

DECLARATION OF PROTECTIVE COVENANTS, RESTRICTIONS AND EASEMENTS
FOR
CHAPEL TRAIL

THIS DECLARATION OF PROTECTIVE COVENANTS, RESTRICTIONS AND EASEMENTS FOR CHAPEL TRAIL is made this 2nd day of MARCH, 1988 by CHAPEL TRAIL, LTD., a Florida limited partnership, PAUL KOENIG, individually and as trustee and HERBERT D. KATZ, individually and as trustee (collectively "Declarant").

WHEREAS, Declarant intends to develop or cause to be developed portions of certain real property more particularly described in Exhibit A attached hereto and made a part hereof ("Total Property") once same is committed to land use hereunder, as part of the multi-staged planned community to be known as "Chapel Trail" (as hereinafter defined); and

WHEREAS, Declarant desires to provide for the preservation of the values, amenities and uniform plan of development of Chapel Trail as such are hereby or as may be hereafter established; and

WHEREAS, Declarant desires to provide a method whereby portions of the Total Property may become "Committed Property" subject to the provisions of this "Declaration" upon the recording of a "Supplement" (as such terms are hereinafter defined); and

WHEREAS, Declarant has caused to be formed the "Corporation" which has joined in this Declaration and to which there have been and will be delegated and assigned certain powers and duties of ownership, operation, administration, maintenance and repair of portions of the Committed Property; the enforcement of the covenants and restrictions contained herein; and the collection and disbursement of the "Operating Expenses" (as such terms are hereinafter defined).

NOW, THEREFORE, in consideration of the premises and covenants herein contained, Declarant hereby declares that such portions of the Total Property as are now or hereafter become Committed 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 Committed Property and any portion thereof and shall be binding upon all parties having any right, title or interest in the Committed Property or any portion thereof, their heirs, successors and assigns.

ARTICLE I
DEFINITIONS

The following words and phrases when used in this Declaration (unless the context clearly reflects another meaning) shall have the following meanings:

1. "Articles" mean the Restated Articles of Incorporation of the Corporation, a copy of which is attached hereto and made a part hereof as Exhibit B and any amendments thereto.
2. "Assessments" mean the Individual Unit Assessments, Special Assessments and Individual Expense Assessments and any and all other assessments which are levied by the Corporation in accordance with the provisions of this Declaration, a Supplement or any other Chapel Trail Documents.
3. "Attorneys' Fees" mean (a) reasonable fees for attorney and paralegal services incurred in negotiation and preparation for litigation, whether or not an action is actually begun, through and including all trial and appellate levels and post-judgment proceedings; (b) sales or use tax due thereon, if any; and (c) court costs through and including all trial and appellate levels and post-judgment proceedings.
4. "Benefitted Parties" mean Declarant, the Corporation, the Neighborhood Associations, any agents, employees, invitees or designees of the foregoing and the Owners, their family members, guests, invitees and lessees, and the family members, guests and invitees of such lessees.
5. "Board" means the board of directors of the Corporation.
6. "Bylaws" mean the bylaws of the Corporation, a copy of which is attached hereto and made a part hereof as Exhibit C and any amendments thereto.
7. "Chapel Trail" means the multi-staged, planned community known as "Chapel Trail" planned for development upon portions of the Total Property and includes the portions of the Uncommitted Property, if any, which subsequently become Committed Property by the recording of a Supplement.
8. "Chapel Trail Documents" mean in the aggregate this Declaration, any Supplement(s), any Plat(s), all replats thereof, any Neighborhood Covenants, the Articles and the Bylaws, the Rules and all of the instruments and documents referred to therein or referred to herein, including, but not limited to, amendments to any of the foregoing, as applicable.
9. "City" means the City of Pembroke Pines, Broward County, Florida.
10. "Committed Property" means that portion of the Uncommitted Property, if any, committed to the provisions of this Declaration by the recordation of a Supplement amongst the Public Records of the County.
11. "Committee" means the architectural design control committee more particularly described in Paragraph III.D hereof.
12. "Condominium Declaration" means a declaration of condominium by which a particular condominium in Chapel Trail is submitted to the condominium form of ownership and all amendments thereto.
13. "Contributing Unit(s)" means those Dwelling Units or Residential Parcels more particularly described in Paragraph VII.B hereof.

14. "Contributing Unit Owner(s)" means the Owner of a Contributing Unit.
15. "Corporation" means Chapel Trail Owners Association, Inc., a Florida corporation not for profit.
16. "Corporation Common Areas" mean those portions of the Committed Property more particularly described in Paragraph III.A.2 hereof.
17. "County" means Broward County, Florida.
18. "Declarant" means Chapel Trail, Ltd., a Florida limited partnership, Paul Koenig, individually and as trustee, and Herbert D. Katz, individually and as trustee, or any successor of Declarant who may be assigned all the rights of Declarant pursuant to a written assignment executed by the then present Declarant and recorded in the Public Records of the County. However, if the assignor only assigns a portion of its rights as Declarant hereunder to an assignee, then the term Declarant as used in this Declaration shall mean such assignee only when necessary to give such assignee the rights of Declarant hereunder which were assigned to such assignee to the same extent as if assignee had been the original Declarant and such assignee shall not have any of the rights of Declarant hereunder which were not specifically assigned to such assignee. In addition, in the event any Person obtains title to all of the Total Property then owned by Declarant as a result of the foreclosure of any mortgage or deed in lieu thereof, such Person may elect to become Declarant by a written election recorded in the Public Records of the County, and regardless of the exercise of such election, such Person may appoint as Declarant any third party who acquires title to all or any portion of the Total Property by written appointment recorded in the Public Records of the County. In any event, any subsequent Declarant shall not be liable for any default or obligations incurred by any prior Declarant, except as same may be expressly assumed by the subsequent Declarant. No assignee of Declarant shall have any liability for any acts of Declarant or any prior Declarant unless such assignee is assigned and agrees to assume such liability. Notwithstanding the foregoing, an Owner shall not, solely by purchase of a Dwelling Unit(s) or Residential Parcel(s) be deemed a successor, grantee or assign of Declarant or the rights of Declarant under this Declaration or any other Chapel Trail Documents unless such purchaser is specifically so, designated as a successor, grantee or assign of such rights in the respective instrument of conveyance or any other instrument executed by Declarant.
19. "Declaration" means this instrument and any and all Supplements and amendments hereto.
20. "Dwelling Unit" means any residential dwelling unit intended as an abode for one family constructed on the Committed Property, including, without limitation, an attached or detached single-family home, an attached townhouse dwelling, an attached duplex or other multiplex dwelling, or any apartment-type unit contained in any multi-unit residential building and whether any of the foregoing are subject to fee simple, cooperative, condominium, rental or other forms of ownership and possession.
21. "Improvement" means any Dwelling Unit, building, structure or improvement of any kind including, but not limited to, any wall, fence, flagpole, antenna, landscaping, planting, dog house, swimming pool, tennis court, basketball backboard, play house, tree house, screen enclosure, driveway, parking area, sidewalk, sewer, drain, water area, outside lighting, sign, awning, canopy, shutter, door or window and any alterations or additions thereto.
22. "Individual Expense Assessment" means the Assessment more particularly described in Paragraph VII.E hereof.
23. "Individual Unit Assessment" means the Assessment more particularly described in Paragraph VII.A hereof.
24. "Institutional Mortgagee" means and refer to any person, entity or lending institution owning a first mortgage encumbering a Residential Parcel or Dwelling Unit, including any of the following:
 - (a) Any federal or state savings and loan or a building and loan association, or commercial bank or bank or real estate investment trust, or mortgage banking company or any subsidiary thereof; or
 - (b) Any "secondary mortgage market institution", including the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation and such other secondary mortgage market institution as the Board shall hereafter approve in writing; or
 - (c) Any pension or profit-sharing funds qualified under the Internal Revenue Code; or
 - (d) Any and all investing or lending institutions, or the successors and assigns of such lenders, which have loaned money to Declarant and which hold a mortgage upon any portion of the Committed Property securing such loans; or
 - (e) Such other institutional lenders as the Board shall hereafter approve in writing as an Institutional Mortgagee which have acquired a mortgage or are about to acquire a mortgage upon any portion of the Committed Property; or
 - (f) The Declarant or any designee of Declarant, if Declarant or such designee holds a mortgage on any portion of the Committed Property and the transferee of any mortgage encumbering the Committed Property which was originally held by Declarant or such designee; or
 - (g) Any life insurance company; or
 - (h) The Veterans Administration or the Federal Housing Administration or the Department of Housing and Urban Development.

25. "Interest" means 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.

26. "Lakefront Residential Parcel" means a Residential Parcel which abuts a lake, canal or waterway.

27. "Late Charges" mean any and all late charges, fees or fines levied by the Corporation in connection with any unpaid Assessments and costs of collection of any unpaid Assessments, including, but not limited to, Attorneys' Fees and Interest on all such unpaid amounts, including the unpaid Assessments.

28. "Lot" means a portion of the Committed Property upon which a single Dwelling Unit is permitted to be erected and is part of the Residential Property.

29. "Maximum Number of Dwelling Units" mean the maximum number of Dwelling Units permitted to be constructed pursuant to the more restrictive of: (a) the applicable zoning; or (b) the Chapel Trail Documents.

30. "Member" means a member of the Corporation, as provided in Article V of this Declaration.

31. "Multi-Family Parcel" means a portion of the Committed Property other than Lots upon which more than one Dwelling Unit is permitted to be erected and is part of the Residential Property.

32. "Neighborhood" means and refers to any development of Dwelling Units within the Committed Property which is designated as a neighborhood by Declarant in a written instrument.

33. "Neighborhood Association" means and refers to any property owners association, owners association, condominium association, or other such entity, their successors and assigns, responsible for administering a Neighborhood.

34. "Neighborhood Common Area" means and refers to all real property, including any Improvements thereon, owned or leased by a Neighborhood Association or the use and control of which has been granted to a Neighborhood or Neighborhood Association for the common use and enjoyment of the Owners in such Neighborhood and which has been consented to in writing by Declarant.

35. "Neighborhood Covenants" means and refers to any and all covenants, conditions, restrictions and other provisions imposed by a recorded instrument executed by Declarant applicable to one or more specific Neighborhoods within the Committed Property, but not to all Neighborhoods.

36. "Non-Condominium Declaration" means a land use document recorded amongst the Public Records of the County and all amendments thereto which establishes that the Owners of non-condominium Dwelling Units and/or Residential Parcels within portions of the Committed Property are members of a Neighborhood Association and whereby certain covenants and use restrictions have been impressed upon portions of the Committed Property.

37. "Operating Expenses" mean the expenses for which Owners are liable to the Corporation as described in this Declaration and any other Chapel Trail Documents and include, but are not limited to, the cost and expenses incurred by the Corporation in administering, operating, reconstructing, maintaining, financing, repairing, replacing or improving the Corporation Common Areas or any portion thereof and Improvements thereon and all costs and expenses incurred by the Corporation in carrying out its powers and duties hereunder or under any other Chapel Trail Documents, including, but not limited to, the cost of any "Reserves" (as defined in Paragraph VIII.M hereof) and any other expenses designated to be Operating Expenses by the Board.

38. "Owner" means the owner of the fee simple title to a Dwelling Unit or a Residential Parcel and includes Declarant for so long as Declarant is the owner of the fee simple title to any Dwelling Unit or Residential Parcel.

39. "Person" means an individual, partnership, syndicate, association, corporation or any other legal entity.

40. "Plat(s)" means a written instrument filed for record in the Public Records of the County in the manner required by law (which has not been superseded by a subsequent "Plat") whereby a portion of the Total Property is described and is subdivided into lots, blocks, parcels or tracts and all or a portion of the property contained within the Plat becomes Committed Property pursuant to a Supplement.

41. "Residential Parcel" means a Lot or a Multi-Family Parcel.

42. "Residential Property" means the portions of the Committed Property designated as such in a Supplement and, collectively, are all portions of Committed Property [except for those portions designated as Corporation Common Areas, commercial areas or for other designated use(s)] which may be developed with Dwelling Units as more fully set forth in Article III hereof.

43. "Rules" mean collectively the rules and regulations which the Board may promulgate or impose and thereafter modify, alter, amend, rescind and augment any of the same with respect to the use, operation and enjoyment of the Committed Property and any Improvements located thereon (including, but not limited to, establishing hours, manner of operation and reasonable fees for the use of the Corporation Common Areas) and provided that such Rules shall not be in conflict with the provisions of this Declaration, any Supplement or any other Chapel Trail Documents.

44. "Special Assessment" means the Assessment more particularly described in Paragraph VII.D hereof.

45. "Supplement" means a document which when recorded amongst the Public Records of the County with respect to a portion of the Uncommitted Property shall commit such property to the provisions of this Declaration and which may modify this Declaration as to that portion of the property being committed.

46. "Total Property" means the real property located in the County, more particularly described in Exhibit A attached hereto and made a part hereof less any portions thereof which are excluded from the Total Property in accordance with Paragraphs II A.4 or 5 hereof.

47. "Turnover Date" means the date defined in Article X of the Articles.

48. "Uncommitted Property" means the portions of the Total Property which are not Committed Property.

ARTICLE II PLAN FOR DEVELOPMENT OF CHAPEL TRAIL

A. Committed and Uncommitted Property:

1. The Declarant intends to develop or cause to be developed upon the Total Property or portions thereof, a multi-staged, planned community to be known as Chapel Trail in accordance with the applicable zoning regulations of the City.

2. Until the first Supplement is recorded amongst the Public Records of the County, all of the Total Property is Uncommitted Property. Uncommitted Property may become Committed Property in the manner described in Paragraph II.A.3 hereof. NOTWITHSTANDING ANYTHING CONTAINED HEREIN, NEITHER THE TOTAL PROPERTY NOR ANY PORTION THEREOF SHALL BE SUBJECT TO THE COVENANTS, RESTRICTIONS, RESERVATIONS, REGULATIONS, BURDENS, LIENS AND EASEMENTS HEREOF, UNLESS AND UNTIL THE SAME IS COMMITTED HERETO BY THE RECORDATION OF A SUPPLEMENT FOR SUCH TOTAL PROPERTY OR ANY PORTION THEREOF AS SET FORTH BELOW. AS OF THE DATE OF THIS DECLARATION, DECLARANT MAY NOT OWN ALL OF THE TOTAL PROPERTY, HOWEVER, THE TOTAL PROPERTY OR THE PORTIONS THEREOF COMMITTED TO THE PROVISIONS OF THIS DECLARATION BY A SUPPLEMENT SHALL BE OWNED BY DECLARANT.

3. The Declarant may from time to time determine to commit all or any portion of the Uncommitted Property Declarant owns to some or all of the land use provisions and other benefits, burdens, restrictions, covenants and provisions contained in this Declaration. This determination shall be made in the sole discretion of Declarant. Each commitment of a portion of the Uncommitted Property to this Declaration shall be made by a recitation to that effect in a Supplement. Such Supplement need be executed only by Declarant and does not require the consent of the Corporation, the Neighborhood Associations, the Owners or the Institutional Mortgagees. The Supplement shall describe the portion(s) of the Uncommitted Property which is being committed to this Declaration and made subject to some or all of the terms hereof; the provisions, if any, of this Declaration which shall not apply to such portion(s) of the Uncommitted Property; any additional provisions applicable to such portion(s) of the Uncommitted Property; and shall contain such other terms and provisions as Declarant deems proper. If the Supplement recorded by Declarant relates to only a portion of the Uncommitted Property, and if Declarant thereafter determines to commit other portion(s) of the Uncommitted Property to this Declaration, Declarant shall file a Supplement in the aforespecified form for each such additional portion of the Uncommitted Property to be committed. Upon the recordation of a Supplement, to the extent provided in such Supplement, the Uncommitted Property described therein shall be committed to the terms and conditions contained in this Declaration and shall be Committed Property as fully as though originally designated herein as Committed Property.

4. Should Declarant, in its sole discretion, determine, at any time, that all or any part of the Uncommitted Property shall not become part of the Committed Property, Declarant may execute a statement ("Statement") to that effect containing a legal description of such portion of the Uncommitted Property. Upon the recording of this Statement amongst the Public Records of the County, the property described therein shall no longer be a part of the Uncommitted Property and/or the Total Property.

5. Declarant reserves a right, in its sole discretion, to determine at any time that all or any portion of the Committed Property then owned by Declarant should be withdrawn from all or any portion of the Chapel Trail Documents by execution of a statement ("Withdrawal Statement") indicating such intent and determination which shall contain a legal description of such portion of the Committed Property. The Withdrawal Statement shall be recorded amongst the Public Records of the County. Upon the recording of the Withdrawal Statement amongst the Public Records of the County, the property described therein shall no longer be part of the Committed Property planned to be developed as part of Chapel Trail and may be developed and/or used by Declarant for any purposes allowed by law. The Withdrawal Statement may also provide that the property being withdrawn is no longer part of the Total Property as well as no longer part of the Committed Property. Declarant reserves the right to so amend this Declaration without the consent of the Corporation, any Neighborhood Association, any Owner or any Institutional Mortgagee. However, in the event any such withdrawal reduces the gross area of the Committed Property by more than twenty-five percent (25%), such withdrawal may not be effectuated without the consent of seventy-five percent (75%) of the votes of the membership of the Corporation.

B. Uses of Committed Property: All portions of the Committed Property shall be subject to the use limitations, restrictions and other provisions, if any, imposed thereon as may be set forth in this Declaration, a Supplement or any other Chapel Trail Documents as same are applicable to the Committed Property. In addition, the provisions of a Supplement or any other Chapel Trail Documents may restrict specified portions of the Committed Property to specified uses, including, but not limited to, Residential Property, Corporation Common Areas and Neighborhood Common Areas and further restrict specified portions of the Corporation Common Areas to one or more specified uses, including, but not limited to, "Recreation Areas" or "Open Spaces" (as such terms are hereinafter defined).

ARTICLE III LAND USE CLASSIFICATIONS AND RESTRICTIONS: ARCHITECTURAL DESIGN CONTROL COMMITTEE

The Declarant does hereby declare that the following provisions shall be applicable to the Committed Property, which shall be transferred, demised, sold, conveyed and occupied subject to the terms of this Declaration as follows:

A. Use Classifications of Committed Property:

1. Residential Property: Residential Property is that portion of the Committed Property upon which Dwelling Units may be constructed and shall be for "residential use" only. All portions of the Committed Property, unless designated as Corporation Common Areas, Neighborhood Common Areas or for other designated use(s) in an amendment to this Declaration or a Supplement, shall constitute Residential Property. Except for Improvements related to construction, development, sales and rental activities permitted on Residential Property as hereinafter set forth, Residential Property shall include only Dwelling Units and Improvements associated with residential purposes and uses, including, but not limited to, streets, drives, driveways, entranceways, open spaces, parking spaces, lawn areas, swimming pools, docks, other recreational facilities and other amenities or areas appurtenant to Dwelling Units. No commercial activity, trade or business, including, but not limited to, retail or wholesale sales operations of any nature may be carried on in the Residential Property, except for the construction, development and sale or rental of the Residential Property or portions thereof (including, but not limited to, Dwelling Units constructed thereon) and except for direct accessory services to the Residential Property or to residential uses such as utilities and such other services as Declarant or the Board shall by written consent thereto deem appropriate. This limitation is not intended to preclude a resident in Chapel Trail from carrying on activities normally carried on at home related to his occupation, including, but not limited to, telephone calls, working with a home computer or writing a book, which do not adversely affect any other residents, but this provision is intended to prohibit commercial activities which adversely affect the other residents of Chapel Trail by increasing traffic and noise in Chapel Trail or by adversely affecting the appearance of Chapel Trail. In addition to the provisions of this Declaration and any applicable Supplement, the Residential Property may also be subject to the terms of any applicable Neighborhood Covenants. Neighborhood Covenants shall designate the portions of the Committed Property subject thereto and may further restrict the property being committed pursuant thereto, including, but not limited to: (i) the type of Dwelling Units that may be constructed thereon; and (ii) the establishment of such other amenities, benefits, covenants, easements, restrictions or provisions as Declarant shall deem appropriate.

2. Corporation Common Areas: The Corporation Common Areas are any parcels or portions thereof or easements or interests therein specified as Corporation Common Areas in any Supplement or any other Chapel Trail Documents. The administration, management, operation and maintenance of the Corporation Common Areas, including but not limited to, areas subject to easements specified as Corporation Common Areas in any Supplement or other Chapel Trail Documents, shall be the responsibility of the Corporation as provided in this Declaration, a Supplement or any other Chapel Trail Documents. The Declarant declares that the Corporation Common Areas shall be subject to, and shall be owned, held, transferred, conveyed, financed, used, demised and occupied in a manner consistent with the improvement thereof by Declarant or the Corporation, as the case may be, subject to the easements and use rights set forth herein and the following conditions. Limitations, easements and use rights, all of which run with the Corporation Common Areas and any part thereof. Notwithstanding anything contained herein to the contrary, Declarant shall have the right, in its sole discretion, without obtaining the consent of the Corporation, the Neighborhood Associations, the Owners or the Institutional Mortgagees (i) to designate at any time, as long as Declarant owns any portion of the Total Property, additional Corporation Common Areas from areas which were previously designated as Residential Property or other types of areas; or (ii) to designate additional Corporation Common Areas by causing portion(s) of Uncommitted Property to become Committed Property; or (iii) to change portions of the Corporation Common Area(s) to Neighborhood Common Area(s), Residential Property or other types of areas as long as Declarant owns the aforementioned portions of the Corporation Common Areas which are being changed to Neighborhood Common Area(s), Residential Property or other types of areas. In the event that Declarant exercises its right to increase or decrease the Corporation Common Areas, Declarant shall record an amendment to this Declaration or a Supplement in the Public Records of the County setting forth such increase(s) or decrease(s) in the Corporation Common Area(s). Such amendment need be executed only by Declarant and does not require the consent of the Corporation, the Neighborhood Associations, the Owners or the Institutional Mortgagees.

In addition, the owner of a portion of the Corporation Common Areas (whether Declarant or the Corporation) shall each have the right to convey all or a portion of the Corporation Common Areas owned by such owner to:

- (i) a Neighborhood Association to be a Neighborhood Common Area available to Owners who are members of such Neighborhood Association; or
- (ii) the City or other governmental or quasi-governmental authority including but not limited to a special taxing district to be available for public use or otherwise available to the Owners and their lessees and their family members, guests and invitees.

In event of such a conveyance, Declarant or the Corporation, as applicable, shall record an amendment to this Declaration setting forth that such property is no longer a Corporation Common Area and is either a Neighborhood Common Area or no longer subject to the provisions of this Declaration, as applicable. Such amendment need be executed only by Declarant or the Corporation and does not require the consent of the Corporation, the Neighborhood Associations, the Owners or the Institutional Mortgagees. However, for so long as Declarant owns any portion of the Total Property, the Corporation shall not convey any Corporation Common Area without the prior written consent of Declarant.

Notwithstanding anything contained herein to the contrary, Declarant and its nominees shall have the right, in their sole discretion, to construct upon, develop, alter or modify the Corporation Common Areas and any Improvements, easements and use rights thereon or appurtenant thereto, including, but not limited to, the right to redesignate, modify, alter, increase or decrease (collectively, "Redesignate") the specified use(s) of any Corporation Common Area(s) in any manner determined appropriate by Declarant or its nominee without the consent of the Corporation, the Neighborhood Associations, the Owners or the Institutional Mortgagees for so long as Declarant or its nominee shall own any portion of the Total Property. In the event that Declarant or its nominee exercises its right to Redesignate the specified use(s) of a Corporation Common Area(s), Declarant or its nominee shall record an amendment to this Declaration in the Public Records of the County, setting forth the subject Corporation Common Area or portion thereof and the use(s) thereof, if any, which have changed from what is set forth in this Declaration.

Such amendment need be executed only by Declarant and does not require the consent of the Corporation, the Neighborhood Associations, the Owners or the Institutional Mortgagees.

All Corporation Common Areas may be utilized for the easements contemplated in Article IV of this Declaration. The Corporation Common Areas shall be kept, maintained and used as including, but not limited to, "Recreation Areas" and/or "Water Management and/or Retention Easements," and "Drainage and/or Utility Easements," and "Open Spaces" (as such terms are hereinafter defined), subject to redesignation of the specified use(s) by Declarant or its nominee as heretofore set forth, all as described below:

(a) "Recreation Areas" mean those portions of the Committed Property designated for use as a "Recreation Area(s)" on any Supplement or any other Chapel Trail Documents. Recreation Areas shall be used only for recreational and social purposes in accordance with any improvement of such Recreation Area by Declarant.

(b) "Open Spaces" mean those portions of the Committed Property designated for use as "Open Spaces" on any Supplement or any other Chapel Trail Documents, which shall be improved by Declarant in accordance with Declarant's plan for beautification of Chapel Trail and thereafter kept and maintained by the Corporation substantially in accordance with the improvement thereof by Declarant or the requirements of the applicable governmental agencies. The Declarant, for so long as Declarant shall own any portion of the Committed Property, and thereafter, the Corporation, shall have the absolute right, in its sole discretion, to modify its plan for beautification of Chapel Trail and specifically to modify the appearance of Open Spaces.

Any models, sales/leasing areas, sales/leasing office(s), parking areas, construction office(s), signs and any other designated areas or personal property pertaining to the sale, lease, construction, maintenance and repair efforts of Declarant shall not be part of the Corporation Common Areas and shall remain the property of Declarant or its nominees, as the case may be. Such use rights and the right to transact business on the Corporation Common Areas as set forth herein and any other rights reserved by Declarant in the Chapel Trail Documents may be assigned, in writing, by Declarant in whole or in part.

3. Use of the Corporation Common Areas: Except as hereinafter set forth, the Corporation Common Areas shall be for the sole and exclusive use of the Benefitted Parties. The Declarant declares that the Corporation Common Areas are subject to a perpetual nonexclusive easement in favor of the Benefitted Parties to use the Corporation Common Areas for all proper and normal purposes and for such use of the facilities as for which the same are reasonably intended, including access to and from bodies of water and dedicated streets, in accordance with the terms of this Declaration, a Supplement or any other Chapel Trail Documents; provided, however, such rights to use the Corporation Common Areas are subject to Rules promulgated by the Board. Such Rules may limit such use rights to specific portions of the Corporation Common Areas and limit the specific uses of the Corporation Common Areas which are permitted. Copies of newly adopted Rules and amendments or alterations thereto shall be forwarded to all Owners by the Corporation. Notwithstanding the foregoing, the right is hereby reserved to Declarant or the Corporation to lease or rent all or any portions of the Corporation Common Areas or any other facilities now or hereafter constructed thereon ("Leased Property") on such terms as determined by Declarant or the Corporation from time to time. Such lessees ("Operators") shall operate the Leased Property for the purposes herein established or as may be established in any applicable Supplement or any other Chapel Trail Documents or through the written consent of Declarant or the Corporation. Such purposes may include, but are not limited to, art shows or theater performances with admission limited to those who purchase tickets and the operating of restaurant concessions. Additionally, improvements, including but not limited to, individual rooms or other facilities contained in buildings now or hereafter constructed on any portion of the Corporation Common Areas, may be reserved for short term periods for the exclusive use of the party or parties reserving same and their guests through the written consent of the Corporation on such terms and conditions as the Corporation deems appropriate; provided, however, that no such reservation shall interfere or impair the sales, leasing, construction, maintenance and repair efforts of Declarant as determined by Declarant in its sole discretion without Declarant's prior written consent.

The right of the Benefitted Parties to use the Corporation Common Areas shall be subject to any such lease, rental or reservation of any portion of the Corporation Common Areas or any Improvements thereon as hereinbefore set forth and subject to the Rules:.....

Any revenues received by the Corporation for the lease, rental or reservation of any portion of the Corporation Common Areas, or any Improvements thereon, or any other income of the Corporation, shall be used to defray or offset the Operating Expenses. Furthermore, no such lease, rental or reservation of any portion of the Corporation Common Areas, nor the operation of any such facilities or activities, nor the fact that a charge is made for the use of any such facilities or that a charge is made by the Operator or party reserving or using same be deemed a "commercial" activity or deemed to create a commercial area in violation of the provisions hereof with respect to the use of Corporation Common Areas so long as the use of such Corporation Common Areas is consistent with the provisions hereof.

4. Conveyance of Corporation Common Areas: The Declarant agrees that it shall convey to the Corporation fee simple title to the Corporation Common Areas and the personal property and Improvements appurtenant thereto subject to the terms and provisions of this Declaration, all applicable Supplements and Chapel Trail Documents; real estate taxes for the year of such conveyance; all applicable zoning ordinances; such facts as an accurate survey would show; and all covenants, easements, restrictions and reservations of record. Declarant shall convey to the Corporation, by quitclaim deed, all portions of the Corporation Common Areas not previously conveyed to the Corporation, on or before one hundred twenty (120) days after the Turnover Date or Declarant may convey all or portions of the Corporation Common Areas to the Corporation at such earlier time as Declarant may determine, in its sole discretion. At the time of conveyance of the Corporation Common Areas or any portion thereof, the Corporation shall be required to accept such conveyance of the Corporation Common Areas or portions thereof and the personal property and Improvements appurtenant thereto. The Corporation agrees to accept "AS IS" at the time of conveyance, the Corporation Common Areas and the personal property and Improvements appurtenant thereto, without any representation or warranty, expressed, implied, in fact or by law, as to the condition or fitness of the Corporation Common Areas or portions thereof and the personal property and Improvements thereon. Notwithstanding the foregoing, Declarant reserves the right to convey portions of the Corporation Common Areas to:

(i) a Neighborhood Association and to Redesignate such portions of the Corporation Common Areas as a Neighborhood Common Area to be available to the Owners who are members of such Neighborhood Association; or

(ii) the City or other governmental or quasi-governmental authority including but not limited to a special taxing district to be available for public use or otherwise available to the Owners and their lessees and their family members, guests and invitees in lieu of conveying such portions of the Corporation Common Areas to the Corporation.

Except as is hereinafter provided, once title to a Corporation Common Area(s), or any portion thereof, becomes vested in the Corporation, such Corporation Common Area(s), or any portion thereof, so vested in the Corporation and the Improvements thereon shall not be abandoned, partitioned, subdivided, alienated, released, transferred, hypothecated, or otherwise encumbered without first obtaining the written approval of owners of Dwelling Units owning not less than two-thirds (2/3) of the Dwelling Units or the Institutional Mortgagees holding first mortgages encumbering two-thirds (2/3) of the Dwelling Units encumbered by first mortgages held by Institutional Mortgagees. The last preceding sentence shall not be applicable to nor prohibit the Corporation from granting (a) such easements as are reasonably necessary or appropriate for the development of the Corporation Common Areas in a manner consistent with the provisions of this Declaration and all Chapel Trail Documents; or (b) from encumbering the Corporation Common Areas provided such encumbrances are solely to secure loans obtained for improving the Corporation Common Area being encumbered; or (c) conveying Corporation Common Areas to the City or to other governmental or quasi-governmental authority, including but not limited to a special taxing district to be available for public use or otherwise available to the Owners and their lessees and their family members, guests and invitees; or (d) conveying a Corporation Common Area to a Neighborhood Association to be a Neighborhood Common Area available to the members of such Neighborhood Association.

5. Commercial Areas: Except as may be specifically permitted by the Corporation and as provided for, permitted or contemplated in this Declaration or any other Chapel Trail Documents, no commercial areas shall be established nor maintained on any Corporation Common Area. However, as to all portions of the Total Property other than the Corporation Common Areas, Declarant reserves the right, subject only to applicable zoning regulations of the City, to designate and provide for the establishment and operation of commercial areas in this Declaration, a Supplement or any other Chapel Trail Documents.

6. Water Areas: "Water Areas" means the portions of the Committed Property, if any, designated as "Water Areas" by a Supplement or any other Chapel Trail Documents. Water Areas dedicated or conveyed to a governmental entity are the maintenance responsibility of such governmental entity. However, if permitted by such governmental entity and determined appropriate by the Board of the Corporation, the Corporation may perform additional maintenance of the Water Areas dedicated or conveyed to such governmental entity. Any Water Areas not dedicated or conveyed to a governmental entity will be maintained by the Corporation or a Neighborhood Association as more particularly set forth in a Supplement committing such Water Area to the provisions of this Declaration or any other Chapel Trail Documents.

For the term of this Declaration, Water Areas are not for the use and enjoyment of the public, but are expressly reserved for the use and enjoyment of appropriate governmental agencies and the Benefitted Parties in accordance with the Rules, if any. The Declarant, the Corporation and the Neighborhood Associations shall have the right to draw water from the Water Areas for irrigation purposes in accordance with the applicable requirements of governmental agencies. An Owner shall have the right to draw water from the Water Areas for irrigation purposes for the property owned by such Owner in accordance with the applicable requirements of governmental agencies provided such Owner obtains the prior written consent of the Corporation. The Declarant, the Corporation, the Neighborhood Associations and the Owners shall have the right to drain surface water from their Residential Parcels into the Water Areas in accordance with the applicable requirements of governmental agencies.

The Declarant hereby grants perpetual nonexclusive easements over the Corporation Common Areas for ingress and egress and access to the Water Areas, which easements are hereby created in favor of the Benefitted Parties and in favor of all applicable governmental authorities and agencies.

DECLARANT, THE CORPORATION AND THE NEIGHBORHOOD ASSOCIATIONS SHALL NOT BE OBLIGATED TO PROVIDE SUPERVISORY PERSONNEL FOR THE WATER AREAS, INCLUDING, BUT NOT LIMITED TO, LIFEGUARDS. ANY INDIVIDUAL USING THE WATER AREAS SHALL DO SO AT HIS OWN RISK AND SHALL HOLD HARMLESS DECLARANT, THE CORPORATION AND THE NEIGHBORHOOD ASSOCIATIONS FROM ANY CLAIM OR LOSS ARISING FROM SUCH USE.

7. Use of Committed Property by Declarant: Except as may be limited in this Declaration, a Supplement or any other Chapel Trail Documents, Declarant and its designated nominees shall have the right to make such lawful uses of the Committed Property owned or leased by Declarant or the Corporation as Declarant shall, from time to time, determine. Notwithstanding anything to the contrary contained in this Declaration and in recognition of the fact that Declarant will have a continuing and substantial interest in the development and administration of Chapel Trail, Declarant hereby reserves for Declarant and the Corporation recognizes, agrees to and acknowledges that Declarant (as defined in Paragraph I.18 hereof) and its designated nominees shall have, the right to the use of all Corporation Common Areas and all other portions of the Committed Property owned or leased by Declarant or the Corporation, in conjunction with and as part of its program of sale, leasing, constructing and developing of land within Chapel Trail, including, but not limited to, the right to maintain models and sales/leasing offices, place signs, employ sales personnel, show Dwelling Units, Residential Parcels and other portions of Chapel Trail, and use portions of the Committed Property and Dwelling Units and other Improvements owned or leased by Declarant or the Corporation for purposes set forth above and for storage of construction materials and for assembling construction components without any cost to Declarant and its designated nominees for such rights and privileges.

The rights and privileges of Declarant set forth in this Paragraph III.A.7 are in addition to and in no way limit any other rights or privileges of Declarant under any other Chapel Trail Documents such rights and privileges shall continue as long as Declarant or its designated

nominees own any portion of the Total Property and/or hold a mortgage encumbering any portion of the Total Property unless Declarant shall notify the Corporation in writing of Declarant's voluntary written election to relinquish such rights and privileges of use.

8. Other Rights of Declarant: Declarant reserves the absolute right, power and authority to assign and reassign various land uses to the Committed Property by instrument recorded in the Public Records of the County and to inaugurate and implement variations from, modifications to, or amendments of any governmental zoning, land use restrictions, plans, and developmental regulations, development order and development permits applicable to Committed Property. Such modifications or amendments may increase or decrease the number of Dwelling Units permitted on all or portions of the Committed Property.

B. Disputes as to Use: In the event there is any dispute as to whether the use of the Committed Property or any portion thereof complies with the covenants and restrictions contained in this Declaration, any Supplement or other Chapel Trail Documents, such dispute shall be referred to Declarant, unless such dispute arises after the Turnover Date, in which event such dispute shall be referred to the Board, and a determination rendered by Declarant or the Board, as applicable, with respect to such dispute shall be final and binding on all parties concerned therewith; provided, however, any use by Declarant and its designated nominees of the Committed Property or any parts thereof in accordance with Paragraph III.A.7 hereof, shall be deemed a use which complies with this Declaration and all applicable Supplements or any other Chapel Trail Documents and shall not be subject to a determination to the contrary by the Board.

C. Additional Provisions for the Preservation of the Values and Amenities of Chapel Trail: In order to preserve the values and amenities of Chapel Trail, the following provisions shall be applicable to the Committed Property:

1. Excavation and Fill: Except for Declarant's acts and activities in the development of Chapel Trail and except in connection with normal maintenance activities, no sod, top soil, rock, gravel, sand, clay, earth, minerals, oil or gas shall be excavated or removed from or placed on the Committed Property without the written consent of the Committee.

2. Alteration of Drainage: Except for Declarant's acts and activities in the development of Chapel Trail, no Improvements (including but not limited to driveways, pools, fences and landscaping) and no change in the condition of the soil or the level of the land of any portion of the Committed Property shall be made which results in any permanent change in the flow or drainage of surface or subsurface water of or within Chapel Trail without the prior written consent of the Committee.

3. Clothes Drying Areas: No portion of the Committed Property shall be used as a drying or hanging area for laundry of any kind, unless the drying or hanging area is not visible from any dedicated street, Water Area or any portion of the Committed Property other than the portion of the Committed Property owned by the person owning such drying or hanging area.

4. Colors: No exterior colors on any Improvement shall be permitted that, in the sole judgment of the Committee, would be inharmonious or discordant or incongruous with the Committed Property or a particular Neighborhood. Any future exterior color changes desired by an Owner must first be approved by the Committee.

5. Litter: In order to preserve the beauty of Chapel Trail, no garbage, trash, refuse or rubbish shall be deposited, dumped or kept upon any part of the Committed Property, except in closed containers, dumpsters or other garbage collection facilities deemed suitable by the Committee. All containers, dumpsters and other garbage collection facilities shall be screened from view from outside the Residential Parcel upon which same are located and kept in a clean condition with no noxious or offensive odors emanating therefrom. Excepted from the foregoing shall be all construction debris, refuse, unsightly objects and waste upon any portion of the Committed Property owned by Declarant or its nominees through the period of construction of Dwelling Units or other Improvements upon the Committed Property. However, all such construction debris, refuse, unsightly objects and waste on a portion of the Committed Property must be removed within thirty (30) days after the completion of construction of the Improvements on such portion of the Committed Property, as evidenced by issuance of a Certificate of Occupancy, if applicable.

6. Electrical Equipment: No electrical equipment shall be operated or permitted to be operated on the Committed Property so as to prevent good reception for any other equipment without the prior written consent of the Board.

7. Subdivision and Partition: No Lot shall be subdivided without the Committee's prior written consent.

8. Casualty Destruction to Improvements: In the event a Dwelling Unit(s) and/or other Improvement(s) upon the Residential Property is damaged or destroyed by casualty, hazard or other loss, then, within a reasonable period of time after such incident, the Owner(s) thereof and/or the Neighborhood Association responsible for the maintenance thereof shall either commence to rebuild or repair the damaged Dwelling Unit or Improvements and diligently continue such rebuilding or repairing activities to completion or, upon a determination by the Owner(s) thereof that the Dwelling Unit(s) or Improvement(s) will not be repaired or replaced, promptly clear the damaged Dwelling Unit(s) or Improvement(s) and grass over and landscape such Residential Property in a sightly manner consistent with Declarant's plan for beautification of Chapel Trail. As to any reconstruction of destroyed Dwelling Unit(s) and other Improvements, same shall only be replaced with Dwelling Unit(s) and other Improvements of a similar size and type as those destroyed unless the prior written approval of the Committee is obtained.

9. Corporation Common Areas: Nothing shall be stored, constructed within or removed from the Corporation Common Areas other than by Declarant, except with the prior written approval of the Board.

10. Use of Water Areas: Boats or other vehicles containing gas, diesel or other form of combustion engines are prohibited upon the Water Areas. The Corporation shall have the power and authority from time to time to adopt Rules governing the use of Water Areas.

11. Easements:

(a) "Drainage and/or Utility Easements" mean such easements on those portions of the Committed Property so designated on any Plat or a Supplement or any other Chapel Trail Documents for the installation and maintenance of utility and/or drainage facilities. Such easements are for the installation, maintenance, construction and repair of drainage facilities, including, but not limited to, canals, pumps, pipes, inlets and outfall structures and all necessary appurtenances thereto and underground utility facilities, including, but not limited to, power, telephone, sewer, water, gas, irrigation, lighting and television transmission purposes. Within these easements, no improvement or other material shall be placed or permitted to remain or alteration made which

(i) may damage or interfere with the installation and maintenance of utilities without the prior written consent of the affected utility companies and the Committee; provided, however, the installation of a driveway shall not require the consent of the affected utility companies unless the Committee imposes such requirement; or

(ii) may materially change the direction of flow or drainage channels in the easements or may materially obstruct or retard the flow of water through drainage channels in the easements without the prior written consent of the Committee and applicable governmental agencies.

The portions of the Committed Property designated as Drainage and/or Utility Easements and all Improvements thereon shall be maintained continuously by the owner of such portion of the Committed Property, except for those Improvements for which a public authority or utility company is responsible.

(b) "Water Management and/or Retention Easements" mean such easements on those portions of the Committed Property so designated on any Plat or a Supplement or any other Chapel Trail Documents for the storage of storm water and/or maintenance of adjacent water bodies. The property subject to the Water Management and/or Retention Easements shall be maintained by the owner thereof in an ecologically sound condition for water retention, irrigation, drainage and water management purposes in compliance with all applicable governmental requirements. The Declarant, the Corporation, the Neighborhood Associations and the Owners shall have the right to use the Water Management and/or Retention Easements to drain surface water from their Residential Parcels, Corporation Common Areas and Neighborhood Common Areas. No Improvement shall be placed within a Water Management and/or Retention Easement unless approved in writing by the Committee. No Owner shall do anything which shall adversely affect the surface water management system without the prior written consent of the Committee and applicable governmental agencies.

12. Pets: No animals, livestock or poultry of any kind shall be kept, raised or used upon any portion of the Committed Property, except that dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose. No pet shall be kept if it creates a nuisance. Pets shall be permitted only in portions of the Corporation Common Areas, if any, designated by the Corporation for such purpose. An Owner, by the purchase of his Residential Parcel or Dwelling Unit, agrees to indemnify Declarant and the Corporation and hold them harmless against loss or liability of any kind arising from his having any animal in Chapel Trail.

13. Signs: Except as permitted as hereinafter set forth, no sign, advertising or notice of any type shall be permitted on the Committed Property without the prior written consent of the Committee. One (1) of the following signs may be placed on a Lot without prior written consent of the Committee: (a) one (1) professionally prepared sign of not more than one and one-half (1-1/2) square feet used to indicate the name of the resident and street number of the Lot; or (b) one professionally prepared sign of not more than one and one-half (1-1/2) square feet advertising the property for sale or for rent; or (c) one professionally prepared sign of not more than one and one-half (1-1/2) square feet approved by Declarant in writing indicating names of builders, lenders or architects. However, the Committee shall have the right to determine that any such sign, unless installed by Declarant or its designated nominee or approved in writing by Declarant or its designated nominee, is unsuitable and to require such sign be removed by the Owner of the affected Lot. The Declarant specifically reserves the right for Declarant (as defined in Paragraph 1.18 hereof), its designated nominees and the Corporation to place and maintain signs in connection with construction, marketing, sales and rental of Dwelling Units and Residential Parcels and identifying or informational signs anywhere on the Committed Property without any limitation as to size, number of signs or otherwise.

14. Oil and Gas Tanks, Air Conditioners, Solar Collectors, Pool Equipment:

(a) All oil tanks, bottled gas tanks and swimming pool equipment and housing must be underground or placed in walled-in areas or landscaped areas so that such are not visible from any dedicated street, Water Areas, adjacent Dwelling Units and/or Residential Parcels, and adequate landscaping shall be installed and maintained by the Owner thereof.

(b) Wall and window air conditioning units shall be permitted only with the prior written consent of the Committee.

(c) Solar collectors other than those installed by Declarant shall only be permitted with the prior written consent of the Committee.

15. Maintenance of Premises: In order to maintain the standards of Chapel Trail, the Committed Property and Improvements thereon shall be kept in a good, safe, clean, neat and attractive condition, and all Improvements thereon shall be maintained in a finished, painted and attractive condition. No weeds, underbrush or other unsightly growth shall be permitted to grow or remain upon any portion of the Committed Property, no refuse or unsightly objects shall be allowed to be placed or permitted to remain anywhere thereon, and no grass on said property shall be permitted to grow to a height in excess of four inches (4") for improved property and ten inches (10") for unimproved property. Improved property shall be any Lot on which the construction of a Dwelling Unit has been completed as evidenced by the issuance of a Certificate of Occupancy and the portion of a Multi-Family Parcel on which the construction of a Dwelling Unit has been completed as evidenced by the issuance of a Certificate of Occupancy. Improved property

shall also include any Corporation Common Area and Neighborhood Common Area the improvement of which has been completed as evidenced by either the issuance of a Certificate of Occupancy or by the fact that such area is available for use by Owners. Unimproved property shall be any portion of the Committed Property which is not improved property. Excepted from the foregoing provisions of this paragraph shall be any portion of the Committed Property owned by Declarant or its nominee through the period of construction of Dwelling Units or other Improvements thereon. However, all such construction debris, refuse, unsightly objects and waste on a portion of the Committed Property must be removed within thirty (30) days after the completion of construction of the Improvement on such portion of the Committed Property, as evidenced by issuance of a Certificate of Occupancy, if applicable.

Unless prohibited by the applicable governmental authority, the Owner of a Lot shall also be responsible for maintaining the property between the edge of his Lot line and the edge of pavement for the adjacent dedicated roadway in accordance with the requirements of this Paragraph 15, including but not limited to keeping all portions thereof (except the driveway) fully sodded and maintaining the driveway.

In the event that a Neighborhood Association or the Owner of a Multi-Family Parcel is responsible for the maintenance of a Neighborhood Common Area or a Multi-Family Parcel up to a boundary with a dedicated street, then unless prohibited by the applicable governmental authority, such Owner or Neighborhood Association shall also be responsible for and maintaining the property between the boundary of such Neighborhood Common Area or Multi-Family Parcel with such dedicated roadway and the edge of pavement for such dedicated roadway in accordance with the requirements of this Paragraph 15, including but not limited to keeping all portions thereof (excepting driveways) fully sodded and maintaining driveways.

Any Neighborhood Common Area shall be used, kept and maintained in accordance with the applicable Neighborhood Covenants, Condominium Declaration or Non-Condominium Declaration. The expense of operating and maintaining a Neighborhood Common Area shall be the obligation of the Owners in such Neighborhood.

Upon the failure of a Neighborhood Association(s) or Owner(s) to maintain the portion of the Committed Property or property adjacent thereto and any Improvements thereon, which such party is responsible to maintain, in accordance with the requirements of this Declaration and to the satisfaction of the Corporation and Declarant until Declarant no longer owns any portion of the Total Property, and upon the Neighborhood Association's or Owner's failure to correct such deficiencies within fifteen (15) days of written notice by the Corporation or Declarant, unless a longer period is authorized by the Corporation and Declarant, the Corporation, or Declarant until Declarant no longer owns any portion of the Total Property, may enter upon the Committed Property and make such corrections as may be necessary, the cost of which shall be paid for by the Owner who is required to perform such maintenance or at the expense of his Neighborhood Association and/or the Owners who are members of such Neighborhood Association which is responsible for performing such maintenance. If any Neighborhood Association and/or Owner(s) fails to make payment within fifteen (15) days after requested to do so by the Corporation or Declarant, then the payment requested shall be collected as an Individual Expense Assessment from the Owner(s) required to perform such maintenance or the Owners who are members of the Neighborhood Association required to perform such maintenance in accordance with the provisions of Articles VI and VII hereof. In the event Declarant makes such corrections, the Corporation shall upon written request reimburse Declarant for the expense thereof.

16. Prohibited Vehicles: Vehicles which are missing one or more wheels, have one or more deflated tires, are not in an operating condition, or do not have current valid license plates shall not remain for more than two (2) consecutive days upon any portion of the Committed Property unless wholly within an enclosed garage.

No Owner or his family members, guests, invitees or lessees or their family members, guests, or invitees shall be permitted to keep any vehicle on the Committed Property which is deemed to be a nuisance by the Corporation or Declarant.

Excepted from the foregoing shall be any vehicles owned or used by Declarant or its designated nominees in connection with its program of selling, leasing, improving, developing, repairing or managing of any portion of the Total Property. Also excepted from the foregoing shall be any vehicles owned or used by the Corporation in the performance of its duties hereunder.

18. Vehicle Repairs: No maintenance or repairs shall be performed on any vehicles upon any portion of the Committed Property other than in an enclosed garage, except in an emergency situation. All repairs to disabled vehicles on the Committed Property other than within an enclosed garage, must be completed within two (2) hours from the immobilization thereof or the vehicle must be removed from the Committed Property or placed in an enclosed garage. Excepted from the foregoing shall be any vehicles owned or used by Declarant or its designated nominees in connection with its program of selling, leasing, improving, developing, repairing or managing any portion of the Total Property and maintenance by the Corporation of its vehicles on the Corporation Common Areas.

19. Prohibited Structures: Except for the permitted structures provided for herein and structures permitted by the Committee, no structure of a temporary character, including, but not limited to, trailer, tent, shack, shed, barn or outbuilding shall be parked or erected on the Committed Property at any time. Except for recreational facilities permitted pursuant to Paragraph III.C.26 hereof, all storage areas, tool cabinets, garden houses, etc. located on any Lot must be attached to the rear of the Dwelling Unit and must be screened from view from a dedicated street. Excepted from the foregoing shall be temporary structures of Declarant and its designated nominees until Declarant or its designated nominees no longer own any portion of the Total Property, provided such temporary structures are utilized in connection with selling, leasing, improving, developing, repairing or managing any portion of the Total Property. No structure of a temporary character may be used as a Dwelling Unit.

20. Nuisances: No obnoxious, illegal or offensive activities shall be conducted upon the Committed Property. Obnoxious noises or odors shall not be permitted or maintained upon the Committed Property. The Committed Property shall not be maintained so as to become a nuisance or annoyance to the community. There shall not be erected, constructed, suffered, permitted, committed, maintained, used or operated on any portion of the Committed Property, a nuisance of any kind or character. It is intended, however, that noises or odors which are the reasonably

expected result of such uses of the Committed Property as are specifically permitted or contemplated by the Chapel Trail Documents (e.g. Declarant's development and construction activities) shall not be deemed unreasonable, obnoxious nor a nuisance.

20. Water Supply: No individual water supply system shall be permitted on the Committed Property for domestic use. This shall not be construed to prohibit the installation of any individual water supply to be used for a sprinkler system or air conditioning, provided said use shall not be in conflict with applicable governmental requirements.

21. Sewage Disposal: No individual sewage disposal system shall be permitted on the Committed Property.

22. Improvements: All Improvements placed upon the Committed Property shall comply with the code of ordinances of the City.

23. Window Coverings: No window or door in a Dwelling Unit shall be covered with aluminum foil, newspaper or other unsightly material which is visible from outside the Dwelling Unit. Drapes, shutters, shades, sun filter screens and other materials commonly used in residential buildings are permitted if not unsightly.

24. Lakefront Residential Parcels: Unless the written consent of the Committee is obtained and all necessary governmental approvals are obtained thereafter,

(a) no boat house, dock building, landing, mooring pile, pier or ramp for boats or other Improvement shall be erected on or adjoining any Lakefront Residential Parcel;

(b) no Lakefront Residential Parcel shall be increased in size by filling in the water on which it abuts; and

(c) no boat canal or other waterways shall be dug or excavated into any Lakefront Residential Parcel.

25. Construction: All reconstruction must be performed by contractors and subcontractors holding either a State of Florida or County certified license to do residential construction in the County. Construction of any Improvements shall commence no later than five (5) months (unless the Committee approves, in writing, a period longer than five (5) months) following the written approval by the Committee of the plans and specifications for the Improvements and upon commencement construction shall be prosecuted diligently until completion, without stopping, completion to occur within a reasonable length of time not to exceed one (1) year after commencement except that (i) construction of a single building containing seven (7) Dwelling Units or more shall be completed within a reasonable length of time not to exceed two (2) years after commencement; and (ii) the Committee shall have the power to extend the period permitted for construction beyond the aforementioned one (1) year or two (2) year periods, provided the Owner makes written application therefore and the Committee determines the request is reasonable.

26. Recreational Facilities: All basketball backboards and play structures to be constructed upon a Lot shall be approved in writing by the Committee and shall be located at the rear of a Lot behind the Dwelling Unit and, in the case of a corner Lot, shall be located in the portion of the Lot furthest from the side street. No doghouse, playhouse, tree house or structure of a similar kind and nature shall be constructed on any part of a Lot in front of the rear line of the Dwelling Unit constructed thereon and no such structure shall be constructed without the prior written approval of the Committee.

27. Compliance with Documents: Each Owner and his family members, guests, invitees, and lessees and their family members, guests and invitees shall be bound by and abide by the Chapel Trail Documents. The conduct of the foregoing parties shall be considered to be the conduct of the Owner responsible for, or connected in any manner with, such individual's presence within Chapel Trail. Such Owner shall be liable to the Corporation for the cost of any maintenance, repair or replacement of any real or personal property located on the Corporation Common Areas rendered necessary by his act, neglect or carelessness, or by that of any other of the foregoing parties which shall be paid for by the Owner as an Individual Expense Assessment.

28. No Implied Waiver: The failure of Declarant, the Corporation or the Committee to object to an Owner's or other party's failure to comply with the covenants or restrictions contained herein or any other Chapel Trail Documents (including the Rules now or hereafter promulgated) shall in no event be deemed a waiver by Declarant, the Corporation or the Committee or of any other party having an interest therein of its right to object to same and to seek compliance therewith in accordance with the provisions of the Chapel Trail Documents.

D. Architectural Design Control Committee: In order to preserve the values and provide for the uniform appearance of Chapel Trail, the architectural review and control functions of Declarant and the Corporation herein set forth shall be administered and performed by an architectural design control committee ("Committee") which shall be established as follows:

1. Committee: The Declarant shall appoint a Committee consisting of not less than three (3) nor more than seven (7) members who need not be Owners nor members of the Board. Employees of Declarant and members of the Board may serve on the Committee. The Declarant shall have the right to remove any member of the Committee and to fill any vacancy occurring on the Committee for any reason whatsoever until the "Committee Turnover Date" (as hereinafter defined). The Committee Turnover Date, which cannot be changed without the written consent of Declarant, shall be the earlier to occur of the following:

(i) Ninety (90) days after certificates of occupancy have been issued for the Maximum Number of Dwelling Units permitted to be constructed on the Total Property; or

(ii) At such time prior to the date set forth in paragraph (i) above as Declarant, in its sole discretion, by written notice of such intent to the Board, relinquishes its right to appoint members of the Committee.

After the Committee Turnover Date, members of the Committee shall be appointed by the Board, which shall have the right to remove any members of the Committee and to fill any vacancy occurring on the Committee for any reason whatsoever. A majority of the members of the Committee shall constitute a quorum to transact any business of the Committee and the action of the majority present at a meeting at which a quorum is present shall determine the action taken by the Committee.

The Committee may designate a representative who is not a member of the Committee to act on behalf of the Committee, subject to the approval of Declarant until the Committee Turnover Date and thereafter subject to the approval of the Board. No member of the Committee or representative thereof shall be entitled to any compensation for services performed hereunder, unless Declarant or Board shall specifically provide otherwise.

2. Requirement of Committee Approval: Except for Improvements placed or developed by or with the approval of Declarant, and additions, alterations, modifications and changes to any of the foregoing by or with the approval of Declarant (collectively, "Declarant Improvements"), which Declarant Improvements are not subject to the approval of the Committee, no Improvements shall be erected, placed, planted or maintained on any portion of the Committed Property; no addition, alteration, modification or changes to any of the Improvements shall be made; and no platting or architectural, engineering or site plan pertaining to the development of any Residential Parcel(s), or any Improvements within the Committed Property ("Development Plans") shall be effectuated without the prior written approval of the Committee.

3. Method of Obtaining Committee Approval: In order to obtain the approval of the Committee, two (2) complete sets of the Development Plans and/or the plans and specifications for the proposed Improvements (Development Plans and/or such plans and specifications are collectively referred to as the "Plans") shall be submitted to the Committee for its review. The Plans shall include, as appropriate, the proposed location, grade, elevations, shape, dimensions, exterior color plans, approximate costs, and nature, type and color of materials to be used. The Committee may also require the submission of additional information and materials as may be reasonably necessary for the Committee to evaluate the proposed Plans. The Committee shall evaluate all Plans using standards of the highest level as to the aesthetics, materials and workmanship and as to suitability and harmony of location, structures and external design in relation to surrounding topography, structures and landscaping.

4. Approval or Disapproval by the Committee: The Committee shall have the right to refuse to approve any Plans which, in its sole discretion, are not suitable or desirable. In approving or disapproving Plans, the Committee shall consider the suitability of the proposed Improvements and/or Development Plans, the site upon which the proposed Improvements are to be erected, the harmony thereof with the surrounding area, property, Dwelling Units, and other Improvements and the effect thereof on the adjacent or neighboring property. Any and all approvals or disapprovals of the Committee shall be in writing and shall be sent to the Board and the party submitting the Plans. In the event the Committee fails to approve or to disapprove in writing any proposed Plans within forty-five (45) days after submission to the Committee of such Plans and any and all other reasonably requested information and materials related thereto, then said Plans shall be deemed to have been approved by the Committee and the appropriate written approval delivered forthwith. All construction and landscaping shall be done in accordance with the Plans approved by the Committee, unless a deviation therefrom has been approved in writing by the Committee. If any Improvement is completed and the Committee does not indicate disapproval thereof for a period of sixty (60) days after the completion of such Improvement, then such Improvement shall be deemed to have been approved by the Committee. Notwithstanding the foregoing, no Improvement or Development Plans for which the Committee approval is required shall be deemed approved pursuant to the foregoing or allowed to remain which violates any of the provisions of this Declaration, a Supplement or any other Chapel Trail Documents. A disapproval of the Committee is appealable to Declarant until the Committee Turnover Date and thereafter to the Board by submitting to Declarant or the Board, as the case may be, a copy of the Plans accompanied with a written statement setting forth the grounds for the appeal within forty-five (45) days after such disapproval. If not appealed to Declarant or the Board, as the case may be, within said forty-five (45) day period, such disapproval by the Committee shall be final and binding on all parties concerned therewith. In approving or disapproving any Plans on appeal, Declarant or Board's decision, as the case may be, shall be governed by the same factors that the Committee is required to consider.

5. Committee to Adopt Rules and Regulations: The Committee shall have the right to promulgate such further rules and regulations as it deems necessary in order to preserve the values and appearance of Chapel Trail, including a schedule of reasonable fees for the processing of applications and, thereafter, to modify, alter, amend, rescind and augment any of same (collectively, "Design Rules"), provided that the Design Rules so promulgated shall not be in conflict with the provisions of any of the Chapel Trail Documents. Such Design Rules shall not become effective until approved in writing by Declarant if prior to the Committee Turnover Date and thereafter by the Board. An Owner may obtain a copy of the Design Rules from the Corporation upon making a written request for same.

6. Miscellaneous: The Committee, the Board, the Corporation and Declarant do not determine or assume any responsibility for the quality of construction or structural soundness of any Improvements and no obligation or liability relating to construction of any Improvements shall result from review or approval of any Plans by the Committee, the Board, the Corporation and/or Declarant. Furthermore, the Committee, the Board, the Corporation and/or Declarant do not evaluate Plans to determine whether the Plans satisfy all applicable governmental requirements. No member of the Committee, nor member of the Board, nor the Committee's duly authorized representative, nor the Corporation, nor Declarant shall be liable to any Neighborhood Association, or to any Owner or any other person or entity for any loss, damage, injury or expense arising out of or in any way connected with the performance of his duties hereunder, unless due to his willful misconduct. The Corporation shall indemnify and hold harmless any member of the Committee or any representative(s) thereof, any member of the Board, and/or Declarant from all costs, expenses and liabilities, including, but not limited to, Attorneys' fees incurred in connection with any proceeding to which he or it may be a party or in which he or it may become involved by virtue of his or its being or having been a member or representative of the Committee or a member of the Board or by virtue of being or having been Declarant which reviewed an appeal of a decision by the Committee, or any settlement thereof, unless there is a judicial determination of such person's willful misconduct. The foregoing right to indemnification shall be in addition to and not exclusive of any right of indemnification to which a member or

representative(s) of the Committee, member of the Board, and/or Declarant may be entitled, whether by statute or by common law or other provision of the Chapel Trail Documents.

ARTICLE IV EASEMENTS

Grant and Reservation of Easements: Declarant hereby grants to the persons and entities hereinafter set forth and reserves the right on behalf of itself and the Corporation to grant the following exclusive and nonexclusive easements on, upon, over, across, through and under the Committed Property as deemed by Declarant and/or the Corporation to be in the best interests of and proper for Chapel Trail:

A. Utility and Governmental and Quasi-Governmental Service Easements over Corporation Common Areas: A nonexclusive easement(s) to provide for installation, use, service, repair and maintenance of the power, electric transmission, television cable, telecommunications, security services, lighting, telephone, gas, water, sewer, irrigation, and drainage and governmental and quasi-governmental services, including police and fire protection, including rights of ingress, egress and access for persons and equipment necessary for such purposes for the benefit of Declarant and the Corporation and all appropriate utility companies, agencies, franchises or governmental or quasi-governmental agencies. Notwithstanding the foregoing, no such easement shall be permitted or deemed to exist which cause any buildings, permanent structures or other permanent facilities within Chapel Trail which have been constructed (i) in accordance with the Chapel Trail Documents; and (ii) prior to the use of such easement; to be materially altered or detrimentally affected thereby nor shall any such easements be granted or deemed to exist under any such structures or buildings so built in accordance with the Chapel Trail Documents prior to the actual use of such easement. The foregoing shall not preclude such easements under then-existing Improvements other than buildings or structures (such as, but not limited to, a fence, driveway or parking area), provided that the use and enjoyment of the easement and the installation of the facilities in connection therewith would not result in other than minor, temporary alterations to such Improvements other than a building or structure (such as, but not limited to, temporary alterations or removal of a fence or temporary excavation within a driveway or parking area), and provided that the same is repaired and/or restored, as the case may be, by the one making use of such easement at its expense and within a reasonable period of time thereafter.

B. Right of the Corporation and Declarant to Enter Upon the Committed Property: An easement(s) for ingress, egress and access in favor of Declarant, the Corporation, the Committee and all agents, employees, or other designees of Declarant, the Corporation or the Committee to enter upon any portion of the Committed Property for the purpose of inspecting any construction, proposed construction, or Improvements or fulfilling the rights, duties and responsibilities of ownership, administration, maintenance and repair of an Owner, Neighborhood Association or the Corporation, as applicable. Notwithstanding the foregoing, nothing contained therein or herein shall be interpreted to impose any obligation upon the Corporation or Declarant to maintain, repair, or construct any Dwelling Unit or other Improvement which an Owner or Neighborhood Association is required to maintain, construct or repair.

C. Easement for Encroachments: An easement(s) for encroachment in favor of Declarant, the Corporation, the Neighborhood Associations, the Owners, and all persons entitled to use that portion of the Committed Property in the event any portion of the Improvements located on any portion of the Committed Property now or hereafter encroaches upon any of the remaining portions of the Committed Property as a result of minor inaccuracies in survey, construction or reconstruction or due to settlement or movement. Any easement(s) for encroachment shall include an easement(s) for the maintenance and use of the encroaching Improvements in favor of Declarant, the Corporation, the Neighborhood Association, the Owners and all their designees.

The easements reserved hereunder unto Declarant and/or the Corporation may be assigned by Declarant and/or the Corporation in whole or in part to the City, the County or the State of Florida or agency thereof, or any duly licensed or franchised public utility, or any other designee of Declarant and/or the Corporation. Chapel Trail shall also be subject to such easements as are shown on any Plat.

ARTICLE V MEMBERSHIP AND VOTING RIGHTS IN THE CORPORATION; BOARD OF THE CORPORATION

A. Association Member: Each Neighborhood Association shall be an "Association Member" of the Corporation. No Owner of any portion of the Committed Property or Dwelling Unit which is subject to jurisdiction of a Neighborhood Association shall be deemed a Member of the Corporation, except for Declarant.

B. Owner Member: If any portion of the Committed Property is not subject to the jurisdiction of a Neighborhood Association, the Owner of such property shall be an "Owner Member" of the Corporation. Notwithstanding the foregoing, no governmental authority or utility company shall be deemed an Owner Member unless one or more Dwelling Units actually exists upon the property owned by such governmental authority or utility company, in which event the governmental authority or utility company shall be an Owner Member only with respect to the property owned in conjunction with such Dwelling Unit(s).

C. Declarant: Declarant shall be a Member of the Corporation so long as Declarant owns any portion of the Total Property or any mortgage encumbering any portion of the Committed Property other than a Dwelling Unit.

D. Voting Rights: The rights of the Members regarding voting, meetings, notices, etc., shall be as set forth in the Articles and Bylaws.

E. Current Lists of Owners. Upon request by the Corporation, any Neighborhood Association shall be required to provide the Corporation with the names and addresses of all or any Owners who are members of the Neighborhood Association.

F. Board: The Corporation shall be governed by the Board which shall be appointed, designated or elected, as the case may be, as set forth in the Articles and Bylaws.

ARTICLE VI
COVENANT TO PAY OPERATING EXPENSES AND ALL ASSESSMENTS;
ESTABLISHMENT AND ENFORCEMENT OF LIENS;
CERTAIN RIGHTS OF DECLARANT AND INSTITUTIONAL MORTGAGEES

A. Affirmative Covenant to Pay Operating Expenses: In order to (i) fulfill the terms, provisions, covenants and conditions contained in this Declaration; and (ii) administer, maintain, operate and preserve the Corporation Common Areas for the recreation, use, safety, welfare and benefit of the Benefitted Parties, there is hereby imposed upon each Contributing Unit the affirmative covenant and obligation to pay to the Corporation in the manner hereinafter set forth Operating Expenses and all Assessments, including, but not limited to, the Individual Unit Assessments, any applicable Special Assessments and Individual Expense Assessments to be fixed, established and collected from time to time in the manner hereinafter provided. All of the covenants set forth in this Declaration, including, but not limited to, the affirmative covenants and obligations to pay Operating Expenses and all Assessments as hereinafter set forth shall run with the property subject to this Declaration. The Assessments, together with any Late Charges relating thereto, shall be a charge on and a continuing lien upon the Contributing Unit against which such Assessments are made.

The record Owners of each Contributing Unit shall be personally liable, jointly and severally, to the Corporation for the payment of any Assessments levied by the Corporation against such Contributing Unit and for any Late Charges relating thereto.

B. Collection of Assessments: Each Owner by acceptance of the deed or other instrument of conveyance conveying a Dwelling Unit or Residential Parcel, whether or not it shall be so expressed in such deed or instrument, shall be obligated and consents to pay to the Corporation all Assessments and Late Charges relating thereto in accordance with the provisions of the Chapel Trail Documents.

C. Establishment of Liens: Any and all Assessments levied by the Corporation in accordance with the provisions of this Declaration or any other Chapel Trail Documents and Late Charges relating thereto are hereby declared to be a charge and continuing lien upon the Contributing Units against which such Assessments are made. Said lien shall be effective after the recordation amongst the Public Records of the County of a written acknowledged statement by the Corporation setting forth the amount due to the Corporation as of the date the statement is signed. Upon full payment of all sums secured by such lien, the party making payment shall be entitled to a statement in recordable form of the satisfaction of lien. Notwithstanding anything to the contrary herein contained, the lien of the Assessments and any Late Charges relating thereto shall be subordinate to the lien of any first mortgage now or hereafter placed upon the Contributing Unit by an Institutional Mortgagee of record, unless such mortgage was recorded after recordation of a claim of lien for unpaid Assessments, in which event such mortgage will be subordinate to said recorded claim of lien for unpaid Assessments. Any Institutional Mortgagee or purchaser from an Institutional Mortgagee obtaining title to a Contributing Unit as a result of foreclosure of its mortgage or deed given in lieu of foreclosure, its successors or assigns shall not be liable for the share of Assessments or Late Charges pertaining to such Contributing Unit or chargeable to the former Contributing Unit Owner thereof which became due prior to the acquisition of title as a result of the foreclosure or deed given in lieu thereof, unless the Assessment and/or Late Charges against the Contributing Unit in question are secured by a claim of lien for Assessment that is recorded prior to the recordation of the mortgage which was foreclosed or with respect to which a deed was given in lieu of foreclosure. The unpaid share of Assessments is collectible from all Contributing Unit Owners as provided in Paragraph VII.F hereof.

D. Collection of Delinquent Assessments: In the event any Contributing Unit Owner shall fail to pay any Assessments to the Corporation within fifteen (15) days after the same becomes due, then the Corporation, 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 Corporation at law or in equity:

1. To charge Late Charges on such Assessment(s) from the date such Assessment becomes due;

2. To accelerate the entire amount of any Assessments due from a Contributing Unit Owner in default for the remainder of the calendar year notwithstanding any provisions for the payment thereof in installments, whereupon, the entire unpaid balance of the Assessment(s) due from the Contributing Unit Owner in default shall become due from such Owner upon the date stated in such notice, which date shall not be less than ten (10) days after the date of such notice;

3. To advance on behalf of the Contributing Unit Owner in default all funds necessary to accomplish the needs of the Corporation up to and including the full amount for which such defaulting Contributing Unit Owner(s) is liable to the Corporation and the amount so advanced, together with Late Charges relating thereto may be collected by the Corporation and such advance by the Corporation shall not waive the default;

4. To file an action in equity to foreclose its lien at any time after the effective date thereof. The lien may be foreclosed by an action in the name of the Corporation in like manner as a foreclosure of a mortgage on real property;

5. To file an action at law to collect said Assessment(s) due from the Contributing Unit Owner(s) in default plus Late Charges relating thereto without waiving any lien rights or rights of foreclosure of the Corporation.

E. Collection by Declarant and Reimbursements to Declarant: In the event for any reason the Corporation shall fail to collect the Assessments, Declarant shall have the right but not the obligation to: (i) lend such sums to the Corporation as the Corporation could have lent as set forth above or to expend such funds directly on behalf of the Corporation; and (ii) collect Assessments and, if applicable, any such sums advanced by Declarant; using the remedies available to the Corporation as set forth above which remedies (including, but not limited to, recovery of Late Charges) are hereby declared to be available to Declarant.

F. Rights of Declarant and Institutional Mortgagees to Pay Assessments and Receive Reimbursement: Declarant and any Institutional Mortgagee shall have the right, but not the obligation, jointly or singly, at their sole option, to pay any of the Assessments which are in

default and which may or have become a charge against any Contributing Unit. Further, Declarant and any Institutional Mortgagee shall have the right, but not the obligation, jointly or singly, and at their sole option, to pay insurance premiums or fidelity bond premiums or other required items of Operating Expenses on behalf of the Corporation where the same are overdue and where lapses in policies or services may occur. The Declarant and any Institutional Mortgagee paying overdue Operating Expenses on behalf of the Corporation will be entitled to immediate reimbursement from the Corporation plus any costs of collection, including, but not limited to, reasonable Attorneys' Fees and Interest on all such sums and the Corporation shall execute an instrument in recordable form to this effect and deliver the original of such instrument to each Institutional Mortgagee who is entitled to receive such reimbursement or Declarant, as the case may be.

ARTICLE VII
METHOD OF DETERMINING ASSESSMENTS
AND PROPERTY AND OWNERS TO ASSESS

A. Determining Amount of Individual Unit Assessments:

Individual Unit Assessment: The total anticipated Operating Expenses for each calendar year shall be set forth in a budget ("Budget") prepared and adopted by the Board after consideration of current Operating Expenses and future needs of the Corporation including provision for working capital, a "Reserve" (as hereinafter defined) for depreciation or deferred maintenance and any additional income and amounts to be collected from each Owner. The Budget shall be adopted no later than December 1 of the calendar year preceding the year for which the Budget is to be adopted. Except in the case of the Budget for the partial calendar year following the date of recordation of this Declaration which shall be adopted at the initial meeting of the Board, and may be revised by the Board when it deems necessary or appropriate. The total anticipated Operating Expenses (other than those Operating Expenses which are properly the subject of a Special Assessment, or Individual Expense Assessment, shall be apportioned among the Contributing Units as Individual Unit Assessments. The Individual Unit Assessment for each Contributing Unit shall be the quotient arrived at by dividing the total anticipated Operating Expenses reflected by the Budget, other than those Operating Expenses which are properly the subject of a Special Assessment or Individual Expense Assessment, by the total number of Contributing Units.

B. Contributing Units:

1. Lot: Each Lot, together with the Dwelling Unit constructed thereon, if any, shall be a "Contributing Unit" on the first to occur of:

(a) Ten (10) days following the issuance of a certificate of occupancy for the Dwelling Unit constructed on such Lot by the appropriate governmental agency; or

(b) Six (6) months after the date such lot was conveyed by Declarant as evidenced by a recorded instrument of conveyance.

Notwithstanding the foregoing, a Lot shall be a Contributing Unit with respect to any Individual Expense Assessments levied against the Owner(s) thereof, immediately upon conveyance from Declarant of such Lot.

2. Dwelling Unit on a Multi-Family Parcel: Each Dwelling Unit on a Multi-Family Parcel shall become a Contributing Unit upon ten (10) days following the issuance of a certificate of occupancy for such Dwelling Unit by the appropriate governmental agency. Notwithstanding the foregoing, a Dwelling Unit on a Multi-Family Parcel shall be a Contributing Unit with respect to any Individual Expense Assessments levied against the Owners thereof, immediately upon issuance of a certificate of occupancy for such Dwelling Unit by the appropriate governmental agency.

3. Multi-Family Parcel: Six (6) months after the date a Multi-Family Parcel is conveyed by Declarant as evidenced by a recorded instrument of conveyance such Multi-Family Parcel (exclusive of any Contributing Units located thereon) shall be a certain number of Contributing Units as hereinafter set forth. Notwithstanding the foregoing, a Multi-Family Parcel shall be a Contributing Unit with respect to any Individual Expense Assessments levied against the Owner(s) thereof, immediately upon conveyance from Declarant of such Multi-Family Parcel as evidenced by a recorded instrument of conveyance. The Owner(s) of each Multi-Family Parcel upon the expiration of such six (6) month period shall be obligated to pay Assessments for such Multi-Family Parcel based on such Multi-Family Parcel being the number of Contributing Units equal to the difference between the Maximum Number of Dwelling Units permitted to be built on such Multi-Family Parcel and the number of Dwelling Units on such Multi-Family Parcel which are Contributing Units. By way of example, if the Maximum Number of Dwelling Units for a Multi-Family Parcel is fifty (50) and there are ten (10) Dwelling Units which are Contributing Units located on such Multi-Family Parcel, then the Owner of such Multi-Family Parcel pays Assessments for such Multi-Family Parcel (not including Assessments for Dwelling Units which are Contributing Units located thereon) based on the Multi-Family Parcel being forty (40) Contributing Units. In the event Declarant and the Owner of such Multi-Family Parcel execute and record Neighborhood Covenants or an amendment thereto amongst the Public Records of the County decreasing the Maximum Number of Dwelling Units permitted to be constructed thereon, the number of Contributing Units for which such Owner(s) shall be assessed shall be adjusted accordingly as of the date of recordation thereof.

4. Successor Declarant: For purposes of Paragraph VII.8.1 and VII.8.3 hereof the following shall not be deemed to be a conveyance of a Residential Parcel by Declarant:

(a) a conveyance by Declarant to a successor Declarant;

(b) the conveyance by Declarant by deed in lieu of foreclosure to an Institutional Mortgagee or affiliated entity which elects to become a Declarant or which conveys such Residential Parcel to a third party which such Institutional Mortgagee or affiliated entity appoints as a successor Declarant; or

(c) the issuance pursuant to a foreclosure action of a certificate of title in favor of an Institutional Mortgagee or affiliated entity which elects to become a Declarant or

which conveys such Residential Parcel to a third party which such Institutional Mortgagee or affiliated entity appoints as a successor Declarant.

5. Destruction of Contributing Units Structure: Any structure constituting or containing Contributing Unit(s) which is destroyed or demolished shall nevertheless be deemed to contain the number of Contributing Unit(s) theretofore existing for purposes of Assessments and voting and use rights until such time as the structure is replaced and the new certificate of occupancy with respect thereto issued, whereupon the number of Dwelling Units contained in the replaced structure shall be the number of Contributing Units or until the decision is made not to restore any of the Dwelling Units as evidenced by a recorded written instrument the form of which has been approved by the Corporation and which is enforceable by the Corporation.

C. Assessment Payments: The Individual Unit Assessments may, in the sole discretion of the Board, be payable in advance in either monthly or quarterly installments. If the Individual Unit Assessments are payable in monthly installments, each monthly installment shall be due in advance on the first day of each month. If Individual Unit Assessments are payable in quarterly installments, then quarterly installments shall be due and payable in advance each January 1st, April 1st, July 1st and October 1st. When a new Contributing Unit ("New Contributing Unit") comes into existence during a period with respect to which an Assessment or installment thereof has already been assessed, the New Contributing Unit shall be deemed assessed the amount of such Assessment or installment thereof which was assessed against Contributing Units in existence at the time of such Assessment prorated from the date the New Contributing Unit comes into existence through the end of the period in question. If the payment of such Assessment or installment thereof was due at the time the New Contributing Unit came into existence or prior thereto, said prorated amount thereof shall be immediately due and payable. When a Dwelling Unit on a Multi-Family Parcel becomes a New Contributing Unit, the Assessments levied against the portion of the Multi-Family Parcel upon which no Dwelling Units are located shall be adjusted as of the date such New Contributing Unit comes into existence.

D. Special Assessments: Special Assessments include, in addition to Assessments designated as Special Assessments in this Declaration, (i) costs which do not occur yearly whether or not for a cost or expense included within the definition of Operating Expenses, and (ii) those Assessments which are levied for capital improvements which include the costs (whether in whole or in part) of constructing, reconstructing in the event of a casualty or acquiring Improvements for or on the Corporation Common Areas or the costs (whether in whole or in part) of reconstructing or replacing such Improvements, and (iii) the costs to Contributing Unit Owners in accordance with Paragraph VII.F hereof of Special Assessments that other Contributing Unit Owners fail or refuse to pay. Special Assessments shall be assessed in the same manner as the Individual Unit Assessment; provided, however, that no Contributing Units owned by Declarant shall be subject to any Special Assessment for capital improvements without the prior written consent of Declarant. Any Contributing Units owned by Declarant which are not subject to a Special Assessment shall not be deemed to be Contributing Units in determining the respective amount of such Special Assessments being assessed against the Contributing Units subject thereto. Special Assessments shall be paid in a lump sum or installments as the Board shall, from time to time, determine.

E. Individual Expense Assessments: Individual Expense Assessments include any Assessment(s) levied against any Owner(s) whose use, maintenance, or treatment of the Corporation Common Areas, Neighborhood Common Areas or Residential Property, including, but not limited to, Dwelling Units any other Improvements or personal property contained thereon, or compliance with the Chapel Trail Documents (or the use, maintenance, or treatment of the Corporation Common Areas, Neighborhood Common Areas or Residential Property, including, but not limited to, Dwelling Units and any other Improvements or personal property contained thereon or compliance with the Chapel Trail Documents by any such Owner's family members, guests and invitees or lessees and their family members, guests and invitees or by the Neighborhood Association of which such Owner is a member), is not in conformance with the standards set forth in the Chapel Trail Documents, or as adopted from time to time by the Corporation or the Committee pursuant thereto, which causes the Corporation, Declarant, or the Committee to incur additional costs and expenses which would not have been incurred if the Neighborhood Association(s) or Owner(s) or the Owner's family members, guests, invitees or lessees and their family members, guests and invitees had been in compliance with the foregoing ("Noncompliance"). The amount of the Individual Expense Assessment(s) shall be equal to any such additional costs incurred. The Individual Expense Assessment and any Late Charges relating thereto shall be assessed against the Owner(s) in Noncompliance or the Owners who are members of the Neighborhood Association in Noncompliance and collected and enforced in the same manner as any other Assessments hereunder as provided herein.

The Corporation agrees to reimburse Declarant for any costs incurred by Declarant, including Attorneys' Fees, as a result of such Noncompliance out of funds received by the Corporation from Individual Expense Assessments levied therefor.

Furthermore, Individual Expense Assessments shall include an Owner's pro rata share as determined by the Corporation of such amounts as are billed directly to the Corporation and due from the Corporation in the event the Corporation enters into a contract with a cable television company or other entity, including Declarant, in order to make cable television service and/or any related telecommunication services available to all Dwelling Units pursuant to an agreement which provides that the Corporation shall be billed directly for all or certain of the cable television services and/or related services rendered by the cable company to Dwelling Units.

Notwithstanding anything to the contrary contained herein, it is recognized and declared that Individual Expense Assessments shall be in addition to, and not part of, any other Assessment, and any such Individual Expense Assessment assessed against an Owner shall be paid by such Owner(s) in addition to any other Assessment(s).

F. Liability of Contributing Unit Owners for Assessments: By the acceptance of a deed or other instrument of conveyance of a Residential Parcel or Dwelling Unit, each Owner thereof acknowledges and agrees that each Contributing Unit, and the Owners thereof, are jointly and severally liable for their own Individual Unit Assessment and their applicable portion of any Special Assessments as well as for any 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 Contributing Units for the Operating Expenses. Accordingly, it is recognized and agreed by each Owner who is or becomes a Contributing Unit Owner for himself and his heirs, executors, successors and assigns that in the event any Contributing Unit Owner fails or refuses to pay his Individual Unit Assessment or any portion thereof or his respective portion

of any Special Assessment, or other Assessment, then the other Contributing Unit Owners may be responsible for increased Individual Unit Assessments or Special Assessments or other Assessments due to the nonpayment by such Contributing Unit Owner, and such increased Individual Unit Assessment or Special Assessment or other Assessment can and may be enforced by the Corporation, Declarant and Institutional Mortgagees in the same manner as all other Assessments hereunder as provided in this Declaration.

G. Working Capital Contribution: The initial purchaser of each Dwelling Unit shall pay at closing to the Corporation a working capital contribution ("Capital Contribution") in the amount set forth in the respective purchase and sale agreement but not less than one-sixth (1/6) of the Individual Unit Assessment for the year of conveyance. If the initial purchaser of the Dwelling Unit is an Institutional Mortgagee or a successor Declarant, then such Institutional Mortgagee or successor Declarant shall not be required to pay at closing a Capital Contribution, but the initial purchaser from such Institutional Mortgagee or successor Declarant (unless such initial purchaser is also a successor Declarant) shall be required to make a Capital Contribution. If Declarant reacquires a Dwelling Unit which has been conveyed to a purchaser, the purchaser to whom Declarant next conveys legal title is not required to make a Capital Contribution. The Corporation shall maintain the Capital Contributions in a segregated interest bearing account for use as a working capital account, to meet unforeseen expenditures or to acquire equipment or services deemed necessary or desirable by the Board. Capital Contributions are not advance payments of Assessments. Future Assessments for Operating Expenses levied against a Dwelling Unit shall be payable without any reduction for the Capital Contributions which have been paid. Notwithstanding the foregoing, if prior to conveyance of a Dwelling Unit to a purchaser Declarant has made a Capital Contribution to the Corporation on behalf of the Dwelling Unit to be conveyed, upon conveyance by Declarant to a purchaser of that Dwelling Unit, the purchaser shall reimburse Declarant an amount equal to the Capital Contribution paid by Declarant to the Corporation and the purchaser shall have no obligation to the Corporation for payment of the Capital Contribution. In the event the Capital Contribution is not paid to the Corporation when due, the Corporation may collect such Capital Contribution as an Individual Expense Assessment against the Dwelling Unit for which no Capital Contribution has been paid.

ARTICLE VIII OPERATING EXPENSES; CERTAIN ASSESSMENT CLASSIFICATIONS

The following expenses of the Corporation Common Areas and the Corporation are hereby declared to be Operating Expenses which the Corporation is obligated to assess and collect and which the Contributing Unit Owners are obligated to pay as provided for herein or as may be otherwise provided in the Chapel Trail Documents.

A. Taxes: Any and all taxes and tax liens which may be levied or assessed at any times upon the Corporation Common Areas or against any personal property or Improvements thereon or against the Corporation or against any and all personal property and Improvements owned by the Corporation, which now or hereafter may be placed on the Corporation Common Areas, by any and all taxing authorities, including, but not limited to, income taxes, employee taxes and all other taxes, charges, assessments and impositions and liens for public improvements, special charges and assessments, and water drainage districts, including any interest, penalties and other charges which may accrue thereon.

B. Utility Charges: All charges levied for utilities providing services for the Corporation Common Areas whether supplied by a private or public firm, including, without limitation, all charges for water, gas, electricity, telephone, sewer and any other type of utility or any other type of service charge.

C. Insurance: The premiums on the policy or policies of insurance which the Corporation, in its sole discretion, determines to obtain; provided, however, that except as provided in Paragraph VIII.C.8 hereof, the Corporation shall obtain and maintain at least the following types of insurance coverage assuming such are available:

1. Property insurance for all Improvements, if any, now or hereafter located upon the Corporation Common Areas, including fixtures, personal property and equipment thereon in an amount equal to the current full replacement cost, exclusive of land, foundation, excavation and other items normally excluded from such coverage. Such insurance is to afford protection against (i) such risks as shall customarily be covered with respect to areas similar to the Corporation Common Areas in developments similar to Chapel Trail in construction, location and use; and (ii) at least loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage. If required by an Institutional Mortgagee, and if available, such insurance shall include a "Construction Code Endorsement" (including a "Demolition Cost Endorsement," a "Contingent Liability from Operation of Building Laws Endorsement," and an "Increased Cost of Construction Endorsement") or its equivalent endorsement (without contribution); an "all risk" endorsement; an "Agreed Amount Endorsement"; and an "Inflation Guard Endorsement."

2. A comprehensive policy of public liability insurance and, if appropriate, owners, landlord and tenant policies naming Declarant, as long as Declarant owns any portion of the Corporation Common Areas, and the Corporation as named insureds and insuring against any and all claims or demands made by any person or persons for injuries received in connection with, or arising from, the operation, maintenance and use of the Corporation Common Areas and any Improvements located thereon, if any, any action of the Corporation and/or Declarant and any other risks insured against by such policies with limits of not less than One Million Dollars (\$1,000,000) for damages incurred or claimed by any one person for any one occurrence and not less than One Million Dollars (\$1,000,000) for damages incurred or claimed for any one occurrence and Two Hundred Fifty Thousand Dollars (\$250,000) for property damage per occurrence with no separate limits stated for the number of claims. Such coverage shall include as appropriate, without limitation, protection against liability for non-owned and hired automobiles, liability for property of others, contractual and all written contract insurance (including legal liability arising out of lawsuits related to employment contracts of the Corporation), employer's liability insurance for the Corporation, host liquor liability, worker's compensation and such other risks as are customarily covered with respect to areas similar to the Corporation Common Areas in developments similar to Chapel Trail in construction, location and use. The insurance purchased shall contain a "Severability of Interest Endorsement," or equivalent coverage, which would

preclude the insurer from denying the claim of an Owner because of the negligent acts of either the Corporation or any Neighborhood Association, Declarant or any Owner or deny the claim of Declarant, the Corporation or any Neighborhood Association because of negligent acts of the other or the negligent acts of an Owner. Such insurance shall also provide, where possible, for waiver of subrogation with respect to all Owners for any damage caused to Improvements on the Corporation Common Areas by such Owners not arising from their willful misconduct.

3. Adequate fidelity coverage to protect against dishonest acts on the part of officers, the Board, and employees of the Corporation and all others who handle or are responsible for handling funds of the Corporation or to whom such responsibility is delegated (whether or not they receive compensation), such coverage to be in the form of fidelity bonds which meet the following requirements:

(a) Such bonds shall name the Corporation as an obligee;

(b) Such bonds shall be written in an amount equal to at least twenty-five percent (25%) of the estimated annual Operating Expenses plus all reserve funds held by the Corporation; and

(c) Such bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar term.

4. Officer and Director liability insurance, if available, and liability insurance for members of the Committee, if available, as shall be determined by the Board to be required or beneficial for the protection of the members of the Board, the officers of the Corporation and the members of the Committee.

5. If determined appropriate by the Board or if required by any Institutional Mortgagee, a master or blanket policy of flood insurance covering the Corporation Common Areas and any Improvements or personal property located thereon, if available, under the National Flood Insurance Program, 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 Improvements and other insurable property located in the flood hazard area exclusive of land, foundation and other items normally excluded from such coverage.

6. Such other forms of insurances and coverages and in such amounts as the Board shall determine to be required or beneficial for the protection or preservation of the Corporation Common Areas and any Improvements now or hereafter located thereon or in the best interests of Chapel Trail or the Corporation.

7. All policies of insurance or fidelity bonds required to be obtained by the Corporation pursuant to this Article VIII shall provide that they may not be cancelled or substantially modified by any party without at least ten (10) days prior written notice to the Corporation. All policies of insurance and fidelity bonds required to be obtained by the Corporation shall be from generally acceptable insurance carriers which must also be acceptable to the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

8. Notwithstanding the foregoing, in the event the Board determines that the cost for insurance or fidelity bonds required to be obtained by the Corporation pursuant to this Article VIII is economically unwarranted, the Board may determine to either reduce the amount of such insurance, increase the deductible amount or discontinue coverage.

D. Reconstruction of Improvements: Any and all sums necessary to repair, replace, construct or reconstruct Improvements, if any, upon the Corporation Common Areas damaged by any casualty not covered in whole or in part by insurance and Individual Expense Assessments. Any difference between the amount received from insurance proceeds and Individual Expense Assessments with respect to such damage and the amount of funds necessary to repair, replace, construct or reconstruct the Improvement so damaged shall be an Operating Expense and assessed as a Special Assessment, and the Corporation will levy a Special Assessment for the funds necessary to pay such Operating Expense within ninety (90) days from the date such damage was incurred unless the Corporation has sufficient funds available to cover such difference without levying a Special Assessment. The Corporation shall pay into an account with a federal or state commercial or savings bank or savings and loan association located in the County, any such funds collected by Special Assessment or other funds as available in lieu thereof and all insurance proceeds and Individual Expense Assessments collected by the Corporation so that the funds on deposit will equal the cost of repair, replacement, construction or reconstruction of the damaged Improvements. Such repair, replacement, construction or reconstruction shall be completed by the Corporation as soon as is reasonably possible after the date of the damage.

Should the insurance proceeds and Individual Expense Assessments be sufficient to repair, replace, construct or reconstruct the building or Improvement so damaged and there remains an excess after the payment for repair, replacement, construction and reconstruction, then any excess shall be held by the Corporation for the use of the Corporation.

In the event that the repairs and replacements were paid for by any Special Assessment as well as insurance proceeds and Individual Expense 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 Corporation, it shall be presumed that the monies disbursed in payment of any repair, replacement, construction and reconstruction were first disbursed from insurance proceeds and Individual Expense Assessments and any remaining funds shall be deemed to be remaining Special Assessments which shall be returned to the Contributing Unit Owners by means of a pro rata distribution in accordance with the collection of such Special Assessments.

E. Maintenance, Repair and Replacement of the Corporation Common Areas: Any and all expenses necessary to:

1. maintain and preserve the landscaped, grassed, open and natural portions of the Corporation Common Areas, including, but not limited to, expenses such as grass cutting, tree trimming, sprinkling, fertilizing, spraying and the like;

2. maintain, operate, repair and replace any and all Improvements, including but not limited to decorative walls, fences and entry features and personal property, fixtures, and equipment, if any, placed, erected or installed by Declarant or the Corporation upon the Corporation Common Areas in a manner consistent with the intended use thereof and with the development of Chapel Trail and in accordance with the covenants and restrictions contained herein, and in conformity with all applicable federal, state, County or City laws, statutes, ordinances, orders, rulings and regulations;

3. maintain, repair and replace all signs, including, but not limited to, street, directional and informational signs installed or placed on any portion of the Committed Property by Declarant or the Corporation which are not maintained, repaired and replaced by the City, the County, the State of Florida, or other applicable governmental body or agency; and

4. maintain and operate a general security system, if any, in Chapel Trail, including, but not limited to, a vehicular or walk-through roving patrol.

F. Damage to Corporation Common Areas by Owners: The foregoing maintenance, repairs or replacement within the Corporation Common Areas arising out of or caused by the willful or negligent act of an Owner, his tenants, licensees, agents or members of his family, guests or invitees will, to the extent deemed appropriate by the Board, be paid for by such Owner as an Individual Expense Assessment.

G. Administrative and Operational Expenses: The costs of administration of the Corporation in the performance of its functions and duties under the Chapel Trail Documents, including, but not limited to, costs for secretarial and bookkeeping services, salaries of employees, legal and accounting fees and contracting expenses. In addition, the Corporation may retain a management company or companies or contractors (any of which management companies or contractors may be, but are not required to be, a subsidiary, affiliate, or an otherwise-related entity of Declarant) to assist in the operation of the Corporation Common Areas or any portions thereof, and to perform or assist in the performance of certain obligations of the Corporation under the Chapel Trail Documents and the fees or costs of any management company or contractor so retained shall be deemed to be an Operating Expense.

H. Compliance with Laws: The Corporation shall take such action as it deems necessary or appropriate for the Corporation Common Areas and the Improvements thereon to be in compliance with all laws, statutes, ordinances and regulations of any governmental authority, whether federal, state or local, including, without limitation, any regulations regarding zoning requirements, setback requirements, drainage requirements, sanitary conditions and fire hazards. The cost and expense of such action taken by the Corporation shall be an Operating Expense.

I. Indemnification: The Corporation covenants and agrees that it will indemnify and hold harmless Declarant from and against any and all claims, suits, actions, causes of action and/or damages arising from any personal injury, loss of life and/or damage to property sustained on or about the Corporation Common Areas and Improvements thereon, and from and against all costs and expenses, including, but not limited to, Attorneys' Fees, expenses and liabilities incurred by Declarant arising from any such claim, the investigation thereof, or the defense of any action or proceedings brought thereon, and from and against any orders, judgments and/or decrees which may be entered thereon. The Corporation shall also indemnify Declarant for any expense Declarant may incur in bringing any suit or action for the purpose of enforcing the rights of Declarant under any of the Chapel Trail Documents or compelling the specific enforcement of the terms, conditions and covenants contained in any of the Chapel Trail Documents to be kept or performed by the Corporation or the Owners. The costs and expense of fulfilling this covenant of indemnification set forth in this Paragraph shall be an Operating Expense, and may be the subject of a Special Assessment.

J. Failure or Refusal of Contributing Unit Owners to Pay Assessments: Funds needed for Operating Expenses due to the failure or refusal of Contributing Unit Owners to pay Assessments levied shall, themselves, be deemed to be Operating Expenses and may properly be the subject of a Special Assessment subject to the limitations set forth in Paragraph VII hereof.

K. Extraordinary Items: Extraordinary items of expense under the Chapel Trail Documents such as expenses due to casualty losses and other extraordinary circumstances may be the subject of a Special Assessment subject to the limitations set forth in Paragraph VII hereof.

L. Special Assessments - Capital Improvements: Special Assessments needed for capital improvements in excess of One Hundred Dollars (\$100) per Contributing Unit must be approved by the Members of the Corporation entitled to cast a majority of the votes of the Members of the Corporation at a meeting of the Members or be approved in writing by the Members entitled to cast a majority of the votes of the Members, except that no such approval need be obtained for a Special Assessment for the replacement or repair of previously existing Improvements or personal property on the Corporation Common Areas.

M. Costs of Reserves: The funds necessary to establish an adequate reserve fund ("Reserves") for depreciation and/or deferred maintenance of the Corporation Common Areas and the Improvements thereon in amounts determined sufficient and appropriate from time to time by the Board shall be an Operating Expense. The Reserves shall be deposited in a separate account and the monies collected by the Corporation for Reserves shall be and shall remain the exclusive property of the Corporation and no Owner shall have any interest, claim or right to such Reserves or any fund composed of same.

N. Maintenance of Water Areas: Notwithstanding that the Water Areas dedicated or conveyed to a governmental entity are the responsibility of such governmental entity to maintain, if the Corporation is permitted by such governmental entity to provide additional maintenance for such areas, and the Board elects to do so, then the expense thereof shall be an Operating Expense. Such additional maintenance may include but is not limited to, chemically treating the waters of such areas and controlling water levels and maintaining and operating any Improvements and amenities established within such areas.

O. Maintenance of Property adjacent to Committed Property: If the Corporation is permitted by the owner of property adjacent to the Committed Property or the governmental authority responsible for maintaining same to provide additional maintenance for such adjacent property, and the Board elects to do so in order to enhance the overall appearance of the Committed Property,

then the expense thereof shall be an Operating Expense. Such additional maintenance may include, but is not limited to, maintaining and preserving the unpaved portions of dedicated roadways adjacent to the Committed Property and the banks of lakes and canals adjacent to the Committed Property, including, but not limited to, expenses such as grass cutting, tree trimming, sprinkling, fertilizing, spraying and the like. Such additional maintenance may also include, but is not limited to, maintaining bodies of water adjacent to the Committed Property including, but limited to chemically treating such areas and controlling water levels and maintaining and operating any structures and amenities established in such areas.

P. Miscellaneous Expenses: All expenses pertaining to or for the benefit of the Corporation Common Areas or any portion thereof, the Corporation, or otherwise incurred by the Corporation in administering operating, reconstructing, maintaining, repairing, or replacing the Corporation Common Areas or fulfilling any of its obligations or responsibilities pursuant to the Chapel Trail Documents not herein specifically enumerated, which expense is determined to be an appropriate item of Operating Expense by the Board, shall be an Operating Expense.

ARTICLE IX NEIGHBORHOODS

A. Enforcement of Neighborhood Covenants: In the event that any Neighborhood Association does not enforce any or all provisions of its Neighborhood Covenants, Condominium Declaration or Non-Condominium Declaration or perform any of its duties and responsibilities pursuant to its articles of incorporation, bylaws or rules and regulations, Declarant, in Declarant's sole discretion, or the Corporation, in the Corporation's sole discretion, may enforce such Neighborhood Covenants, Condominium Declaration or Non-Condominium Declaration and perform such duties and responsibilities, including any and all maintenance provisions, and obtain the payment of the cost of such enforcement and maintenance pursuant to the provisions of Paragraph VII.E hereof.

B. Entry Rights: Each Neighborhood Association and each Owner shall permit Declarant, the Corporation, their designee, or any agent or employee to enter upon Neighborhood Common Areas and upon a Residential Parcel or Dwelling Unit at reasonable times, to carry out the provisions of this Declaration and the same shall not constitute a trespass.

C. Neighborhood Common Areas:

(1) The cost and expense of the Neighborhood Common Areas shall not be an Operating Expense but shall be borne by the Owners of Dwelling Units located in the Neighborhood as set forth in the applicable Condominium Declaration or Non-Condominium Declaration.

(2) The Corporation may contract with any Neighborhood Association to provide for the operation and maintenance of its Neighborhood Common Areas.

(3) Notwithstanding anything contained herein, Declarant reserves the right, in its sole discretion, to cause portions of the Corporation Common Areas to become Neighborhood Common Areas by the recordation of an amendment to this Declaration containing provisions to that effect in the Public Records of the County. Such amendment need be executed only by Declarant and does not require the consent of the Corporation, the Neighborhood Associations, the Owners or Institutional Mortgagees. Upon recordation of such an amendment, the real property described therein shall no longer be a Corporation Common Area but shall be a Neighborhood Common Area in lieu thereof and the use and easement rights and the obligations pertaining thereto, including, but not limited to, maintenance and administration obligations shall be those pertaining to such Neighborhood Common Area and not Corporation Common Area. Further, the expense thereof shall no longer be an Operating Expense.

D. Neighborhood Covenants: Declarant reserves the right, and the power, without the consent of any other person being required:

(1) To amend the specific provisions of this Declaration insofar as they apply to one or more Neighborhoods without amending those provisions with respect to all Neighborhoods.

(2) To supplement this Declaration by recording Neighborhood Covenants.

(3) To determine consistency of all Condominium Declarations and Non-Condominium Declarations with the Chapel Trail Documents and the plan of development of Chapel Trail, and approve and consent to all Condominium Declarations and Non-Condominium Declarations prior to the recordation in the Public Records of the County. Condominium Declarations and Non-Condominium Declarations shall not be effective until Declarant approves and consents to same.

E. Individual Expense Assessments: The Corporation may levy Individual Expense Assessments against the Owners in a Neighborhood for expenses incurred by the Corporation specifically for such Neighborhood.

ARTICLE X GENERAL PROVISIONS

A. Lawful Use of Committed Property: Each portion of the Committed Property will be subject to and the Corporation and each Owner will conform to and observe all laws, statutes, ordinances, rules and regulations of the United States of America, the State of Florida, the County, the City and any and all other governmental and public authorities and boards or officers of the same relating to such Committed Property, any Improvements thereon, or the use thereof and no illegal purpose or use shall be permitted on such Committed Property.

B. Incorporation of Chapel Trail Documents: Any and all deeds conveying a Residential Parcel, a Dwelling Unit or any other portion of the Committed Property shall be conclusively presumed to have incorporated therein all of the terms and conditions of the applicable Chapel Trail Documents, including, but not limited to, this Declaration, whether or not the incorporation of the terms and conditions of the Chapel Trail Documents is specifically set forth by reference in such deed, and acceptance by the grantee of such a deed shall be deemed to be acceptance by such grantee of all of the terms and conditions of the Chapel Trail Documents.

C. Notices: Any notice or other communication required or permitted to be given or delivered hereunder shall be deemed properly given and delivered upon the personal delivery or the mailing thereof by United States mail, postage prepaid, to: (i) any Owner, at the address of the person whose name appears as the Owner on the records of the Corporation at the time of such mailing and, in the absence of any specific address, at the address of any Dwelling Unit owned by such Owner; and (ii) any Neighborhood Association, at the address of the Neighborhood Association on the records of the Corporation at the time of such mailing and, in the absence of any specific address, at the address of the Neighborhood Association on file with the Secretary of State of the State of Florida; and (iii) the Corporation, at Post Office Box 7159, Hollywood, Florida 33081, or such other address as the Corporation shall hereafter notify Declarant and the Owners of in writing; and (iv) Declarant, at Post Office Box 7159, Hollywood, Florida 33081, or such other address or addresses as Declarant shall hereafter notify the Corporation of in writing, any such notice to the Corporation of a change in Declarant's address being deemed notice to the Owners. Upon request of an Owner, the Corporation shall furnish to such Owner the then current address for Declarant as reflected by the Corporation records.

D. Rights of Institutional Mortgagees: Upon receipt by the Corporation from any Institutional Mortgagee of a copy of the recorded mortgage held by such Institutional Mortgagee on a Residential Parcel or Dwelling Unit, together with written request from such Institutional Mortgagee specifying the address to which the following items are to be sent, the Corporation shall timely send to such Institutional Mortgagee the following (until the Corporation receives a written request from such Institutional Mortgagee to discontinue sending the following items or until the mortgage is discharged of record):

(i) A copy of any notice of a meeting of the Corporation or the Board which is thereafter sent to the Owner of such Residential Parcel or Dwelling Unit;

(ii) A copy of any financial statement of the Corporation which is thereafter sent to the Owner of such Residential Parcel or Dwelling Unit;

(iii) Written notice of any termination by the Corporation of any third-party management of the Corporation Common Areas, and the assumption by the Corporation of the self-management of the Corporation Common Areas; provided, however, such assumption by the Corporation of the self-management of Corporation Common Areas shall not occur unless approved by the Owners of sixty-seven percent (67%) of the Dwelling Units and the Institutional Mortgagees holding first mortgages encumbering fifty-one percent (51%) of the Dwelling Units encumbered by such first mortgages, if such third-party management has previously been required by such Institutional Mortgagees and Declarant and the Corporation agreed in writing with Institutional Mortgagees that the Corporation would not assume self-management of the Corporation Common Areas;

(iv) Thirty (30) days prior written notice of the cancellation or termination by the Corporation of any policies of insurance covering the Corporation Common Areas or any Improvements thereon, or any fidelity bonds of the Corporation as required pursuant to Paragraph VIII.C hereof, as well as copies of any notices of cancellation received by the Corporation with respect thereto;

(v) Written notice of any damage or destruction to the Improvements located on the Corporation Common Areas which affects a material portion of the Corporation Common Areas;

(vi) Written notice of any condemnation or eminent domain proceeding or proposed acquisition with respect to the Corporation Common Areas;

(vii) Written notice of any material amendment to, or the abandonment or termination of, this Declaration in accordance with the terms hereof or of any proposed action which would require the consent of Institutional Mortgagees; and

(viii) Written notice of any failure by an Owner owning a Dwelling Unit or an Owner owning a Residential Parcel encumbered by a first mortgage held by such Institutional Mortgagee to perform his obligations under the Chapel Trail Documents, including, but not limited to, any delinquency in the payment of any Assessments where such failure or delinquency has continued for a period of sixty (60) days. The failure of the Corporation to send any such notice to any such Institutional Mortgagees shall have no effect on any meeting, act or thing which was to have been the subject of such notice nor affect the validity thereof.

E. Enforcement: The covenants and restrictions contained herein or in any of the Chapel Trail Documents may be enforced by Declarant, the Corporation, any Owner(s), and any Institutional Mortgagee in any judicial proceeding seeking any remedy recognizable at law or in equity, including but not limited to, damages, injunction, or any other form of relief against any person, firm or entity violating or attempting to violate any of the covenants, restrictions or provisions hereunder. The failure of 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 all costs thereof, including, but not limited to, Attorneys' Fees.

F. Captions, Headings and Titles: Article 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 nor the terms and provisions of this Declaration.

G. Context: Whenever the context so requires or admits, 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.

H. 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. 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 any of the provisions of this Declaration shall have more than one interpretation, one (or more) of which is deemed invalid by a court of competent jurisdiction, said provision(s) shall remain in full force and effect given only such interpretation(s) as judicially determined valid. Further, the invalidation of any of the covenants or restrictions or terms and conditions of this Declaration or reduction in the scope or term of the same by reason of judicial application of the legal rules against perpetuities or otherwise shall in no way affect any other provision which shall remain in full force and effect for such period of time and to such extent as may be permitted by law.

I. Amendment and Modification: Except as set forth in Articles II and III hereof, the process of amending or modifying this Declaration shall be as follows:

1. Until the Turnover Date, except as hereinafter provided in this Paragraph I, all amendments or modifications may be made by Declarant without the requirement of the Corporation's consent or the consent of the Members, Owners or Institutional Mortgagees; provided, however, that the Corporation 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. Notwithstanding the foregoing, no amendment which materially and adversely affects the general plan of development for Chapel Trail shall be adopted in accordance with Paragraph X.I.1 hereof, but, instead, will be adopted in accordance with the provisions of Paragraph X.I.2 hereof.

2. After the Turnover Date, this Declaration may be amended upon the approval of not less than seventy-five percent (75%) of the votes of the entire membership of the Corporation. The aforementioned approval of the Members may be evidenced by a writing signed by the required number of Members or by the affirmative vote of the required number of Members at any regular or special meeting of the Corporation called and held in accordance with the Bylaws and evidenced by a certificate of the Secretary or an Assistant Secretary of the Corporation.

3. Amendments for correction of a scrivener's error(s) or other nonmaterial change(s) may be made by Declarant alone until the Turnover Date and thereafter by the Board without the consent of the Owners, Members or Institutional Mortgagees.

4. Notwithstanding the foregoing provisions of this Paragraph I, no amendment to this Declaration shall be effective which shall impair or prejudice the rights or priorities of Declarant or of any Institutional Mortgagee under this Declaration or any other Chapel Trail Documents without the specific written approval of such Declarant or Institutional Mortgagee affected thereby. Additionally, the approval of the Owners of at least sixty-seven percent (67%) of the Dwelling Units and the Institutional Mortgagees holding fifty-one percent (51%) of the mortgages encumbering Dwelling Units which are encumbered by mortgages held by Institutional Mortgagees shall be required to materially amend any provisions of this Declaration or to add any material provision hereto, which establish, provide for, govern or regulate any of the following: (i) the method of determining the obligations, Assessments, Assessment liens, subordination of such liens, or other charges levied against an Owner; (ii) the abandonment, partition, subdivision, alienation, release, transfer or encumbrance of Corporation Common Areas, other than as provided in Paragraph III.A.4 hereof; (iii) change or abandon the scheme for maintenance, repair and replacement of the Corporation Common Areas in such manner as to materially alter the general plan of development for Chapel Trail; (iv) decrease minimum hazard insurance and fidelity bond requirements for Corporation Common Areas; (v) waive or abandon the enforcement of Paragraph III.D hereof pertaining to architectural design of Dwelling Units, in such manner as to materially affect the general plan of development for Chapel Trail; (vi) leasing of Dwelling Units or Residential Parcels; and (vii) imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey his Dwelling Unit or Residential Parcel.

5. A true copy of any amendment to this Declaration shall be sent first class mail (herein called the "Mailing") by the Corporation to Declarant and to all Institutional Mortgagees requesting notice pursuant to Paragraph X.D hereof. The amendment shall become effective upon the recording of a Certificate of Amendment to this Declaration setting forth the amendment or modification amongst the Public Records of the County, but the certificate shall not be recorded until thirty (30) days after the Mailing, unless such thirty (30) day period is waived in writing by Declarant and all Institutional Mortgagees.

J. Condemnation: In the event the Corporation receives any award or payment arising from any taking of the Corporation Common Areas 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 the remaining Corporation Common Areas and Improvements thereon to the extent deemed advisable by the Corporation and the remaining balance of such net proceeds, if any, shall then be held by the Corporation for the use of the Corporation.

K. Term: This Declaration and the terms, provisions, conditions, covenants, restrictions, reservations, regulations, burdens, benefits and liens contained herein, including, without limitation, the provisions for Assessment shall run with and bind all portions of the Total Property which hereafter become Committed Property and inure to the benefit of Declarant, the Corporation, Members, Owners, Institutional Mortgagees and their respective legal representatives, heirs, successors and assigns for a term of ninety-nine (99) years from the date of the recording of this Declaration amongst the Public Records of the County, after which time the 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 ninety-nine (99) year term or any such ten (10) year extension there is recorded amongst the Public Records of the County, an instrument ("Termination Instrument") signed by all the Members and the Institutional Mortgagees holding at least two-thirds (2/3) of all first mortgages (by number and not by unpaid amount thereof) encumbering at least two-thirds (2/3) of all Dwelling Units encumbered by first mortgages held by Institutional Mortgagees agreeing to terminate this Declaration, upon which event this Declaration

shall be terminated upon the expiration of the ninety-nine (99) year term or the ten (10) year extension thereof during which the Termination Instrument is recorded.

L. Availability of Chapel Trail Documents: The Corporation shall make available for inspection upon request during normal business hours or under other reasonable circumstances to Owners, Members, prospective purchasers of Dwelling Units and Residential Parcels, Institutional Mortgagees and the holders, insurers, guarantors or servicers of a first mortgage on any Dwelling Unit(s) or Residential Parcel(s), current copies of this Declaration, the Articles, the Bylaws and the Rules, and other books, records and financial statements of the Corporation, including the most recent annual audited financial statement of the Corporation, if one has been prepared.

M. Free Transferability: The right of any Owner to sell, transfer or otherwise convey his Dwelling Unit or Residential Parcel is not subject to any right of first refusal or similar restriction contained in the Chapel Trail Documents and no such provision shall be included in the Chapel Trail Documents. This Paragraph M shall not preclude the inclusion of such a provision in a Condominium Declaration or a Non-Condominium Declaration.

N. Interpretation: In the event of a conflict between the provisions of this Declaration and the provisions of the Articles and/or Bylaws, the provisions of this Declaration shall control.

O. Inapplicability of the Condominium Act: It is acknowledged that the Corporation is not intended to be a condominium association, and is not intended to and shall not be governed by the provisions of Chapter 718, Florida Statutes.

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

Signed, sealed and delivered
in the presence of:

DECLARANT:

CHAPEL TRAIL, LTD.

By: SAJIK CORP., a Florida corporation and
General Partner

By: Herbert D. Katz, President

Dated: 3-2-88

(SEAL)

PAUL KOENIG, individually and as trustee

Dated: 3-2-88

HERBERT D. KATZ, individually and as trustee

Dated: 3-2-88

CORPORATION:

CHAPEL TRAIL OWNERS ASSOCIATION, INC.
a Florida corporation not for profit

By: Herbert D. Katz, President

Dated: 3-2-88

(SEAL)

BK15283PC0307

STATE OF FLORIDA)
) SS:
COUNTY OF BROWARD)

I HEREBY CERTIFY that on this day personally appeared before me, an officer duly authorized and acting, HERBERT D. KATZ, the President of SAJIK CORP., a Florida corporation and General Partner of CHAPEL TRAIL, LTD., a Florida limited partnership, to me known to be the officer who signed the foregoing instrument as such officer, and he acknowledged that the execution thereof was his free act and deed as such officer for the uses and purposes therein expressed and that the said instrument is the act and deed of said corporation.

WITNESS my hand and official seal in the County and State last aforesaid this 2 day of March, 1988.

Maricia D. Henton
Notary Public
State of Florida at Large
My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. MAR 21, 1989
BONDED THRU GENERAL INS. UND.

STATE OF FLORIDA)
) SS:
COUNTY OF BROWARD)

I HEREBY CERTIFY that on this day personally appeared before me, PAUL KOENIG, individually and as trustee, to me known to be the person who signed the foregoing instrument as such person, and acknowledged the execution thereof to be his free act and deed as such person for the uses and purposes therein mentioned.

WITNESS my hand and official seal in the State and County last aforesaid this 2 day of March, 1988.

Maricia D. Henton
Notary Public
State of Florida at Large
My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. MAR 21, 1989
BONDED THRU GENERAL INS. UND.

STATE OF FLORIDA)
) SS:
COUNTY OF BROWARD)

I HEREBY CERTIFY that on this day personally appeared before me, HERBERT D. KATZ, individually and as trustee, to me known to be the person who signed the foregoing instrument as such person, and acknowledged the execution thereof to be his free act and deed as such person for the uses and purposes therein mentioned.

WITNESS my hand and official seal in the State and County last aforesaid this 2 day of March, 1988.

Maricia D. Henton
Notary Public
State of Florida at Large
My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. MAR 21, 1989
BONDED THRU GENERAL INS. UND.

STATE OF FLORIDA)
) SS:
COUNTY OF BROWARD)

I HEREBY CERTIFY that on this day personally appeared before me, an officer duly authorized to take acknowledgments, HERBERT D. KATZ, the President of CHAPEL TRAIL OWNERS ASSOCIATION, INC., a Florida corporation not for profit, to me known to be the person who signed the foregoing instrument as such officer, and he acknowledged that the execution thereof was his free act and deed as such officer for the uses and purposes therein expressed and that the said instrument is the act and deed of said corporation.

WITNESS my hand and official seal in the County and State last aforesaid this 2 day of March, 1988.

Maricia D. Henton
Notary Public
State of Florida at Large
My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA
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