intoxicants, food or breakable containers shall be permitted on the sports court or in the arcade.
- f. An Owner shall be responsible for repair and/or replacement costs incurred as a result of deliberate or irresponsible behavior resulting in damage to the sports court, the arcade and/or any related equipment caused by the Owner, his family members, tenants, guests, invitees and others for whom the Owner is responsible.
- g. Use of the sports court or arcade by any organized team (i.e., school teams, municipal recreation league teams, etc.) is strictly prohibited.
- h. Boisterous or profane language shall be not used by players or spectators.

**CANYON TRAILS HOMEOWNERS ASSOCIATION, INC.
INITIAL RULES AND REGULATIONS**

RULES FOR THE CLUBHOUSE (continued)

- i. Walking through the sports court during play shall be prohibited.
 - j. Entering or leaving a court shall only occur when the play of other players is stopped.
5. Renting of the Clubhouse and/or Party Pavilion:
- a. Renting of any area of the Clubhouse facility or Party Pavilion by Owners for their private use, if permitted by the Board, shall be subject to availability and the payment of scheduled fees and deposits as may be determined by the Board.
 - b. All reservations of any area of the Clubhouse facility or Party Pavilion by Owners must first be approved by the Board or, if applicable, the Social Director. If so approved, the Owner reserving such area(s) shall be required to execute the Association's form of rental agreement and to comply with all of the terms and conditions thereof.
 - c. Any Owner or other authorized person reserving a portion of the Clubhouse facility or Party Pavilion shall have the care, custody and control of such portion of the Clubhouse facility or Party Pavilion, as applicable, during the period the facility is reserved and shall, therefore, be responsible for any and all costs for repairs and/or replacement to the Clubhouse facility and Party Pavilion, and their respective furniture, equipment, accessories, appliances and the like which are damaged or destroyed for any reason while under their care, custody and control. In addition, any Owner or authorized person using a portion of the Clubhouse facility or Party Pavilion shall be responsible for the care and cleaning thereof, including the kitchen. All furnishings and equipment shall be replaced to their previous locations, but in no event shall they be removed from the Clubhouse facility or Party Pavilion.
 - d. Owners wishing to reserve a portion of the Clubhouse facility or the Party Pavilion must first contact the Association manager to request a date and time. A deposit shall be due and payable at the time of reservation, and a portion thereof shall be non-refundable, all as determined by the Board. The balance of the deposit shall be refunded only if there has been no damage, misuse or theft to the Clubhouse facility, the Party Pavilion, or their components, and if the Clubhouse facility and Party Pavilion, as applicable, is left clean. The amount of the required deposit and the non-refundable portion of the deposit may be established and amended by the Board at any time and from time to time.
 - e. All community events and meetings shall supersede the use of all other events throughout the Clubhouse facility and/or the Party Pavilion.
6. Equipment and supplies shall not be stored in any location other than as specifically approved in writing by the Board.
7. No signs, notices or photos shall be posted on any of the walls or windows of the Clubhouse, other than on bulletin boards, if made available by the Association for that specific purpose. All postings must first be approved by the Board.
8. Use of the Clubhouse shall also be governed by all other applicable Rules and Regulations adopted by the Board, including but not limited to those concerning the "General Use of Association Property and Recreation Tract".

**CANYON TRAILS HOMEOWNERS ASSOCIATION, INC.
INITIAL RULES AND REGULATIONS**

RULES FOR THE FITNESS CENTER

1. Fitness Center Use:
 - a. Fitness Center hours shall be as established by the Board from time to time. Time extensions for social or Community events may be granted at the discretion of the Board or, if applicable, the Fitness Center Committee. Activities outside the Fitness Center shall not be allowed after 9:00 p.m. without the prior approval of the Board.
 - b. All persons sixteen (16) years of age and younger shall be accompanied by an Owner or supervising adult over the age of twenty-one (21).
 - c. All belongings shall be removed from the Fitness Center when leaving. The Association and its Board shall not be responsible for belongings lost or stolen.
 - d. No immoral, offensive or unlawful use shall be made of the Fitness Center. All laws and regulations of all applicable governmental entities shall be strictly observed.
2. Code of Conduct for the Fitness Center:
 - a. No smoking in the Fitness Center or any rooms therein shall be allowed.
 - b. Proper attire shall be worn in the Fitness Center.
 - c. Bare feet, bare chests and swimsuits shall be prohibited throughout the Fitness Center, except in specifically designated areas.
3. Rules for Use of Exercise Room:
 - a. All equipment shall be used at the risk of the person exercising.
 - b. Children sixteen (16) years of age and younger shall not be permitted in the exercise room.
 - c. Athletic shoes and shirts shall be worn at all times.
 - d. As a courtesy to others, people exercising are requested to allow others to work in with them.
 - e. A thirty (30) minute time limit shall apply on all cardio-vascular equipment when someone is waiting.
 - f. Equipment shall be wiped down after usage. Accordingly, people exercising are requested to bring a towel to the exercise room for that purpose.
4. All community events and meetings shall supersede the use of all other events throughout the Fitness Center facility.
5. Equipment and supplies shall not be stored in any location other than as specifically approved in writing by the Board.
6. No signs, notices or photos shall be posted on any of the walls or windows of the Fitness Center, other than on bulletin boards, if made available by the Association for that specific purpose. All postings must first be approved by the Board.
7. Use of the Fitness Center shall also be governed by all other applicable Rules and Regulations adopted by the Board, including but not limited to those concerning the "General Use of Association Property and Recreation Tract".

