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**DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND
EASEMENTS
FOR
DEERWOOD PLACE**

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Master Covenants

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THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS is made as of the 26th day of January, 2005, by **BEAZER HOMES CORP., a Tennessee corporation**, which declares hereby that the "Property" described in Article 2 of this Declaration is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth.

ARTICLE 1.

DEFINITIONS AND INTERPRETATION

1.1 Definitions. The following words when used in this Declaration (unless the context shall prohibit) shall have the following meanings:

(a) "Architectural Control Committee" or "Committee" shall mean and refer to the committee of the Master Association responsible for performing the architectural review and approval functions set forth in Article 8 of this Declaration.

(b) "Articles" or "Articles of Incorporation" mean the Articles of Incorporation of the Master Association, as amended from time to time. A copy of the initial Articles of Incorporation of the Master Association is attached hereto as **Exhibit "B"**.

(c) "Assessments" shall mean and refer to the various forms of payment to the Master Association which are required to be made by Owners, as more particularly defined in Article 7 of this Declaration.

(d) "Assessment Charges" means all Assessments currently owed by each Owner, together with any late fees, interest and costs of collection, including reasonable attorneys' fees.

(e) "Association" or "Master Association" shall mean and refer to DEERWOOD PLACE MASTER ASSOCIATION, INC., a Florida not for profit corporation, which is (or is to be) incorporated.

(f) "Board" or "Board of Directors" shall mean and refer to the duly constituted Board of Directors of the Master Association, from time to time.

(g) "Bylaws" mean the Bylaws of the Master Association, as amended from time to time. A copy of the initial Bylaws of the Master Association is attached hereto as **Exhibit "C"**.

(h) "City" shall mean and refer to the City of Jacksonville, located within the County.

(i) "Common Property" shall mean and refer to the property legally described in **Exhibit "E"** attached hereto and made a part hereof, plus all property designated as Common Property in any future recorded supplemental declaration or deed of conveyance; together with the landscaping and any improvements thereon, including, without limitation, all of the following if located thereon, all private roadways and pedestrian walkway areas, structures, recreational facilities, pool, clubhouse, open space, walkways, accessways, public areas, sprinkler systems and street lights, if any, but excluding any public utility installations thereon. Without limiting the generality of Section 1.2, in the event that Declarant determines that a particular portion of the Property is or is not Common Property

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hereunder (in the manner provided in said Section 1.2) such determination shall be binding and conclusive. In the event that the Master Association accepts an easement or similar grant over, under or through any portion of the Property or any property adjacent thereto or in the vicinity thereof, the area subject to such easement shall be deemed Common Property for the purposes of but only for the purposes of, the Master Association performing whatever duties or obligations are stated in, or implied by law with respect to such easement or other grant.

(j) "Community Systems" shall mean and refer to any and all cable television, telecommunication, community intranet, intranet, optic cable systems, alarm/monitoring or other lines, conduits, wires, amplifiers, towers, antennae, equipment, materials, installations and fixtures for receiving and transmitting electronic data, signals and audio or video communications, security monitoring systems, utilities (including those based on, containing or serving future technological advances not now known), together with all conduits, wires, amplifiers, towers, antennae and other apparatus and equipment for the provisions thereof, installed by Declarant or pursuant to any grant of easement or authority by Declarant within the Property and serving more than one Lot or Unit.

(k) "County" shall mean and refer to Duval County, Florida.

(l) "Declarant" shall mean and refer to BEAZER HOMES CORP., a Tennessee corporation, its successors and such of its assigns as to which the rights of Declarant hereunder are specifically assigned. Declarant may assign all or a portion of its rights hereunder, or all or a portion of such rights in connection with appropriate portions of the Property or the Future Development Property (as hereinafter defined). In the event of such a partial assignment, the assignee shall not be deemed the Declarant, but may exercise such rights of Declarant specifically assigned to it. Any such assignment may be made on a nonexclusive basis. The rights of Declarant under this Declaration are independent of the Declarant's rights to control the Board of Directors of the Master Association, and, accordingly, shall not be deemed waived, transferred or assigned to the Owners, the Board or the Master Association upon the transfer of control of the Master Association.

(m) "Declaration" means this instrument and all exhibits attached hereto, as same may be amended from time to time.

(n) "Deerwood Lake Property Owners' Association" has the meaning set forth in Article 19 of this Declaration.

(o) "Deerwood Place Community" shall mean any and all land which is from time to time subjected to this Declaration, including without limitation, the Property and the Future Development Property.

(p) "Developer" has the same meaning as "Declarant."

(q) "District" means St. Johns River Water Management District.

(r) "Future Development Property" shall mean any property that may be added to the Property by supplemental declaration in accordance with Section 2.2 hereof, which Future Development Property shall then be included within the term "Property."

(s) "Improvements" means any Unit and any and all horizontal or vertical alterations or improvements installed or constructed on the Property.

(t) "Lot" shall mean and refer to an individual parcel of land within the Property which is shown as an individual lot on the various site plans (or similar plans) adopted by the Declarant from time to time and, after the conveyance thereof by Declarant to an Owner other than the Declarant, the lot legally described in the deed of such conveyance. In the case of a condominium made subject to this Declaration, the "Lots" therein shall be the individual condominium units thereof and not the parcel(s) of real property on which the condominium is constructed.

(u) "Member" shall mean and refer to all those Owners who are Members of the Master Association as hereinafter provided, including, without limitation, the Declarant.

(v) "Member's Permittees" shall mean and refer to the following persons and such persons' families (provided that the Owner or other permitted occupant must reside with his/her family): (i) an individual Owner(s), (ii) an officer, director, stockholder or employee of a corporate owner, (iii) a partner in or employee of a partnership owner, (iv) a fiduciary or beneficiary of an ownership in trust, or (v) occupants named or described in a lease or sublease, but only if approved in accordance with this Declaration. As used herein, "family" or words of similar import shall be deemed to include a spouse, children, parents, brothers, sisters, grandchildren and other persons permanently cohabiting the Unit as or together with the Owner or permitted occupant thereof. As used herein, "guest" or words of similar import shall include only those persons who have a principal residence other than the Unit.

(w) "Mortgage" means any bona fide first Mortgage encumbering a Lot or a Unit as security for the repayment of a debt obligation.

(x) "Mortgagee" means any bank savings and loan association or other recognized institutional lender, and insurer or guarantor of Mortgages and any holder of Mortgages in the secondary market (including without limitation, the Veteran's Administration, the Federal Housing Administration, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association), holding a Mortgage now or hereafter placed upon any Lot or Unit, including Declarant, or its assignee.

(y) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or Unit situated upon or within the Property.

(z) "Permits" means the permits, easements, and other approvals secured from various governmental agencies and regulatory bodies which govern the development of the Property including, without limitation, any permits affecting the Property issued by the Florida Department of Environmental Protection, St. Johns River Water Management District, the Army Corps of Engineers and the Florida Department of Transportation.

(aa) "Property" has the meaning set forth in Section 2.1 of this Declaration.

(bb) "Special Assessment" has the meaning set forth in Section 7.4 of this Declaration.

(cc) "Stormwater Management System" shall mean a system which is designed, constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation and water pollution, or to otherwise affect the quality and quantity or discharge from the system as permitted pursuant to Chapter 40C, Florida Administrative Code; provided however that the Stormwater Management System for Deerwood Place Community shall include only those portions of the Stormwater Management System that have not been conveyed or dedicated to the City.

(dd) "Sub-Association" shall mean any association created or to be created to administer specific portions of the Property and Common Property lying within such portions pursuant to a declaration of condominium or declaration of covenants and restrictions affecting such portions of the Property. The initial Sub-Association will be Deerwood Place I Condominiums Association, Inc.

(ee) "Supplemental Declaration" shall mean and refer to an instrument executed by the Declarant (or the Master Association, if permitted by Section 2.4 hereof) and recorded in the Public Records of the County, for the purpose of adding to the Property, withdrawing any portion(s) thereof from the effect of this Declaration, designating a portion of the Property as a Common Property or for such other purposes as are provided in this Declaration.

(ff) "Unit" shall mean and refer to any dwelling unit constructed on a Lot or any condominium dwelling unit in any condominium building that may be erected on any parcel of land within the Property, which land is designated by Declarant by recorded instrument to be subject to this Declaration (and to the extent Declarant is not the Owner thereof, then by Declarant joined by the Owner thereof).

1.2 Interpretation. The provisions of this Declaration as well as those of the Articles, Bylaws and any rules and regulations of the Master Association shall be interpreted by the Board of Directors. Any such interpretation of the Board which is rendered in good faith shall be final, binding and conclusive if the Board receives a written opinion of legal counsel to the Master Association, or the counsel having drafted this Declaration or other applicable document, that the interpretation is not unreasonable, which opinion may be rendered before or after the interpretation is adopted by the Board. Notwithstanding any rule of law to the contrary, the provisions of this Declaration and the Articles, Bylaws and the Rules and Regulations of the Master Association shall be liberally construed so as to effectuate the purposes herein expressed with respect to the efficient operation of the Master Association and the Property, the preservation of the values of the Lots and Units and the protection of Declarant's rights, benefits and privileges herein contemplated.

ARTICLE 2.

PROPERTY SUBJECT TO THIS DECLARATION; ADDITIONS AND WITHDRAWALS

2.1 Property. The initial real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in the County, and is more particularly described in Exhibit "A" attached hereto and made a part hereof, all of which real property (and all improvements thereto), together with additions thereto, but less any withdrawals therefrom, is herein referred to collectively as the "Property" at the time of recording this Declaration.

2.2 Supplements. Declarant may from time to time subject other land within the Future Development Property under the provisions of this Declaration by Supplemental Declarations (which shall not require the consent of then existing Owners, the Master Association or any Mortgagee other than that, if any, of the land intended to be added to the Property) and thereby add to the Property. To the extent that such additional real property shall be made a part of the Property, reference herein to the Property shall be deemed to be reference to all of such additional property where such reference is intended to include property other than that legally described above. Nothing herein, however, shall obligate Declarant to add to the initial portion of the Property, to develop any such future portions under a common scheme, nor to prohibit Declarant from rezoning and changing plans with respect to such future portions. All Owners, by acceptance of a deed to or other conveyance of their Lots, shall be deemed to have automatically consented to any such rezoning, replatting, covenant in lieu of unity of title, change, addition or deletion thereafter made by Declarant (or the

applicable Declarant-affiliated Owner) and shall evidence such consent in writing if requested to do so by Declarant at any time (provided, however, that the refusal to give such written consent shall not obviate the general and automatic effect of this provision). A Supplemental Declaration, including without limitation, a declaration of condominium, may vary the terms of this Declaration by addition, deletion or modification so as to reflect any unique characteristics of a particular portion of the Property identified therein; provided, however, that no such variance shall be directly contrary to the uniform scheme of development of the Property.

2.3 Withdrawal. Declarant reserves the right to amend this Declaration unilaterally at any time, without prior notice and without the consent of any person or entity, for the purpose of removing certain portions of the Property (including, without limitation, Lots, Units or Common Property) then owned by the Declarant or its affiliates or the Master Association from the provisions of this Declaration to the extent included originally in error or as a result of any changes whatsoever in the plans for the Property desired to be effected by the Declarant; provided, however, that such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Property.

2.4 Common Property. In the event of any doubt, conflict or dispute as to whether any portion of the Property is or is not a Common Property under this Declaration, the Declarant may, without the consent of the Master Association or then existing Owners, record in the public records of the County, a Supplemental Declaration resolving such issue and such Supplemental Declaration shall be dispositive and binding. After the Declarant no longer owns any portion of the Property, the Master Association may, without the consent of then existing Owners, record the aforesaid Supplemental Declaration, which shall have the same dispositive and binding effect. Notwithstanding the foregoing, no Supplemental Declaration may change the common elements of a condominium.

ARTICLE 3.

MEMBERSHIP AND VOTING RIGHTS IN THE MASTER ASSOCIATION

3.1 Membership. Every person or entity who is a record Owner of a fee interest in any Lot or Unit shall be a Member of the Master Association. Notwithstanding anything else to the contrary set forth in this Article, any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a Member of the Master Association.

3.2 Voting Rights. The Master Association shall have such classes of voting Members, who shall cast such votes, as are provided in the Articles and the Bylaws of the Master Association.

3.3 Powers of the Master Association.

The Master Association shall have all the powers, rights and duties as set forth in this Declaration, the Articles and the Bylaws. All the powers, rights and duties of the Master Association shall be exercised by the Board of Directors, except that the Board of Directors may not act on behalf of the Master Association to amend the Declaration or terminate the Master Association or this Declaration. The foregoing matters shall be subject to the approval of the Members holding the requisite number of votes.

3.4 Amplification.

The provisions of this Article are amplified by the Master Association's Articles and Bylaws, but no such amplification shall alter or amend substantially any of the rights or obligations of the Owners set forth in this Article. Declarant intends the provisions of this Declaration and the Articles and Bylaws to be interpreted and enforced to avoid inconsistencies or conflicting results. If any such

conflict necessarily results, however, the Declarant intends the provisions of this Declaration to control anything in the Articles and Bylaws to the contrary.

3.5 General Matters. When reference is made herein, or in the Articles, Bylaws, rules and regulations, management contracts or otherwise, to a majority or specific percentage of Members, such reference shall be deemed to be reference to a majority or specific percentage of the votes of Members represented at a duly constituted meeting of their voting Members voting for them (i. e., one for which proper notice has been given and at which a quorum exists) and not of the Members themselves or of their Lots or Units.

ARTICLE 4.

COMMON PROPERTY; CERTAIN EASEMENTS; COMMUNITY SYSTEMS

4.1 Members' Easements. Each Member, and each Member's Permittee, shall have a non-exclusive permanent and perpetual easement over and upon the Common Property for the intended use and enjoyment thereof in common with all other such Members, Member's Permittees, their agents and invitees, but in such manner as may be regulated by the Master Association. Without limiting the generality of the foregoing, such rights of use and enjoyment are hereby made subject to the following:

(a) The right and duty of the Master Association to levy assessments against each Lot or Unit for the purpose of maintaining the Common Property and any facilities located thereon in compliance with the provisions of this Declaration.

(b) The right of the Master Association to suspend the Member's (and his Member's Permittees') right to use the Common Property recreational facilities for any period during which any assessment against his Lot or Unit remains unpaid for more than thirty (30) days; and for a period not to exceed sixty (60) days for any infraction of this Declaration or the Master Association's lawfully adopted rules and regulations.

(c) The right of the Master Association to pass through to the Members the expenses incurred by the Master Association for operation and ownership of recreational facilities situated on the Common Property.

(d) The right of the Master Association to adopt at any time and from time to time and enforce rules and regulations governing the use of the Common Property and all facilities at any time situated thereon, including the right to fine Members as hereinafter provided. Any rule and/or regulation so adopted by the Master Association shall apply until rescinded or modified as if originally set forth at length in this Declaration.

(e) The right to the use and enjoyment of the Common Property and facilities thereon shall extend to all Members' Permittees, subject to regulation from time to time by the Master Association as set forth in its lawfully adopted and published rules and regulations.

(f) The right of Declarant to permit such persons as Declarant shall designate to use the Common Property and all recreational facilities located thereon.

(g) The right of Declarant and the Master Association to have, grant and use blanket and specific easements over, under and through the Common Property.

(h) The right of the Master Association to dedicate or convey portions of the Common Property to any other association having similar functions, or any public or quasi-public agency, community development district or similar entity under such terms as the Master Association deems appropriate and to create or contract with other associations within the Deerwood Place Community for purposes deemed appropriate by the Master Association (to which such dedication or contract all Owners, by the acceptance of the deeds to their Lots or Units, shall be deemed to have consented, no consent of any other party, except Declarant, being necessary).

(i) The right of the Declarant or the Master Association to annex additional Common Property and/or to construct additional improvements to the Common Property in such manner as the Declarant or the Master Association deems reasonable or necessary.

(j) The right of the Master Association to mortgage the Common Property with the consent of the Owners holding two-thirds of the votes.

(k) The rights of the Declarant to withdraw portions of the Common Property as provided in Section 2.3 above.

(l) The easements set forth in any recorded declaration affecting property subject to this Declaration.

4.2 Easements Appurtenant. The easements provided in Section 4.1 shall be appurtenant to and shall pass with the title to each Lot, but shall not be deemed to grant or convey any ownership interest in the Common Property subject thereto.

4.3 Parking Spaces. With respect to surface parking spaces within the Deerwood Place Master Association Common Property, each Owner will be entitled to use one assigned parking space, which parking space will be assigned at closing. Each Owner who has an individual parking garage within an adjacent condominium building will be assigned an exterior space immediately adjacent to such Owner's individual parking garage, to allow for access to the individual parking garage. An Owner may be temporarily prohibited from using its parking space for periods of time that the Common Property is being repaired. After a parking space is assigned to an Owner, it may not be reassigned by the Master Association without the consent of the Owner; provided however that the Declarant may temporarily relocate an Owner's parking space during construction periods.

4.4 Maintenance. The Master Association shall at all times maintain in good repair and manage, operate and insure, and shall replace as often as necessary, the Common Property and, to the extent not otherwise provided for, the paving, drainage structures, landscaping, improvements and other structures (except public utilities and Community Systems, to the extent same have not been made Common Property) situated on the Common Property, if any, all such work to be done as ordered by the Board of Directors of the Master Association. Without limiting the generality of the foregoing, at such time as the applicable governmental authority permits the Declarant to assign its responsibilities to the Master Association, the Master Association shall assume all of Declarant's and its affiliates' responsibilities to the County, the City, the State of Florida and its and their governmental and quasi-governmental subdivisions and similar entities of any kind with respect to the maintenance, repair and replacement of the Common Property and shall indemnify and hold Declarant and its affiliates harmless with respect thereto in the event of the Master Association's failure to fulfill those responsibilities. All work pursuant to this Section and all expenses incurred or allocated to the Master Association pursuant to this Declaration shall be paid for by the Master Association through assessments (either general or special) imposed in accordance herewith. The Master Association, on behalf of itself and/or all or appropriate Sub-Associations, shall have the power to incur, by way of contract or otherwise, expenses general to all or applicable portions of the

Property, or appropriate portions thereof, and the Master Association shall then have the power to allocate portions of such expenses among the Master Association and/or the Sub-Associations, based on such formula as may be adopted by the Master Association or as otherwise provided in this Declaration or any Supplemental Declaration. The portion so allocated to the Master Association or any Sub-Association shall be deemed a general expense thereof, collectible through its own assessments. No Owner may waive or otherwise escape liability for assessments by non-use (whether voluntary or involuntary) of the Common Property or abandonment of the right to use the Common Property. Without limiting the generality of the foregoing, the Master Association shall assume all of Declarant's and its affiliates' responsibility to the City and the County and their governmental and quasi-governmental subdivisions of any kind with respect to the Property and shall fully indemnify and hold Declarant (and its affiliates), the City and the County (and their governmental and quasi-governmental subdivisions of any kind), and the parties joining herein harmless with respect thereto.

4.5 Street Lights. To the extent not maintained by the City of Jacksonville, the Master Association shall be responsible for the operation, maintenance, repair or replacement of all street lighting fixtures, installations and equipment serving the Common Property (solely or primarily), (and said fixtures, installations and equipment shall be deemed Common Property for the aforesaid purposes). In the event of doubt as to whether any particular street lighting serves the Common Property solely or primarily, the decision of the Board of Directors in such regard shall be final and conclusive. Notwithstanding the foregoing, in the event that a Sub-Association requests the Master Association to maintain, repair or replace any street lighting fixtures, installations or equipment which would not otherwise fall under the Master Association's responsibilities, then the Master Association may do so as long as all costs and expenses thereof are paid by the requesting Sub-Association. Charges for electricity used by street lights shall be paid by the Master Association or Sub-Association, depending upon to which Association's account such electricity is metered (as originally established by Declarant or the applicable utility company).

4.6 Easements for Vehicular Traffic. In addition to the general easements for use of the Common Property reserved herein, there shall be, and Declarant hereby reserves and covenants for itself and all future Owners of Lots/Units within the Property, that each and every Owner, and Declarant, shall have a non-exclusive easement appurtenant for vehicular traffic over all private streets within the Common Property, subject to the parking provisions set forth in Section 4.3 and Section 6.7 of this Declaration.

4.7 Utility and Community Systems Easements. Use of the Common Property for utilities and Community Systems shall be in accordance with the applicable provisions of this Declaration and said plats. Declarant and its affiliates and its and their designees shall have a perpetual easement over, upon and under the Common Property and the unimproved portions of the Lots and Units for the installation, operation, maintenance, repair, replacement, alteration and expansion of Community Systems and other utilities.

4.8 Fiber Optics and/or Cable Easements. Declarant reserves for itself, its successors and assigns, a perpetual, exclusive, alienable easement and right for the installation, maintenance, and supply of fiber optic cables, radio and television cables and any such similar equipment now in existence or developed in the future over, under and across the rights of way and easement areas on any recorded plat of the Property.

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

4.10 Ownership.

The Common Property is hereby dedicated non-exclusively to the joint and several use, in common, of Declarant, and the Owners of all Lots and Units that may from time to time constitute part of the Property and all Member's Permittees and Declarant's tenants, guests and invitees, all as provided and regulated herein or otherwise by the Master Association, subject to Section 2.3 hereof. The Common Property (or appropriate portions thereof) shall, upon the later of completion of the improvements thereon or the date when the last Lot or Unit within the Property (and the Future Development Property if then contemplated to be added to the Property by Declarant, in Declarant's sole and absolute opinion) has been conveyed to a purchaser (or at any time and from time to time sooner at the sole election of Declarant), be conveyed by quit claim deed (free and clear of monetary liens and encumbrances but subject to such reserved easements as Declarant deems necessary or convenient) to the Master Association, which shall be deemed to have automatically accepted such conveyance. Beginning from the date this Declaration is recorded, the Master Association shall be responsible for the maintenance, insurance and administration of such Common Property (whether or not then conveyed or to be conveyed to the Master Association), all of which shall be performed in a continuous and satisfactory manner without cost to the general taxpayers of the County or the City. It is intended that any and all real estate taxes and assessments assessed against the Common Property shall be (or have been, because the purchase prices of the Lots and Units have already taken into account their proportionate shares of the values of the Common Property), proportionally assessed against and payable as part of the taxes of the applicable Lots and Units within the Property. However, in the event that, notwithstanding the foregoing, any such taxes are assessed directly against the Common Property, the Master Association shall be responsible for the payment (subject to protest or appeal before or after payment) of same, including taxes on any improvements and any personal property located thereon, which taxes accrue from and after the date this Declaration is recorded, and such taxes shall be prorated between Declarant and the Master Association as of the date of such recordation. Declarant and its affiliates shall have the right from time to time to enter upon the Common Property and other portions of the Property (including, without limitation, Lots and Units) for the purpose of the installation, construction, reconstruction, repair, replacement, operation, expansion and/or alteration of any improvements or facilities on the Common Property or elsewhere on the Property that Declarant and its affiliates or designees elect to effect, and to use, without charge, the Common Property and other portions of the Property for sales, displays and signs or for any other purpose during the period of construction and sale of any portion thereof or of other portions of adjacent or nearby property. Without limiting the generality of the foregoing, Declarant and its affiliates shall have the specific right to maintain upon any portion of the Property sales, administrative, construction or other offices and appropriate exclusive and non-exclusive easements of access and use are expressly reserved unto Declarant and its affiliates, and their successors, assigns, employees and contractors, for this purpose. Any obligation (which shall not be deemed to be created hereby) to complete portions of the Common Property shall, at all times, be subject and subordinate to these rights and easements and to the above-referenced activities. Accordingly, Declarant shall not be liable for delays in such completion to the extent resulting from the need to complete any of the above-referenced activities prior to such completion. There shall be no absolute liability imposed on Owners from damage to Common Property in the Deerwood Place Community.

4.11 Community Systems.

Declarant shall have the right, but not the obligation, to convey, transfer, sell or assign all or any portion of the Community Systems located within the Property, or all or any portion of the rights, duties or obligations with respect thereto to the Master Association or any other person or entity (including an Owner, as to any portion of a Community System located on/in his Lot/Unit). Without limiting the generality of Section 1.1(k) hereof, if and when any of the aforesaid entities receives such a conveyance, sale, transfer or assignment, such entity shall automatically be deemed

vested with such rights of Declarant with regard thereto as are assigned by Declarant in connection therewith; provided, however, that if the Master Association is the applicable entity, then any Community Systems or portions thereof shall be deemed Common Property hereunder and the Master Association's rights, duties and obligations with respect thereto shall be the same as those applicable to other Common Property unless otherwise provided by Declarant. Any conveyance, transfer, sale or assignment made by Declarant pursuant to this Section (i) may be made with or without consideration, which consideration may be retained by the Declarant (ii) shall not require the consent or approval of the Master Association or any Owner and (iii) if made to the Master Association, shall be deemed to have been automatically accepted (with all rights, duties, obligations and liabilities with respect thereto being deemed to have been automatically assumed). In recognition of the intended increased effectiveness and potentially decreased installation and maintenance costs and user fees arising from the connection of all Lots and Units in the Property to the applicable Community Systems, each Owner and occupant of a Unit or Lot shall by virtue of the acceptance of the deed or other right of occupancy thereof, be deemed to have consented to and ratified any and all agreements to which the Master Association is a party which is based upon (in terms of pricing structure or otherwise) a requirement that all Units and Lots be so connected. The foregoing shall not, however, prohibit the Master Association or Community Systems provider from making exceptions to any such 100% use requirement in its reasonable discretion.

ARTICLE 5.

MAINTENANCE

5.1 Building Maintenance. The maintenance, repair and replacement of the exterior of the buildings within which the Units are located will be performed by the applicable Sub-Association in accordance with the governing documents for the Sub-Association within which a particular Unit is located.

5.2 Common Property Maintenance. The maintenance, repair and replacement of the Common Property and improvements located thereon will be performed by the Master Association.

5.3 Right of Entry. In addition to such other remedies as may be available under this Declaration, in the event that an Owner or Sub-Association fails to maintain a Unit or Lot as required by the Sub-Association governing documents, the Master Association shall have the right to enter upon the Lot or Unit in question and perform such duties; provided, however, that such entry shall be during reasonable hours and only after five (5) days' prior written notice. The Owner or Sub-Association, as applicable, having failed to perform its maintenance duties shall be liable to the Master Association for the costs of performing such remedial work and shall pay a surcharge of not more than thirty five percent (35%) of the cost of the applicable remedial work, all such sums being payable upon demand. No bids need be obtained for any of the work performed pursuant to this Article and the person(s) or company performing such work may be selected by the Master Association in its sole discretion. There is hereby created an easement in favor of the Master Association, and its applicable designees over each Lot and Unit for the purpose of entering onto the Lot and/or Unit in the performance of the work herein described, provided that the notice requirements of this Article are complied with.

ARTICLE 6.

CERTAIN USE RESTRICTIONS

6.1 Applicability. The provisions of this Article 6 shall be applicable to all of the Property but shall not be applicable to Declarant or any of its designees, or to Lots or Units or other property owned by Declarant or its designees.

6.2 Uses of Lots and Units. All Lots and Units (and appurtenant association property, common elements and limited common elements) shall be used for the general purposes for which they are designed and intended and at all times used, operated and maintained in accordance with applicable zoning and other requirements, conditions and restrictions applicable to same (including, without limitation, any deed or lease of the Lot/Unit from the Declarant, as same may be amended from time to time).

6.3 Easements. Easements for the installation and maintenance of utilities and Community Systems are reserved as provided herein. The area of each Lot or Unit covered by an easement and all improvements in such area shall be maintained continuously by the Master Association to the extent provided herein, except for installations for which a public authority or utility company is responsible. The appropriate water and sewer authority, electric utility company, telephone company, the Master Association, and Declarant and its affiliates, and their respective successors and assigns, shall have a perpetual easement but not the obligation for the installation and maintenance of all underground utilities, of water lines, sanitary sewers, storm drains, and electric, telephone and Community System lines, cables and conduits, under and through the utility easements as reflected in recorded documents.

6.4 Nuisances. Nothing shall be done or maintained on any Lot or Unit which may be or become an annoyance or nuisance to the occupants of other Lots or Units. Any activity on a Lot or Unit which interferes with television, cable or radio reception on another Lot or Unit shall be deemed a nuisance and a prohibited activity. In the event of a dispute or question as to what may be or become a nuisance, such dispute or question shall be submitted to the Board of Directors, which shall render a decision in writing, which decision shall be dispositive of such dispute or question.

6.5 Oil and Mining Operation. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in the Property, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in the Property. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any portion of the Property subject to these restrictions.

6.6 Visibility at Intersections. No obstruction to visibility at street intersections or Common Property intersections shall be permitted; provided that the Master Association shall not be liable in any manner to any person or entity, including Owners and Members' Permittees, for any damages, injuries or deaths arising from any violation of this Section.

6.7 Parking and Vehicular Restrictions. Parking in or on the Common Property or any Lot or Unit shall be restricted to the parking areas therein designated for such purpose. No commercial trucks or vans or other commercial vehicles shall be parked in any parking space except with the written consent of the Board of Directors of the Master Association, except such temporary parking spaces provided for such purpose as may be necessary to effectuate deliveries to the Master Association, a Sub-Association, Unit Owners or residents. It is acknowledged that there are pickup trucks and vans that are not used for commercial purposes, but are family vehicles. It is not intended that such noncommercial, family vehicles be prohibited. A commercial vehicle is one with lettering or display on it, has equipment affixed to it, or is used in a trade or business. No campers, recreational vehicles, boats or boat trailers may be parked or stored on the Property. Motorcycles and ATVs may be parked on the Property only with the written consent of the Board of Directors of the Master Association. Any such vehicle or recreational equipment parked in violation of these or other regulations contained herein or in the rules and regulations adopted by the Master Association may be towed by the Master Association at the sole expense of the owner of such vehicle or recreational equipment if it remains in violation for a period of twenty-four (24) consecutive hours or for forty-eight (48) non-consecutive hours in any seven (7) day period. The Master Association shall not be liable to the owner of such vehicle or recreational equipment for trespass, conversion, damages, or

otherwise, nor guilty of any criminal act by reason of such towing, and neither its removal nor failure of the owner of such vehicle or recreational equipment to receive any notice of said violation shall be grounds for relief of any kind.

6.8 Exterior Antennas. Subject to federal guidelines, all antennae, satellite dishes and other receptor devices to be installed on a balcony shall be no larger than thirty inches (30") in diameter and twelve (12') feet in height and must be approved in advance by the Architectural Control Committee, in accordance with federal law. In addition, Owners shall endeavor to assure that the location of such devices is screened to the extent possible from the view of others. The foregoing limitation shall not apply to the Master Association.

6.9 Renewable Resource Devices. Nothing in this Declaration shall be deemed to prohibit the installation of energy devices based on renewable resources (e. g., solar collector panels); provided, however, that same shall be installed only in accordance with the reasonable standards adopted from time to time by the Architectural Control Committee, with approval from the Board of Directors. Such standards shall be reasonably calculated to maintain the aesthetic integrity of the Property without making the cost of the aforesaid devices prohibitively expensive.

6.10 Signs and Flags. No sign, poster, display, billboard or other advertising device of any kind shall be displayed to the public view on any portion of a Lot or Unit or the Common Property without the prior written consent of the Architectural Control Committee, except signs, regardless of size, used by Declarant, its successors or assigns, for advertising during the construction, sale and leasing period. Notwithstanding the foregoing, any Unit Owner may display one (1) portable, removable United States flag in a respectful way and on Armed Forces Day, Memorial Day, Flag Day, Independence Day and Veteran's Day may display in a respectful way the flag of the United States Army, Navy, Marine Corps or Coast Guard, which flag shall not be larger than 4 ½ by 6 feet.

6.11 Animal Restriction. No animals, livestock, reptiles or poultry of any kind shall be raised, bred, or kept on or in any Common Property. No dog, cat or other pet may run loose (unleashed) on Common Property, and pets may be walked only in areas designated for such purpose by the Master Association, if any. Specific rules and regulations regarding pets may be adopted by the Sub-Associations or pursuant to a Supplemental Declaration or Sub-Association declaration; provided however, the Master Association is not required to take legal action in order to enforce this provision. The Master Association may, in its sole discretion, determine to permit certain matters to be determined by and among the Owners.

6.12 Trash. No rubbish, trash, garbage or other waste material shall be kept or permitted on Common Property except in containers located in appropriate areas, if any, and no odor shall be permitted to arise therefrom so as to render Common Property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to its occupants.

6.13 Temporary Structures. Except as may be used or permitted by the Declarant during periods of construction or renovation, marketing and sales, no structure of a temporary nature (including, without limitation, trailers, tents, shacks or mobile offices) shall be located or used within the Property.

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

6.15 Declarant Exemption. In order that the development of the Property may be undertaken and the Property established as a fully occupied community, no Owner, nor the Master Association, nor any Sub-Association shall do anything to interfere with Declarant's activities more fully set forth as follows:

(a) Prevent Declarant, its successors or assigns, or its or their contractors or subcontractors, from doing on any property owned by them whatever they determine to be necessary or advisable in connection with the completion of the development of the Property and the Future Development Property, including without limitation, the alteration of its construction plans and designs as Declarant deems advisable in the course of development (all models or sketches showing plans for the Future Development Property, as same may be expanded, may be modified by the Declarant at any time and from time to time, without notice); or

(b) Prevent Declarant, its successors or assigns, or its or their contractors, subcontractors or representatives, from erecting, constructing and maintaining on the Future Development Property, such structures as may be reasonably necessary for the conduct of its or their business of completing said development and establishing the Property as a community and disposing of the same by sale, lease or otherwise; or

(c) Prevent Declarant, its successors or assigns, or its or their contractors or subcontractors, from conducting on the Future Development Property, activities relating to the development, subdivision, grading and construction of improvements on the Future Development Property and of disposing of Lots and/or Units therein by sale, lease or otherwise; or

(d) Prevent Declarant, its successors or assigns, from determining in its sole discretion the nature of any type of improvements to be initially constructed as a part of the Future Development Property; or

(e) Prevent Declarant, its successors or assigns or its or their contractors or subcontractors, from maintaining such sign or signs on the Future Development Property as may be necessary in connection with the operation of any Lots or Units owned by Declarant (its successors or assigns) or the sale, lease or other marketing of Lots and/or Units, or otherwise from taking such other actions deemed appropriate; or

(f) Prevent Declarant, or its successors or assigns from filing Supplemental Declarations, or which add or withdraw additional property as otherwise provided in this Declaration; or

(g) Prevent Declarant from modifying, changing, re-configuring, removing or otherwise altering any improvements located on the Common Property.

In general, the Declarant shall be exempt from all restrictions set forth in this Declaration to the extent such restrictions interfere in any matter with Declarant's plans for construction, development, use, sale or other disposition of the Property and the Future Development Property, or any part thereof.

ARTICLE 7.

COVENANT FOR MAINTENANCE ASSESSMENTS

7.1 Creation of the Lien and Personal Obligation for Assessments. Except as provided elsewhere herein, Declarant (and each party joining in any supplemental declaration), for all Lots

Master Covenants

and Units now or hereafter located within the Property, hereby covenants and agrees, and each Owner of any Lot or Unit by acceptance of a deed therefor or other conveyance thereof, whether or not it shall be so expressed in such deed or other conveyance, shall be deemed to covenant and agree, to pay to the Master Association Annual Assessments and charges for the operation of, and for payment of expenses allocated or assessed to or through the Master Association, of and for the maintenance, management, operation and insurance of the Common Property (including, without limitation, the Stormwater Management System) and the Master Association and any applicable Community Systems as provided elsewhere herein, including such reasonable reserves as the Master Association may deem necessary, Capital Improvement Assessments, as provided in Section 7.5 hereof, Special Assessments as provided in Section 7.4 hereof and all other charges and assessments hereinafter referred to or lawfully imposed by or on the Master Association, all such assessments to be fixed, established and collected from time to time as herein provided. In addition, Special Assessments may be levied against particular Owners, Lots and Units for fines, expenses incurred against particular Lots, Units and/or Owners to the exclusion of others and other charges against specific Lots or Owners as contemplated in this Declaration. All of the Assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Lot and/or Unit against which each such Assessment is made. Each such Assessment, together with such interest thereon and costs of collection thereof as hereinafter provided, shall also be the personal obligation of the person who is the Owner of such property at the time when the Assessment fell due and all subsequent Owners until paid, except as provided in Section 7.9 below. Reference herein to Assessments shall be understood to include reference to any and all of said charges whether or not specifically mentioned.

7.2 Rates of Assessments. Assessments shall be made at a uniform rate. In the event of any dispute as to the allocation of Assessments, the determination of the Board of the Master Association shall be binding and dispositive. Declarant may modify such formula with respect to future Lots or Units in the Supplemental Declaration bringing such Units or Lots under the provisions hereof in order to account for unforeseen changes in development plans and to maintain an equitable system of Assessment allocation, provided that no change may be made in the allocation of Assessments among residential condominium Units insofar as it is the intent hereof that each such Unit shall be required to bear a proportionate burden of Assessments. The Board of Directors shall budget and adopt assessments for the Master Association's general expenses in accordance with the procedures set forth in the Bylaws.

7.3 Purpose of Assessments. The regular assessments levied by the Master Association shall be used for the purposes expressed in Section 7.1 above and for such other purposes as the Master Association shall have within its powers and from time to time elect to undertake.

7.4 Special Assessments. In addition to the regular and capital improvement assessments which are or may be levied hereunder, the Master Association (through the Board of Directors) shall have the right to levy Special Assessments against an Owner(s) to the exclusion of other Owners (a) for the repair or replacement of damage to any portion of the Common Property (including, without limitation, improvements and landscaping thereon) caused by the misuse, negligence or other action or inaction of an Owner or his Member's Permittee ((b) for the costs of work performed by the Master Association in accordance with Article 5 of this Declaration (together with any surcharges collectible thereunder), (c) to obtain funds for a specific purpose(s) which is of a non-recurring nature, for which no reserve funds (or inadequate reserve funds) have been collected or allocated, and which is not the appropriate subject of a capital improvement assessment. Any such Special Assessment shall be subject to all of the applicable provisions of this Article including, without limitation, lien filing and foreclosure procedures and late charges and interest. Any Special Assessment levied hereunder shall be due within the time specified by the Board of Directors in the action imposing such assessment or may be of an ongoing nature, as provided in Article 5 hereof.

7.5 Capital Improvements. Funds which, in the aggregate, exceed the lesser of \$50,000.00 or 10% of the total amount of the current operating budget of the Master Association in any one fiscal year which are necessary for the addition of capital improvements (as distinguished from repairs and maintenance, including repairs and replacement per Article 11 hereof) relating to the Common Property and which have not previously been collected as reserves or are not otherwise available to the Master Association (other than by borrowing) shall be levied by the Master Association as assessments only upon approval of a majority of the Board of Directors of the Master Association and upon approval by two-thirds (2/3) favorable vote of the Members of the Master Association. The costs of any of the aforesaid work which are less than the above-specified threshold amount shall be collected as general or Special Assessments upon approval of a majority of the Master Association's Board of Directors.

7.6 Date of Commencement of Annual Assessments; Due Dates. The annual regular assessments provided for in this Article shall commence on the first day of the month next following the recordation of this Declaration and shall be applicable through December 31 of such year. Each subsequent annual assessment shall be imposed for the year beginning January 1 and ending December 31. The annual assessments shall be payable in advance in quarterly installments. The assessment amount (and applicable installments) may be changed at any time by said Board from that originally stipulated or from any other assessment that is in the future adopted. The original assessment for any year shall be levied for the calendar year (to be reconsidered and amended, if necessary, at any appropriate time during the year), but the amount of any revised assessment to be levied during any period shorter than a full calendar year shall be in proportion to the number of quarters remaining in such calendar year. The due date of any Special Assessment or capital improvement assessment shall be fixed in the Board resolution authorizing such assessment.

7.7 Duties of the Board of Directors. The Board of Directors of the Master Association shall fix the date of commencement and the amount of the assessment against the Lots and Units subject to the Master Association's jurisdiction for each assessment period, to the extent practicable, at least thirty (30) days in advance of such date or period, and shall, at that time, prepare a roster of the Lots and Units and assessments applicable thereto which shall be kept in the office of the Master Association and shall be open to inspection by any Owner. Written notice of the assessment shall thereupon be sent to every Owner subject thereto twenty (20) days prior to payment of the first installment thereof, except as to Special Assessments. In the event no such notice of the assessments for a new assessment period is given, the amount payable shall continue to be the same as the amount payable for the previous period, until changed in the manner provided for herein. The Master Association, through the action of its Board of Directors, shall have the power, but not the obligation, to enter into an agreement or agreements from time to time with one or more persons, firms or corporations (including affiliates of Declarant) for management services, including the administration of budgets and assessments as herein provided. The Master Association shall have all other powers provided in its Articles of Incorporation and Bylaws.

7.8 Effect of Non-Payment of Assessment; the Personal Obligation; the Lien; Remedies of the Master Association. If the assessments (or installments) provided for herein are not paid on the date(s) when due (being the date(s) specified herein or pursuant hereto), then such assessments (or installments) shall become delinquent and shall, together with late charges, interest and the cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the Lot or Unit which shall bind such property in the hands of the then Owner, his heirs, personal representatives, successors and assigns. Except as provided in Section 7.9 to the contrary, the personal obligation of an Owner to pay such assessment shall pass to his successors in title and recourse may be had against either or both. If any installment of an assessment is not paid within fifteen (15) days after the due date, at the option of the Master Association, a late charge not greater than the amount of such unpaid installment may be imposed (provided that only one late charge may be imposed on any one unpaid installment and if such installment is not paid thereafter, it and the

late charge shall accrue interest as provided herein but shall not be subject to additional late charges; provided further, however, that each other installment thereafter coming due shall be subject to one late charge each as aforesaid) or the next year's assessment may be accelerated and become immediately due and payable in full and all such sums shall bear interest from the dates when due until paid at the highest lawful rate (or, if there is no highest lawful rate, 18% per annum) and the Master Association may bring an action at law against the Owner(s) personally obligated to pay the same, may record a claim of lien (as evidence of its lien rights as herein above provided for) against the Lot or Unit on which the assessments and late charges are unpaid, may foreclose the lien against the Lot or Unit on which the assessments and late charges are unpaid, or may pursue one or more of such remedies at the same time or successively, and attorneys' fees and costs actually incurred in preparing and filing the claim of lien and the complaint, if any, and prosecuting same in such action shall be added to the amount of such assessments, late charges and interest secured by the lien, and in the event a judgment is obtained, such judgment shall include all such sums as above provided and attorneys' fees actually incurred together with the costs of the action, whether incurred before or at trial, on appeal, in post-judgment collection or in bankruptcy. In the case of an acceleration of the next twelve (12) months' of installments, each installment so accelerated shall be deemed, initially, equal to the amount of the then most current delinquent installment, provided that if any such installment so accelerated would have been greater in amount by reason of a subsequent increase in the applicable budget, the Owner of the Lot or Unit whose installments were so accelerated shall continue to be liable for the balance due by reason of such increase and Special Assessments against such Lot or Unit shall be levied by the Master Association for such purpose. In addition to the rights of collection of assessments stated in this Section, any and all persons acquiring title to or an interest in a Lot or Unit as to which the assessment is delinquent, including without limitation persons acquiring title by operation of law and by judicial sales, shall not be entitled to the occupancy of such Lot or Unit or the enjoyment of the Common Property until such time as all unpaid and delinquent assessments due and owing from the selling Owner have been fully paid; provided, however, that the provisions of this Section shall not be applicable to the mortgagees and purchasers contemplated by Section 7.9 below. All assessments, late charges, interest, penalties, fines, attorney's fees and other sums provided for herein shall accrue to the benefit of the Master Association. Unless delegated to a Sub-Association by the Master Association, it shall be the legal duty and responsibility of the Master Association to enforce payment of the assessments hereunder. Failure of a collecting entity to send or deliver bills or notices of assessments shall not, however, relieve Owners from their obligations hereunder. The Master Association shall have such other remedies for collection and enforcement of assessments as may be permitted by applicable law. All remedies are intended to be, and shall be, cumulative. Unless provided for in a Mortgage on a Unit or a Lot, failure to pay assessments does not constitute a default under a Mortgage.

7.9 Subordination of the Lien. The lien of the assessments provided for in this Article shall be subordinate to real property tax liens and the lien of any first Mortgage; provided, however, that any such Mortgagee, when in possession or any receiver, and in the event of a foreclosure, any purchaser at a foreclosure sale, and any such Mortgagee acquiring a deed in lieu of foreclosure, and all persons claiming by, through or under such purchaser or Mortgagee, shall hold title subject to the liability and lien of any assessment coming due after such foreclosure (or conveyance in lieu of foreclosure). Any unpaid assessment which cannot be collected as a lien against any Lot or Unit by reason of the provisions of this Section shall be deemed to be an assessment divided equally among, payable by and a lien against all Lots and Units subject to assessment by the Master Association, including the Lots and Units as to which the foreclosure (or conveyance in lieu of foreclosure) took place.

7.10 Collection of Assessments. The collection of assessments shall be in accordance with the terms and conditions of Section 9.4 of this Declaration. In the event that at any time the collection of assessments levied pursuant hereto is by an entity other than the Master Association,

all references herein to collection (but not necessarily enforcement) by the Master Association shall be deemed to refer to the other entity performing such collection duties and the obligations of Owners to pay assessments shall be satisfied by making such payments to the applicable collecting entity. No Mortgagee shall be required to collect Assessments.

7.11 Declarant's Assessments. Notwithstanding anything herein to the contrary, Declarant shall have the option, in its sole discretion, to (a) pay assessments on the Lots or Units owned by it, (b) pay assessments only on certain designated Lots or Units (e. g., those under construction or those containing a Unit for which a certificate of occupancy has been issued) or (c) not pay assessments on any Lots or Units and in lieu thereof fund any resulting deficit in the Master Association's operating expenses not produced by assessments receivable from Owners other than Declarant and any other income receivable by the Master Association. The deficit to be paid under option (c), above, shall be the difference between (i) actual operating expenses of the Master Association (exclusive of capital improvement costs and reserves) and (ii) the sum of all monies receivable by the Master Association (including, without limitation, assessments, interest, late charges, capital contributions, fines and incidental income) and any surplus carried forward from the preceding year(s). Declarant may from time to time change the option under which Declarant is making payments to the Master Association by written notice to such effect to the Master Association. If Declarant at any time elects option (b), above, it shall not be deemed to have necessarily elected option (a) or (b) as to the Lots or Units which are not designated under option (b). When all Lots or Units within the Property are sold and conveyed to purchasers, neither Declarant nor its affiliates shall have further liability of any kind to the Master Association for the payment of assessments, deficits or contributions.

7.12 Master Association Funds. The portion of all regular assessments collected by the Master Association for reserves for future expenses, and the entire amount of all Special and Capital Assessments, shall be held by the Master Association and may be invested in interest bearing accounts or in certificates of deposit or other like instruments or accounts available at banks or savings and loan institutions, the deposits of which are insured by an agency of the United States.

7.13 Working Capital Contribution. Each purchaser (including purchasers of resale units) shall be required to make a one time working capital contribution to the Master Association in the amount of two times the then applicable monthly installment of Assessments, which may be used for additional capital improvements or services which were not included in the original budget categories. The Declarant is precluded from the use of these funds for operating expenses of the Master Association.

ARTICLE 8.

ARCHITECTURAL CONTROL; GENERAL POWERS

The following provisions of this Article 8 are subject to those of Article 9 hereof. Accordingly, this Article shall be operative only so long as the Master Association is performing (subject to later delegation) architectural control duties and powers in the manner provided in Article 9.

8.1 Members of Committee. The Architectural Control Committee, sometimes referred to in this Declaration as the "Committee", shall consist of three (3) members. The initial members of the Committee shall consist of persons designated by Declarant. Each of the initial members shall hold office until all Lots, Units and improvements planned for the Property and the Future Development Property have been constructed and conveyed (if appropriate), or sooner at the option of Declarant. Thereafter, each new member of the Committee shall be appointed by the Board of Directors and shall hold office until such time as he has resigned or has been removed or his successor has been appointed, as provided herein. Members of the Committee (other than those

appointed or designated by the Declarant) may be removed by the Board of Directors at any time without cause. Members of the Committee appointed or designated by the Declarant may only be removed by the Declarant.

8.2 Review of Proposed Construction. Subject to Section 8.9 below, no structure or improvement of any kind shall be commenced, altered, painted, erected or maintained in the Property, nor shall any addition, change or alteration (including paint or exterior finishing) visible from the exterior of any Unit be made, nor shall any awning, canopy or shutter be attached to or placed upon outside walls or roofs of buildings or other improvements, until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to, and approved in writing by, the Committee. The Committee shall approve proposals or plans and specifications submitted for its approval only if it deems that the construction, alterations or additions contemplated thereby, in the locations indicated, will not be detrimental to the appearance of the Property as a whole, and that the appearance of any structure affected thereby will be in harmony with the surrounding structures and landscaping and is otherwise desirable. If the proposed construction, alterations or additions are to common elements of a condominium, said approval shall also be subject to the prior approval of the applicable condominium association. The Committee may condition its approval of proposals and plans and specifications as it deems appropriate, and may require submission of additional plans and specifications or other information prior to approving or disapproving material submitted. The Committee may require such detail in plans and specifications submitted for its review as it deems proper, including, without limitation, floor plans, site plans, drainage plans, elevation drawings and descriptions or samples of exterior materials and colors. Until receipt by the Committee of any required plans and specifications, the Committee may postpone review of any plans submitted for approval. The Committee shall have thirty (30) days after delivery of all required materials to approve or reject any such plans, and if not rejected within such thirty (30) day period, said plans shall be deemed approved. All work done by a Member after receiving the approval of the Committee shall be subject to the inspection by, and final approval of, the Committee in accordance with its procedural rules adopted as herein provided. All changes and alterations shall also be subject to all applicable permit requirements and to all applicable governmental laws, statutes, ordinances, rules, regulations, orders and decrees.

8.3 Meetings of the Committee. The Committee shall meet from time to time as necessary to perform its duties hereunder. The Committee may from time to time, by resolution unanimously adopted in writing, designate a Committee representative (who may, but need not, be one of its members) to take any action or perform any duties for and on behalf of the Committee, except the granting of variances pursuant to Section 8.8 hereof. In the absence of such designation, the vote of any two (2) members of the Committee shall constitute an act of the Committee.

8.4 No Waiver of Future Approvals. The approval of the Committee of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matters subsequently or additionally submitted for approval or consent.

8.5 Compensation of Members. The members of the Committee shall receive no compensation for services rendered, other than reimbursement for expenses incurred by them in the performance of their duties hereunder, or unless engaged by the Master Association in a professional capacity.

8.6 Committee Rules. The Committee shall adopt reasonable rules of procedure and standards for the submission and review of any matter to be brought before it and the inspection and final approval of any completed work done pursuant to an approval of the Committee. Such rules shall be (a) subject to the prior approval of the Board of Directors, (b) consistent with the covenants

and restrictions set forth in this Declaration and (c) published or otherwise made available to all Members and their contractors, subcontractors and other appropriate designees. All rules of the Committee shall be adopted and/or amended by a majority vote thereof, provided that no amendment shall be applicable to any matter submitted to the Committee prior to the making of such amendment.

8.7 Non-Liability. Neither the Master Association, the Board of Directors, the Committee, the Declarant nor any member thereof, nor any duly authorized representative of any of the foregoing, shall be liable to any Sub-Association or to any Owner or any other person or entity for any loss, damage or injury arising out of or in any way connected with the performance or non-performance of the Committee's duties hereunder. The Committee shall review and approve or disapprove all plans submitted to it for any proposed improvement, alteration or addition solely on the basis of aesthetic considerations and the benefit or detriment which would result to the immediate vicinity and to the Property, generally. The Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features, but shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, or warranty as to, any plan or design from the standpoint of structural safety or conformance with building or other codes. The approval of any proposed improvements or alterations by the Architectural Control Committee shall not constitute a warranty or approval as to, and neither the Master Association nor any member or representative of the Architectural Control Committee or the Board of Directors shall be liable for, the safety, soundness, workmanship, materials or usefulness for any purpose of any such improvement or alteration nor as to its compliance with governmental or industry codes or standards. By submitting a request for the approval of any improvement or alteration, the requesting Owner shall be deemed to have automatically agreed to hold harmless and indemnify the aforesaid members and representatives, and the Master Association generally, from and for any loss, claim or damages connected with the aforesaid aspects of the improvements or alterations.

8.8 Variance. The Committee may authorize variances from compliance with any of the architectural control provisions of this Declaration when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations require, but only in accordance with its duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, (b) be contrary to the restrictions set forth in this Declaration, or (c) stop the Committee from denying a variance in other circumstances.

8.9 Exemptions. Declarant and its affiliates shall be exempt from the provisions hereof with respect to alterations and additions desired to be effected by any of them and shall not be obligated to obtain Committee approval for any construction or changes which any of them may elect to make at any time.

8.10 General Powers of the Master Association. The Master Association (and the Committee, as appropriate) shall have the absolute power to veto any action taken or contemplated to be taken which is or would be governed by this Article 8, and the Master Association shall have the absolute power to require specific action to be taken, by any Sub-Association in connection with applicable sections of the Property in that regard. Without limiting the generality of the foregoing, the Master Association (and the Committee, as appropriate) may veto any decision of any Sub-Association (or architectural control board or other committee thereof) which is or would be governed by this Article 9, and the Master Association may require specific maintenance or repairs or aesthetic changes to be effected, require that a proposed budget include certain items and that expenditures be made therefor, veto or cancel any contract providing for maintenance, repair or replacement of the Property governed by such Sub-Association and otherwise require or veto any other action as the Master Association deems appropriate from time to time. Any action required by the Master

Association in a written notice to be taken by a Sub-Association shall be taken within the time frame set by the Master Association in such written notice. If the Sub-Association fails to comply with the requirements set forth in such written notice, the Master Association shall have the right to effect such action on behalf of the Sub-Association and shall assess the Lots and Units governed by the Sub-Association for their pro-rata share of any expenses incurred by the Master Association in connection therewith, together with an administrative charge to be determined by the Master Association under the circumstances (to cover the Master Association's administrative expenses in connection with the foregoing and to discourage the Sub-Association from failing to comply with the requirements of the Master Association). Such assessments may be collected as Special Assessments hereunder and shall be subject to all lien rights provided for herein.

ARTICLE 9.

MASTER ASSOCIATION AND SUB-ASSOCIATIONS

9.1 Preamble. In order to ensure the orderly development, operation and maintenance of the Property, including the Property subject to the administration of the Sub-Associations as integrated parts of the Property, this Article has been promulgated for the purposes of (a) giving the Master Association certain powers to effectuate such goal, (b) providing for intended (but not guaranteed) economies of scale and (c) establishing the framework of the mechanism through which the foregoing may be accomplished. The provisions of this Article are specifically subject, however, to Section 16.9 of this Declaration.

9.2 Cumulative Effect: Conflict. The covenants, restrictions and provisions of this Declaration shall be cumulative with those of the Sub-Associations and the Master Association may, but shall not be required to, enforce the latter; provided, however, that in the event of conflict between or among such covenants, restrictions and provisions, or any Articles of incorporation, Bylaws, rules and regulations, policies or practices adopted or carried out pursuant thereto, those of the Sub-Associations shall be subject and subordinate to this Declaration. The foregoing priorities shall apply, but not be limited to, the liens for assessments created in favor of the Master Association and the Sub-Associations as provided for herein. As to any Sub-Association which is a condominium association, no duties of same hereunder shall be performed or assumed by the Master Association if same are required by law to be performed by the Sub-Association or if the performance or assumption of such duties would be contrary to the purpose and intent of Section 16.9 of this Declaration.

9.3 Architectural Control. All architectural control and use restrictions provided for in or pursuant to this Declaration shall, initially, be exercised and enforced by the Master Association. However, the Master Association may delegate to a Sub-Association(s) all or any part of such rights/duties, on an exclusive or non-exclusive basis, upon written notice recorded in the Public Records of the County. A Sub-Association for a condominium may perform such functions to the extent required by its Declaration of Condominium or by applicable law.

9.4 Collection of Assessments. The Sub-Associations shall, initially, collect all assessments and other sums due the Master Association and the applicable Sub-Association from the members thereof. The Sub-Association will remit the assessments so collected to the respective payees pursuant to such procedures as may be adopted by the Master Association. The sums so collected shall be applied first to the assessments of the Master Association and then to those of the collecting Sub-Association. No sums collected by a Sub-Association on behalf of the Master Association shall be deemed a common expense of the collecting Sub-Association. Notwithstanding the priority of disbursements of collected lump sums as provided above, all capital improvement assessments, Special Assessments, personal assessments, interest, late charges, recovered costs of collection and

other extraordinary impositions shall be remitted to the respective entity imposing same separate and apart from the priorities established above.

The Master Association shall notify the various Sub-Associations, by written notice given at least thirty (30) days in advance, of any changes in the amounts of the assessments due it or the frequency at which they are to be collected. The aforesaid notice period shall also apply to capital improvement assessments, but may be as short as five (5) days before the next due regular assessment installment in the case of Special Assessments of the Master Association.

The Sub-Associations shall not be required to record liens or take any other actions with regard to delinquencies in assessments payable to the Master Association unless the Master Association gives them written notice of its election to have them do so. In the event that the Master Association does, however, make such election, then all of the Master Association's rights of enforcement provided in this Declaration shall be deemed to have automatically vested in the applicable Sub-Association, but all costs and expenses of exercising such rights shall nevertheless be paid by the Master Association (which shall be entitled to receive payment of any such costs and expenses which are ultimately recovered).

The Master Association may, from time to time by sixty (60) days' prior written notice to the affected Sub-Association(s), change the procedures set forth in this Section 9.4 in whole or in part. Such change may include, without limitation, the assumption by the Master Association of all or some of the collection functions (including those for a Sub-Association) provided for herein or in the declaration for a Sub-Association(s) (to which assumption the Sub-Association and its members shall be deemed to have automatically agreed).

All fidelity bonds and insurance maintained by a Sub-Association shall reflect any duties performed by it pursuant hereto and the amounts to be received and disbursed by it and shall name the Master Association as an obligee/insured party for so long as its assessments are being collected and remitted by the Sub-Association.

To the extent lawful, a Sub-Association may delegate, or contract for the performance of any duties performed by it pursuant hereto to/with a management company approved by the Master Association, provided that (a) the Sub-Association shall remain ultimately liable hereunder, (b) the management company, as well as the Sub-Association, shall comply with the requirements of the foregoing paragraph and (c) the approval of the management company may be withdrawn, with or without cause by the Master Association, at any time upon thirty (30) days' prior written notice. Any management agreement or similar contract entered into by the Sub-Association shall be subject to the provisions of this Section and shall not require the Sub-Association to pay fees for the performance of duties which would otherwise be delegated to the company in connection with this Section if such duties are performed by the Master Association as provided above.

In the event of any change in assessment collection procedures elected to be made by the Master Association, the relative priorities of assessment remittances and liens (i. e., the Master Association first and the applicable Sub-Association second) shall nevertheless still remain in effect, as shall the Master Association's ability to modify or revoke its election from time to time.

9.5 Delegation of Other Duties. The Master Association shall have the right to delegate to a Sub-Association, on an exclusive or non-exclusive basis, such additional duties not specifically described in this Section as the Master Association shall deem appropriate, provided that such duties have a reasonable relationship (by virtue of function or location) to the Sub-Association or its respective property. Such delegation shall be made by written notice to the Sub-Association, which shall be effective no earlier than thirty (30) days from the date it is given. Any delegation made pursuant hereto may be modified or revoked by the Master Association at any time.

9.6 Acceptance of Delegated Duties. Whenever the Master Association delegates any duty to a Sub-Association pursuant to this Section, the Sub-Association shall be deemed to have automatically accepted same and to have agreed to indemnify, defend and hold harmless the Master Association for all liabilities, losses, damages and expenses (including attorneys' fees actually incurred and court costs, through all appellate levels) arising from or connected with the Sub-Association's performance, non-performance or negligent performance thereof. All Sub-Associations shall be responsible to the Master Association for maintaining adequate liability and other insurance covering injuries, deaths, losses or damages arising from or connected with the Sub-Association's performance or nonperformance of its duties hereunder.

9.7 Expense Allocations. The Master Association may, by written notice given to the affected Sub-Association at least sixty (60) days prior to the end of the Sub-Association's fiscal year, allocate and assess to the Sub-Association a share of the expenses incurred by the Master Association which are reasonably allocable to the Sub-Association and/or the portion of the Property within its jurisdiction (e. g., for utilities which are billed to the Master Association, but serve in certain instances, only a Sub-Association, and street lighting systems). In such event, the expenses so allocated shall thereafter be deemed common expenses of the Sub-Association payable by it (with assessments collected from its members) to the Master Association. In the event of a failure of a Sub-Association to budget or assess its members for expenses allocated as aforesaid, the Master Association shall be entitled to pursue all available legal and equitable remedies against the Sub-Association or, without waiving its right to the foregoing, specially assess the members of the Sub-Association and their Lots and Units for the sums due (such Special Assessments, as all others, to be secured by the lien provided for in this Declaration).

9.8 Non-Performance of Sub-Association Duties. In addition to the specific rights of the Master Association provided in Section 9.7 above, and subject to the limitations set forth in Sections 9.2 and 16.9 of this Declaration, in the event that a Sub-Association fails to perform any duties delegated to, or required of, it under this Declaration or to otherwise be performed by it pursuant to its own declaration, Articles of incorporation, Bylaws or related documents, which failure continues for a period in excess of thirty (30) days after the Master Association's giving notice thereof, then the Master Association may, but shall not be required to, assume such duties. In such event, the Sub-Association shall not perform such duties unless and until such time as the Master Association directs it to once again do so.

9.9 Conflict. In the event of conflict between this Article 9, as amended from time to time, and any of the other covenants, restrictions or provisions of this Declaration or the Articles of Incorporation, Bylaws or rules and regulations of the Master Association all as amended from time to time, the provisions of this Article shall supersede and control.

ARTICLE 10.

RULES; ENFORCEMENT

10.1 Compliance by Owners. Every Owner and Member's Permittee shall comply with the restrictions and covenants set forth herein and any and all rules and regulations which from time to time may be adopted by the Board of Directors of the Master Association.

10.2 Enforcement. Failure of an Owner or his Member's Permittee to comply with such restrictions, covenants or rules and regulations shall be grounds for immediate action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof. The Master Association shall have the right to suspend the rights of use of Common Property (except for legal access) of defaulting Owners. The offending Owner shall be responsible for all costs of enforcement including attorneys' fees actually incurred and court costs.

10.3 Fines. In addition to all other remedies, and to the maximum extent lawful, in the sole discretion of the Board of Directors of the Master Association, a fine or fines may be imposed upon an Owner for failure of an Owner or his Member's Permittees to comply with any covenant, restriction, rule or regulation, provided the following procedures are adhered to:

(a) Notice: The Master Association shall notify the Owner of the alleged infraction or infractions. Included in the notice shall be the date and time of a special meeting of the Board of Directors at which time the Owner shall present reasons why a fine(s) should not be imposed. At least six (6) days' notice of such meeting shall be given.

(b) Hearing: The alleged non-compliance shall be presented to the Board of Directors after which the Board of Directors shall hear reasons why a fine(s) should not be imposed. A written decision of the Board of Directors shall be submitted to the Owner by not later than twenty-one (21) days after the Board of Director's meeting. The Owner shall have a right to be represented by counsel and to cross examine witnesses.

(c) Amounts: The Board of Directors (if its or such panel's findings are made against the Owner) may impose Special Assessments against the Lot owned by the Owner as follows:

(i) First non-compliance or violation: a fine not in excess of One Hundred Dollars (\$100.00).

(ii) Second non-compliance or violation: a fine not in excess of Five Hundred Dollars (\$500.00).

(iii) Third and subsequent non-compliance, or a violation or violations which are of a continuing nature after notice thereof (even if in the first instance): a fine not in excess of One Thousand Dollars (\$1,000.00).

(iv) Provided, however, to the extent that state law is modified to permit fines of greater amounts, the Declaration shall be automatically amended to include such increase.

(d) Payment of Fines: Fines shall be paid not later than five (5) days after notice of the imposition or assessment of the penalties.

(e) Collection of Fines: Fines shall be treated as an assessment subject to the provisions for the collection of assessments, and the lien securing same, as set forth herein.

(f) Application of Proceeds: All monies received from fines shall be allocated as directed by the Board of Directors.

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

10.4 Initial Rules and Regulations. Attached to this Declaration as Exhibit "D" are the initial rules and regulations of the Master Association which are incorporated into this Declaration by this reference and which may be modified, in whole or in part, at any time by the Board without the necessity of recording such new or modified rules and regulations in the public records, provided that the Board shall notify the Members of all modifications of rules and regulations as aforesaid.

ARTICLE 11.

DAMAGE OR DESTRUCTION TO COMMON PROPERTY

11.1 Damage or Destruction. Damage to or destruction of all or any portion of the Common Property shall be addressed in the following manner, notwithstanding any provision in this Declaration to the contrary:

(a) In the event of damage to or destruction of the Common Property, if the insurance proceeds are sufficient to effect total restoration, then the Master Association shall cause such portions of the Common Property to be repaired and reconstructed substantially as it previously existed.

(b) If the insurance proceeds are within One Hundred Thousand Dollars (\$100,000.00) or less of being sufficient to effect total restoration of the Common Property, then the Master Association shall cause such portions of the Common Property to be repaired and reconstructed substantially as it previously existed and the difference between the insurance proceeds and the actual cost shall be levied as a capital special (and not capital improvement) assessment against each of the Owners in equal shares in accordance with the provisions of Article 7 of this Declaration.

(c) If the insurance proceeds are insufficient by more than One Hundred Thousand Dollars (\$100,000.00) to effect total restoration of the Common Property, then by written consent or vote of a majority of each class of the Members, they shall determine, subject to Article 13 hereof, whether (i) to rebuild and restore the Common Property in substantially the same manner as they existed prior to damage and to raise the necessary funds over the insurance proceeds by levying capital improvement assessments against all Members, (ii) to rebuild and restore in a way which is less expensive than replacing the Common Property in substantially the same manner as they existed prior to being damaged, or (iii) subject to the approval of the Board, to not rebuild and to retain the available insurance proceeds.

(d) Each Member shall be liable to the Master Association for any damage to the Common Property not fully covered by collected insurance which may be sustained by reason of the negligence or willful misconduct of any Member or his Member's Permittees. Notwithstanding the foregoing, the Master Association reserves the right to charge such

Member an assessment equal to the increase, if any, in the insurance premium directly attributable to the damage caused by such Member. In the case of joint ownership of a Unit, the liability of such Member shall be joint and several. The cost of correcting such damage shall be an assessment against the Member and may be collected as provided herein for the collection of assessments.

ARTICLE 12.

INSURANCE

12.1 Common Property. The Master Association shall keep all improvements, facilities and fixtures located within the Common Property insured against loss or damage by fire or other casualty for the full insurable replacement value thereof (with reasonable deductibles and normal exclusions for land, foundations, excavation costs and similar matters), and may obtain insurance against such other hazards and casualties as the Master Association may deem desirable. The Master Association may also insure any other property, whether real or personal, owned by the Master Association, against loss or damage by fire and such other hazards as the Master Association may deem desirable, with the Master Association as the owner and beneficiary of such insurance for and on behalf of itself and all Members. The insurance coverage with respect to the Common Property shall be written in the name of, and the proceeds thereof shall be payable to, the Master Association. Insurance proceeds shall be used by the Master Association for the repair or replacement of the Property for which the insurance was carried. Premiums for all insurance carried by the Master Association are common expenses included in the assessments made by the Master Association. To the extent obtainable at reasonable rates, the insurance policy(ies) maintained by the Master Association shall contain provisions, or be accompanied by endorsements, for agreed amount and inflation guard, demolition costs, contingent liability from operation of building laws and increased costs of construction. All insurance policies shall contain standard mortgagee clauses, if applicable. The Master Association shall also maintain flood insurance on the insurable improvements on the Common Property in an amount equal to the lesser of 100% of the replacement costs of all insurable improvements (if any) within the Common Property or the maximum amount of coverage available under the National Flood Insurance Program, in either case if the insured improvements are located within an "A" flood zone.

12.2 Replacement or Repair of Common Property. In the event of damage to or destruction of any portion of the Common Property, the Master Association shall repair or replace the same from the insurance proceeds available, subject to the provisions of Article 12 of this Declaration.

12.3 Waiver of Subrogation. As to each policy of insurance maintained by the Master Association which will not be voided or impaired thereby, the Master Association hereby waives and releases all claims against the Board, the Members, Declarant and the agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but only to the extent that insurance proceeds are received in compensation for such loss.

12.4 Liability and Other Insurance. The Master Association shall have the power to and shall obtain comprehensive public liability insurance, including medical payments and malicious mischief, with coverage of at least \$1,000,000.00 (if available at reasonable rates and upon reasonable terms) for any single occurrence, insuring against liability for bodily injury, death and property damage arising from the activities of the Master Association or with respect to property under its jurisdiction, including, if obtainable, a cross liability endorsement insuring each Member against liability to each other Member and to the Master Association and vice versa and coverage for legal liability resulting from lawsuits related to employment contracts shall also be maintained. The

Master Association may also obtain Worker's Compensation insurance and other liability insurance as it may deem desirable, insuring each Member and the Master Association and its Board of Directors and officers, from liability in connection with the Common Property, the premiums for which shall be Common Expenses and included in the assessments made against the Members. The Master Association may also obtain such other insurance as the Board deems appropriate. All insurance policies shall be reviewed at least annually by the Board of Directors and the limits increased in its discretion. The Board may also obtain such errors and omissions insurance, indemnity bonds, fidelity bonds and other insurance as it deems advisable, insuring the Board or any management company engaged by the Master Association against any liability for any act or omission in carrying out their obligations hereunder, or resulting from their membership on the Board or any committee thereof. At a minimum, however, there shall be blanket fidelity bonding of anyone (compensated or not) who handles or is responsible for funds held or administered by the Master Association, with the Master Association to be an obligee thereunder. Such bonding shall cover the maximum funds to be in the hands of the Master Association or management company during the time the bond is in force.

12.5 "Blanket" Insurance. The requirements of this Article may be met by way of the Master Association being an insured party under any coverage carried by the Declarant or under coverage obtained by the Master Association as long as such coverage is in accordance with the amounts and other standards dated in this Article.

ARTICLE 13.

MORTGAGEE PROTECTION

13.1 Mortgagee Protection. The following provisions are added hereto (and to the extent these added provisions conflict with any other provisions of the Declaration, these added provisions shall control):

(a) The Master Association shall be required to make available to all Owners and Mortgagees, and to insurers and guarantors of any first Mortgage, for inspection, upon request, during normal business hours or under other reasonable circumstances, current copies of this Declaration (with all amendments) and the Articles, Bylaws and rules and regulations and the books and records of the Master Association. Furthermore, such persons shall be entitled, upon written request, to (i) receive a copy of the Master Association's financial statement for the immediately preceding fiscal year, (ii) receive notices of and attend the Master Association meetings, (iii) receive notice from the Master Association of an alleged default by an Owner in the performance of such Owner's obligations under this Declaration, the Articles of Incorporation or the Bylaws of the Master Association, which default is not cured within thirty (30) days after the Master Association learns of such default, and (iv) receive notice of any substantial damage or loss to the Common Property.

(b) Any holder, insurer or guarantor of a Mortgage on a Unit or Lot shall have, if first requested in writing, the right to timely written notice of (i) any condemnation or casualty loss affecting a material portion of the Common Property, (ii) a sixty (60) day delinquency in the payment of the Assessments on a mortgaged Lot or Unit, (iii) the occurrence of a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Master Association, and (iv) any proposed action which requires the consent of a specified number of Mortgage holders.

(c) Any holder, insurer or guarantor of a Mortgage on a Lot or Unit shall have the right to pay, singly or jointly, taxes or other charges that are delinquent and have resulted or

may result in a lien against any portion of the Common Property and receive immediate reimbursement from the Master Association.

(d) Any holder, insurer or guarantor of a Mortgage on a Lot or Unit shall have the right to pay, singly or jointly, any overdue premiums on any hazard insurance policy covering the Common Property or obtain, singly or jointly, new hazard insurance coverage on the Common Property upon the lapse of a policy and, in either case, receive immediate reimbursement from the Master Association.

ARTICLE 14.

ENCROACHMENTS; EASEMENTS

14.1 Encroachment. If (a) any portion of the Common Property (or improvements constructed thereon) encroaches upon any other portion of a Lot or upon any Unit; (b) any portion of a Lot or Unit encroaches upon the Common Property; or (c) any encroachment shall hereafter occur as the result of (i) construction of any improvement; (ii) settling or shifting of a any improvement; (iii) any alteration or repair to the Common Property (or improvements thereon) after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any improvement or portion of the Common Property, then, in any such event, a valid easement is granted and shall exist for such encroachment and for the maintenance of the same so long as the structure causing said encroachment shall stand.

14.2 Pipes, Wires, Ducts, Cables, Conduits, Public Utility Lines, Etc. Each portion of the Lot, Unit and the Common Property shall have an easement in common with all other portions thereof to use, maintain, repair, alter and replace all pipes, wires, ducts, vents, cables, conduits, utility lines, and similar or related facilities located in the Lots, Units and Common Property and serving such portion thereof. Each portion of the Lots, Units and Common Property shall be subject to an easement in favor of all other portions thereof to use, maintain, repair, alter and replace the pipes, wires, ducts, vents, cables, conduits, utility lines and other similar or related facilities located in such portion of the Lots, Units and Common Property and serving other portions thereof.

14.3 Easements of Support. Whenever any structure included in the Common Property adjoins any structure included in any other portion of the Property, each said structure shall have and be subject to an easement of support and necessity in favor of the other structure.

14.4 Construction and Sales. The Declarant (and its agents, employees, contractors, subcontractors and suppliers) shall have an easement of ingress and egress over and across the Common Property for construction purposes and to erect, maintain, repair and replace, from time to time, one or more signs on the Common Property for the purposes of advertising the sale or lease of Lots or Units.

ARTICLE 15.

SPECIAL COVENANTS

15.1 Preamble. In recognition of the fact that certain special types of platting and/or construction require special types of covenants to accurately reflect the maintenance and use of the affected Lots and Units, the following provisions of this Article 15 shall apply in those cases where the below-described types of improvements are constructed within the Property, subject, however, to variance pursuant to Section 2.2 of this Declaration.

15.2 Condominiums. The following special provisions shall apply to condominiums within the Property:

Master Covenants

(a) The board of directors of the condominium association shall constitute the Sub-Association for such condominium.

(b) For the purposes of complying with and enforcing the standards of maintenance contained herein, the condominium building and any appurtenant facilities shall be treated as a Unit and any other portion of the condominium shall be treated as an unimproved portion of the Lot, with the condominium association to have the maintenance duties of an Owner as set forth herein. The condominium association shall also be jointly and severally liable with its members for any violation of the use restrictions set forth in this Declaration or of rules and regulations of the Master Association.

(c) Assessments hereunder shall be levied against, and shall be secured by lien upon, each individual condominium unit and shall be the direct obligation of the Owner thereof.

(d) With respect to the Architectural Control Committee: (i) no condominium association shall make any improvements or alterations on or to the Property under its jurisdiction without first having secured the approval of the Architectural Control Committee as provided herein and (ii) in the event that an individual Owner of a condominium Unit(s) desires to make alterations to the exterior thereof, a request for the approval thereof shall be submitted to the Architectural Control Committee as required by this Declaration, but such request shall be accompanied by evidence that the condominium association having jurisdiction thereover has already approved same, absent which approval the Architectural Control Committee shall not consider the submission and same shall be considered timely disapproved.

ARTICLE 16.

GENERAL PROVISIONS

16.1 Duration. The covenants and restrictions of this Declaration shall run with and bind the Property, and shall inure to the benefit of and be enforceable by the Master Association, the Architectural Control Committee, Declarant (at all times) and the Owner of any land subject to this Declaration, and their respective legal representatives, heirs, successors and assigns, for a term of fifty (50) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years each unless an instrument signed by the Members representing the votes of seventy-five percent (75%) of all the Lots and Units subject hereto and of ninety percent (90%) of the Mortgagees thereof has been recorded, agreeing to revoke said covenants and restrictions; provided, however, that no such agreement to revoke shall be effective unless made and recorded three (3) years in advance of the effective date of such revocation, and unless written notice of the proposed agreement is sent to every Owner at least ninety (90) days in advance of any approvals being obtained.

16.2 Notice. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when personally delivered or mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Master Association at the time of such mailing.

16.3 Enforcement. Without limiting the generality of Article 10, enforcement of these covenants and restrictions shall be accomplished by any proceeding at law or in equity brought by the Master Association, Declarant or any Owner against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the Lots to enforce any lien created by these covenants; and failure to enforce any

covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

16.4 Interpretation. The Article and Section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions and interpretation or construction. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular, and the masculine, feminine and neuter genders shall each include the others. The terms of this Declaration shall be literally construed in favor of the party seeking to enforce its provisions to effectuate their purpose of protecting and enhancing the marketability and desirability of the Property by providing a uniform and consistent plan for the development and enjoyment thereof.

16.5 Severability. Invalidation of any one of these covenants or restrictions or any part, clause or word hereof, or the application thereof in specific circumstances, by judgment or court order shall not affect any other provisions or applications in other circumstances, all of which shall remain in full force and effect.

16.6 Effective Date. This Declaration shall become effective upon its recordation in the Public Records of the County. It is anticipated that this Declaration will be recorded immediately prior to the first Unit closing in Deerwood Place I Condominiums.

16.7 Amendment. In addition, but subject to any other manner herein provided for the amendment of this Declaration, prior to Turnover (as defined in the Articles), the covenants, restrictions, easements, charges and liens of this Declaration may be amended, changed or added to at any time and from time to time upon the execution and recordation of an instrument executed by Declarant, for so long as it or its affiliate holds title to any Lot or Unit affected by this Declaration; or after Turnover, by an instrument signed by the President of the Master Association, attested to by its Secretary and certifying that the amendment set forth in the instrument was adopted by a vote of at least 66-2/3% of the Members represented at a duly called meeting thereof, provided that so long as Declarant or its affiliates is the Owner of any Lot or Unit affected by this Declaration, Declarant's consent must be obtained if such amendment, in the sole opinion of Declarant, affects its interest.

16.8 Conflict. This Declaration shall take precedence over conflicting provisions in the Rules and Regulations (**Exhibit "D"**) and in the Articles and Bylaws of the Master Association and the Articles shall take precedence over the Bylaws and the provisions set forth in the Rules and Regulations and the Bylaws shall take precedence over the provisions set forth in the Rules and Regulations.

16.9 Limitation on Master Association. Anything in this Declaration to the contrary notwithstanding, the existence or exercise of any easement, right, power, authority, privilege or duty of the Master Association as same pertains to any condominium located within the Property which would cause the Master Association to be subject to Chapter 718, Florida Statutes, or any related administrative rules or regulations, shall be null, void and of no effect to the extent, but only to the extent, that such existence or exercise is finally determined by a court or administrative hearing officer of competent jurisdiction (after all appellate rights have been exercised or waived) to subject the Master Association to said Chapter 718. It is the intent of this provision that the Master Association not be deemed to be a condominium association, nor the Common Property be deemed to be common elements of any such condominium.

16.10 Standards for Consent. Whenever this Declaration shall require the consent, approval, completion, substantial completion, or other action by the Declarant or its affiliates, the Master Association or the Architectural Control Committee, such consent, approval or action may be withheld in the sole and unfettered discretion of the party requested to give such consent or approval

or take such action, and all matters required to be completed or substantially completed by the Declarant or its affiliates or the Master Association shall be deemed so completed or substantially completed when such matters have been completed or substantially completed in the reasonable opinion of the Declarant or Master Association, as appropriate.

16.11 Easements. Should the intended creation of any easement provided for in this Declaration fail by reason of the fact that at the time of creation there may be no grantee in being having the capacity to take and hold such easement, then any such grant of easement deemed not to have been so created shall nevertheless be considered as having been granted directly to the Master Association as agent for such intended grantees for the purpose of allowing the original party or parties to whom the easements were originally intended to have been granted the benefit of such easement and the Owners designate hereby the Declarant and the Master Association (or either of them) as their lawful attorney-in-fact to execute any instrument on such Owners' behalf as may hereafter be required or deemed necessary for the purpose of later creating such easement as it was intended to have been created herein. Formal language of grant or reservation with respect to such easements, as appropriate, is hereby incorporated in the easement provisions hereof to the extent not so recited in some or all of such provisions.

16.12 No Public Right or Dedication. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of the Common Property to the public, or for any public use.

16.13 Constructive Notice and Acceptance. Every person who owns, occupies or acquires any right, title, estate or interest in or to any Lot and/or Unit or other property located on or within the Property, shall be conclusively deemed to have consented and agreed to every limitation, restriction, easement, reservation, condition, lien and covenant contained herein, whether or not any reference hereto is contained in the instrument by which such person acquired an interest in such Lot, Unit or other property.

16.14 Notices and Disclaimers as to Community Systems. Declarant, the Master Association, or their successors, assigns or franchisees and any applicable cable telecommunications system operator (an "Operator"), may enter into contracts for the provision of security services through any Community Systems. DECLARANT, THE MASTER ASSOCIATION, OPERATORS AND THEIR FRANCHISEES, DO NOT GUARANTEE OR WARRANT, EXPRESSLY OR IMPLIEDLY, THE MERCHANTABILITY OR FITNESS FOR USE OF ANY SUCH SECURITY SYSTEM OR SERVICES, OR THAT ANY SYSTEM OR SERVICES WILL PREVENT INTRUSIONS, FIRES OR OTHER OCCURRENCES, OR THE CONSEQUENCES OF SUCH OCCURRENCES, REGARDLESS OF WHETHER OR NOT THE SYSTEM OR SERVICES ARE DESIGNED TO MONITOR SAME; AND EVERY OWNER OR OCCUPANT OF PROPERTY SERVICED BY THE COMMUNITY SYSTEMS ACKNOWLEDGES THAT DECLARANT, THE MASTER ASSOCIATION OR ANY SUCCESSOR, ASSIGN OR FRANCHISEE OF THE DECLARANT OR ANY OF THE OTHER AFORESAID ENTITIES AND ANY OPERATOR, ARE NOT INSURERS OF THE OWNER OR OCCUPANT'S PROPERTY OR OF THE PROPERTY OF OTHERS LOCATED ON THE PREMISES AND WILL NOT BE RESPONSIBLE OR LIABLE FOR LOSSES, INJURIES OR DEATHS RESULTING FROM SUCH OCCURRENCES. It is extremely difficult and impractical to determine the actual damages, if any, which may proximately result from a failure on the part of a security service provider to perform any of its obligations with respect to security services and, therefore, every owner or occupant of property receiving security services agrees that Declarant, the Master Association or any successor, assign or franchisee thereof and any Operator assumes no liability for loss or damage to property or for personal injury or death to persons due to any reason, including, without limitation, failure in transmission of an alarm, interruption of security service or failure to respond to an alarm because of (a) any failure of the Owner's security system, (b) any defective or damaged equipment, device, line or circuit, (c) negligence, active or otherwise, of the

security service provider or its officers, agents or employees, or (d) fire, flood, riot, war, act of God or other similar causes which are beyond the control of the security service provider. Every owner or occupant of property obtaining security services through the Community Systems further agrees for himself, his grantees, tenants, guests, invitees, licensees, and family members that if any loss or damage should result from a failure of performance or operation, or from defective performance or operation, or from improper installation, monitoring or servicing of the system, or from negligence, active or otherwise, of the security service provider or its officers, agents, or employees, the liability, if any, of Declarant, the Master Association, any franchisee of the foregoing and the Operator or their successors or assigns, for loss, damage, injury or death sustained shall be limited to a sum not exceeding Two Hundred Fifty and No/100 (\$250.00) U. S. Dollars, which limitation shall apply irrespective of the cause or origin of the loss or damage and notwithstanding that the loss or damage results directly or indirectly from negligent performance, active or otherwise, or non-performance by an officer, agent or employee of Declarant, the Master Association or any franchisee, successor or designee of any of same or any Operator. Further, in no event will Declarant, the Master Association, any Operator or any of their franchisees, successors or assigns, be liable for consequential damages, wrongful death, personal injury or commercial loss. In recognition of the fact that interruptions in cable television and other Community Systems services will occur from time to time, no person or entity described above shall in any manner be liable, and no user of any Community System shall be entitled to any refund, rebate, discount or offset in applicable fees, for any interruption in Community Systems services, regardless of whether or not same is caused by reasons within the control of the then-provider(s) of such services.

16.15 Certain Reserved Rights of Declarant with Respect to Community Systems. Without limiting the generality of any other applicable provisions of this Declaration, and without such provisions limiting the generality hereof, Declarant hereby reserves and retains to itself:

(a) the title to any Community Systems and a perpetual easement for the placement and location thereof;

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

(c) the right to offer from time to time monitoring/alarm services through the Community Systems on such terms and conditions as the Declarant determines.

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

16.16 NO REPRESENTATIONS OR WARRANTIES. NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, HAVE BEEN GIVEN OR MADE BY DECLARANT OR ITS AGENTS OR EMPLOYEES IN CONNECTION WITH ANY PORTION OF THE COMMON PROPERTY, THEIR PHYSICAL CONDITION, ZONING, COMPLIANCE WITH APPLICABLE LAWS, MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR

PURPOSE, OR IN CONNECTION WITH THE SUBDIVISION, SALE, OPERATION, MAINTENANCE, COST OF MAINTENANCE, TAXES OR REGULATION THEREOF, EXCEPT (A) AS SPECIFICALLY AND EXPRESSLY SET FORTH IN THIS DECLARATION OR IN DOCUMENTS WHICH MAY BE FILED BY DECLARANT FROM TIME TO TIME WITH APPLICABLE REGULATORY AGENCIES, AND (B) AS OTHERWISE REQUIRED BY LAW. AS TO SUCH WARRANTIES WHICH CANNOT BE DISCLAIMED, AND TO OTHER CLAIMS, IF ANY, WHICH CAN BE MADE AS TO THE AFORESAID MATTERS, ALL INCIDENTAL AND CONSEQUENTIAL DAMAGES ARISING THEREFROM ARE HEREBY DISCLAIMED. ALL OWNERS, BY VIRTUE OF ACCEPTANCE OF TITLE TO THEIR RESPECTIVE LOTS AND/OR UNITS (WHETHER FROM THE DECLARANT OR ANOTHER PARTY) SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ALL OF THE AFORESAID DISCLAIMED WARRANTIES AND INCIDENTAL AND CONSEQUENTIAL DAMAGES.

16.17 Covenants Running With The Land. Anything to the contrary herein notwithstanding and without limiting the generality (and subject to the limitations) of Section 16.1 hereof, it is the intention of all parties affected hereby (and their respective heirs, personal representatives, successors and assigns) that these covenants and restrictions shall run with the Property and with title to the Property. Without limiting the generality of Section 16.5 hereof, if any provision or application of this Declaration would prevent this Declaration from running with the Property as aforesaid, such provision and/or application shall be judicially modified, if at all possible, to come as close as possible to the intent of such provision or application and then be enforced in a manner which will allow these covenants and restrictions to so run with the Property; but if such provision and/or application cannot be so modified, such provision and/or application shall be unenforceable and considered null and void in order that the paramount goal of the parties (that these covenants and restrictions run with the Property as aforesaid) be achieved.

16.18 Approval by Mortgagees. In the event that any of the Lots or Units are subject to a Mortgage which is guaranteed by the FHA or VA, then, for so long as there is a Class B Membership in the Master Association, the Declarant shall obtain approval of the FHA or VA: annexation of additional properties (other than the Future Development Property), dedication of Common Property, and amendment of this Declaration

16.19 Tax Deeds and Foreclosure. All provisions of the Declaration relating to a Lot or Unit which has been sold for taxes or Special Assessments survive and are enforceable after the issuance of a tax deed or upon a foreclosure of an Assessment, a certificate or lien, a tax deed, tax certificate or tax lien, to the same extent that they would be enforceable against a voluntary grantee of title before such transfer.

16.20 Assurance of Development. All site plans, development plans, advertising material and similar material developed or produced in connection with the marketing and sale of Deerwood Place Community (except the Property), is subject to change in the Declarant's sole discretion. Owners hereby waive any and all rights they have to object to changes in the plans which may be made by Declarant pursuant to this Section.

16.21 Legal Fees and Costs. The prevailing party in any dispute arising out of the subject matter of this Declaration or its subsequent performance shall be entitled to reimbursement of its costs and attorney's fees, whether incurred before or at trial, on appeal, in bankruptcy, in post-judgment collection, or in any dispute resolution proceeding, and whether or not a lawsuit is commenced.

16.22 Law To Govern. This Declaration shall be governed by and construed in accordance with the laws of the State of Florida.

ARTICLE 17.

DISCLAIMER OF LIABILITY OF MASTER ASSOCIATION

NOTWITHSTANDING ANYTHING CONTAINED HEREIN OR IN THE ARTICLES OF INCORPORATION, BYLAWS, ANY RULES OR REGULATIONS OF THE MASTER ASSOCIATION OR ANY OTHER DOCUMENT GOVERNING OR BINDING THE MASTER ASSOCIATION (COLLECTIVELY, THE "MASTER ASSOCIATION DOCUMENTS"), THE MASTER ASSOCIATION SHALL NOT BE LIABLE OR RESPONSIBLE FOR, OR IN ANY MANNER A GUARANTOR OR INSURER OF, THE HEALTH, SAFETY OR WELFARE OF ANY OWNER, OCCUPANT OR USER OF ANY PORTION OF THE PROPERTY INCLUDING, WITHOUT LIMITATION, RESIDENTS AND THEIR FAMILIES, GUESTS, INVITEES, AGENTS, SERVANTS, CONTRACTORS OR SUBCONTRACTORS OR FOR ANY PROPERTY OF ANY SUCH PERSONS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING:

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

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

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

EACH OWNER (BY VIRTUE OF HIS ACCEPTANCE OF TITLE TO HIS LOT OR UNIT) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING ANY USE OF, ANY PORTION OF THE PROPERTY (BY VIRTUE OF ACCEPTING SUCH INTEREST OR LIEN OR MAKING SUCH USES) SHALL BE BOUND BY THIS ARTICLE AND SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ANY AND ALL RIGHTS, CLAIMS, DEMANDS AND CAUSES OF ACTION AGAINST THE MASTER ASSOCIATION ARISING FROM OR CONNECTED WITH ANY MATTER FOR WHICH THE LIABILITY OF THE MASTER ASSOCIATION HAS BEEN DISCLAIMED IN THIS ARTICLE.

AS USED IN THIS ARTICLE, "MASTER ASSOCIATION" SHALL INCLUDE WITHIN ITS MEANING ALL OF THE MASTER ASSOCIATION'S DIRECTORS, OFFICERS, COMMITTEE AND BOARD MEMBERS, EMPLOYEES, AGENTS, CONTRACTORS (INCLUDING MANAGEMENT COMPANIES), SUBCONTRACTORS, SUCCESSORS AND ASSIGNS. THE PROVISIONS OF THIS ARTICLE SHALL ALSO INURE TO THE BENEFIT OF DECLARANT, WHICH SHALL BE FULLY PROTECTED HEREBY.

**ARTICLE 18.
STORMWATER MANAGEMENT SYSTEM**

18.1 Blanket Easement. The plan for the development of the Property includes the construction of a Stormwater Management System, which may include, without limitation, retention lakes, swales, conduits, weirs, pipes, pumps, and berms across the rear of certain Lots or Units and access easements to the Stormwater Management System. Declarant hereby reserves for itself, its successors and assigns, and grants to the Master Association and its designees, a perpetual, nonexclusive easement over and across all areas of the Stormwater Management System for the drainage of stormwater from the Property. Portions of the Stormwater Management System are located entirely within Lots or Units. The Master Association is hereby granted an easement over any Lots or Units which is necessary or convenient for the Master Association to perform its maintenance obligations hereunder, provided however, such easement shall be released with respect to any portion of the Lots or Units on which an approved Improvement is constructed and located.

18.2 Maintenance Easement. The Master Association is granted a perpetual, nonexclusive easement for ingress and egress, at all reasonable times and in a reasonable manner, over and across the Stormwater Management System and over any portion of a Lot or Unit which is a part of the Stormwater Management System, or upon which a portion of the Stormwater Management System is located to operate, maintain, and repair the Stormwater Management System as required by the District permit. Such right expressly includes the right to cut any trees, bushes or shrubbery, to make any gradings of soil, construct or modify any berms placed along the rear of any Lots as part of the Stormwater Management System, or take any other action reasonably necessary, following which Declarant or the Master Association shall restore the affected property to its original condition as nearly as practicable; provided, however, that Declarant or the Master Association shall not be required to replace or repair fences, walks, structures, landscaping, or other improvements which are removed or damaged. Declarant or the Master Association shall give reasonable notice of its intent to take such action to all affected Owners, unless, in the opinion of Declarant or the Master Association, an emergency exists which precludes such notice. The right granted herein may be exercised at the sole option of Declarant or the Master Association and shall not be construed to obligate Declarant or the Master Association to take any affirmative action in connection therewith.

18.3 Maintenance. Except as specifically set forth herein to the contrary, the Master Association shall be responsible for the maintenance, operation, and repair of the Stormwater Management System. Such maintenance shall include the exercise of practices which allow the Stormwater Management System to provide drainage, water storage, conveyance, or other capabilities in accordance with all the permits, statutes, rules, and regulations pertaining to surface water management, drainage, and water quality promulgated by the District, Florida Department of Environmental Protection, and all other local, state and federal authorities having jurisdiction. Maintenance of the Stormwater Management System shall mean the exercise of practices which allow the Stormwater Management System to provide drainage, water storage, conveyance and other stormwater management capabilities as permitted by the District.

The Master Association shall maintain and control the water level and quality of the Stormwater Management System; the bottoms of any retention lakes or drainage easements which retain or hold stormwater on a regular basis. The Master Association shall have the power, as may be required by any applicable governmental entity, to control and eradicate plants, fowl, reptiles, animals, fish, and fungi in and on any portion of the retention lakes or drainage easements. Maintenance of the Stormwater Management System shall mean the exercise of practices which allow the Stormwater Management System to provide drainage, water storage, conveyance or other surface water capabilities as permitted by the District. Any repair or reconstruction of the Stormwater Management System shall be consistent with the Permit as originally issued or any modification that may be approved by the

District. In order to provide adequate assurance that the Stormwater Management System will adequately function, the following maintenance procedures shall be followed:

- (a) The Master Association shall inspect or cause to be inspected all inlets and control structures for vandalism, deterioration or accumulation of sand and debris.
- (b) The Master Association shall assure that all debris or sand shall be removed from the inlets and control structures and any orifice system.
- (c) The Master Association shall inspect and repair or cause to be inspected and repaired all skimmer boards around control structures as necessary.

18.4 Improvements. No docks, bulkheads, or other structures, permanent or temporary, shall be constructed on, over, or under any portion of the Stormwater Management System without the prior written consent of the Master Association and the approval of the Committee or Declarant, which consent or approval may be withheld for any reason. Any improvements to the Stormwater Management System permitted by the Master Association and installed by the Owner shall be maintained by such Owner in accordance with the maintenance provisions of this Declaration. All improvements to the Stormwater Management System may also require the prior written approval of the District.

18.5 Use and Access. Declarant and the Master Association shall have the right to adopt reasonable rules and regulations from time to time in connection with the use of the surface waters of any portion of the Stormwater Management System, and shall have the right to deny such use to any person who, in the opinion of Declarant or the Master Association, may create or participate in a disturbance or nuisance on any part of the Stormwater Management System. The use of such surface waters by the Owners shall be subject to and limited by the rules and regulations of Declarant and the Master Association, all permits issued by governmental authorities, and any rights granted to other persons pursuant to the rules and regulations of Declarant and the Master Association. Only Declarant and the Master Association shall have the right to pump or otherwise remove any water from any part of the Stormwater Management System for purposes of irrigation or any other use.

18.6 Liability. NEITHER DEVELOPER NOR THE ASSOCIATION SHALL HAVE ANY LIABILITY WHATSOEVER TO OWNERS, GUESTS, TENANTS, OR INVITEES IN CONNECTION WITH THE RETENTION LAKES AND DRAINAGE EASEMENTS OR ANY PART OF THE STORMWATER MANAGEMENT SYSTEM. EACH OWNER, FOR ITSELF AND ITS GUESTS, TENANTS, OR INVITEES, RELEASES DEVELOPER AND THE ASSOCIATION FROM ANY LIABILITY IN CONNECTION THEREWITH. NEITHER DEVELOPER, THE ASSOCIATION, NOR ANY OF THEIR SUCCESSORS, ASSIGNS, OFFICERS, DIRECTORS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVELY, THE "LISTED PARTIES") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE WATER QUALITY OR LEVEL IN ANY LAKE, POND, RETENTION AREA, CANAL, CREEK, MARSH AREA, STREAM OR OTHER WATER BODY WITHIN OR ADJACENT TO THE PROPERTY, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR ENTITY AS REFERENCED HEREIN. FURTHER, ALL OWNERS AND USERS OF ANY PORTION OF THE PROPERTY LOCATED ADJACENT TO OR HAVING A VIEW OF ANY OF THE AFORESAID AREAS SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF A DEED TO, OR USE OF, SUCH PROPERTY, TO HAVE AGREED TO HOLD HARMLESS THE LISTED PARTIES FROM ALL LIABILITY RELATED TO ANY CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN SUCH BODIES.

18.7 Rights of the District. Notwithstanding any other provisions contained elsewhere in this Declaration, the District shall have the rights and powers enumerated in this paragraph. The District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation, and repair of the Stormwater Management System. Any repair or reconstruction of the Stormwater Management System shall be as permitted, or if modified, as approved by the District. No person shall alter the drainage flow of the Stormwater Management System, including any buffer areas, swales, treatment berms or swales, without the prior written approval of the District. Any amendment to this Declaration which alters the Stormwater Management System, beyond maintenance in its original condition, including the water management portions of the Common Property, must have prior written approval of the District. In the event that the Master Association is dissolved, prior to such dissolution, all responsibility relating to the Stormwater Management System must be assigned to and accepted by an entity approved by the District.

18.8 Indemnity. Declarant may be required to assume certain duties and liabilities for the maintenance of the Stormwater Management System or drainage system within the Property under the plat, permits, or certain agreements with governmental agencies. The Master Association further agrees that subsequent to the recording of this Declaration, it shall hold Declarant harmless from all suits, actions, damages, liabilities and expenses in connection with loss of life, bodily or personal injury or property damage arising out of any occurrence in, upon, at or from the maintenance of the Stormwater Management System occasioned in whole or in part by any action, omission of the Master Association or its agents, contractor, employees, servants, or licensees but not excluding any liability occasioned wholly or in part by the acts of the Declarant, its successors or assigns. Upon completion of construction of the Stormwater Management System or drainage system Declarant shall assign all its rights, obligations and duties thereunder to the Master Association. The Master Association shall assume all such rights, duties and liabilities and shall indemnify and hold Declarant harmless therefrom.

18.9 Permits. THIS PROPERTY WAS DEVELOPED IN ACCORDANCE WITH REQUIREMENTS OF PERMIT NUMBER 4-031-70846-1 ISSUED BY THE DISTRICT. ANY OWNER OWNING A LOT WHICH CONTAINS OR IS ADJACENT TO JURISDICTIONAL WETLANDS AS ESTABLISHED BY THE ACOE OR DISTRICT, SHALL, BY ACCEPTANCE OF TITLE TO THE LOT, BE DEEMED TO HAVE ASSUMED ALL OBLIGATIONS UNDER THE FOREGOING PERMITS AS SUCH RELATES TO ITS LOT AND SHALL AGREE TO MAINTAIN SUCH JURISDICTIONAL WETLANDS IN THE CONDITION REQUIRED UNDER THE PERMITS AND TO OTHERWISE COMPLY THEREWITH. IN THE EVENT THAT AN OWNER VIOLATES THE TERMS AND CONDITIONS OF SUCH PERMITS AND FOR ANY REASON THE DEVELOPER IS CITED THEREFOR, THE OWNER AGREES TO INDEMNIFY AND HOLD THE DEVELOPER HARMLESS FROM ALL COSTS ARISING IN CONNECTION THEREWITH, INCLUDING WITHOUT LIMITATION ALL COST AND ATTORNEYS' FEES AS WELL AS ALL COSTS OF CURING SUCH VIOLATION.

18.10 Declarant's Rights. Declarant, its successors and assigns shall have the unrestricted right, without approval or joinder of any other person or entity: (a) to designate the use of, alienate, release, or otherwise assign the easements shown in the plat of the Property or described herein, (b) to plat or replat all or any part of the Property owned by Declarant, and (c) to widen or extend any right of way shown on any plat of the Property or convert a Lot to use as a right of way, provided that Declarant owns the lands affected by such change. Owners of Lots subject to easements shown on any plat of the Property shall acquire no right, title, or interest in any of the cables, conduits, pipes, mains, lines, or other equipment or facilities placed on, over, or under the easement area. The Owners of Lots subject to any easements shall not construct any improvements on the easement areas, alter the flow or drainage, or landscape such areas with hedges, trees, or other landscape items that might interfere with the exercise of the easement rights. Any Owner who constructs any

improvements or landscaping on such easement areas shall remove the improvements or landscape items upon written request of Declarant, the Master Association, or the grantee of the easement.

**ARTICLE 19.
DEERWOOD PROPERTY OWNERS' ASSOCIATION**

The Declarant (as the current owner of the Property, which is designated as a "Building Site" under the Declaration of Covenants for the Deerwood Lake Property Owners' Association, Inc.) is a member of the Deerwood Lake Property Owners' Association, Inc. which is a master association for the Deerwood Lake Community. The individual Owners are obligated to pay their pro-rata share of the Deerwood Lake budget, but the individual Owners are not members of the Deerwood Lake Property Owners' Association. At such time as the Declarant turns over control of the Master Association to the Class A Members of the Master Association, the Master Association shall automatically be a member of the Deerwood Lake Property Owners' Association.

[Remainder of Page is Intentionally Blank]

EXECUTED as of the date first above written.

Witnessed by:

BEAZER HOMES CORP., a Tennessee corporation

[Signature]
Name: DEBRA McCREGON

By: [Signature]
Name: BARBARA MOORE
Title: PRESIDENT, Jacksonville Division

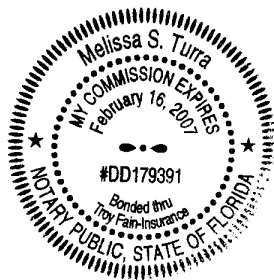
(Corporate Seal)

[Signature]
Name: Melissa S. Turra

STATE OF FLORIDA

COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 26th day of January, 2005, by Barbara Moore, as President, Jacksonville Division of BEAZER HOMES CORP., a Tennessee corporation, on behalf of said corporation. He (she) is personally known to me or ~~produced~~ as ~~identification.~~



[Signature]
Name: Melissa S. Turra
Notary Public, State of Florida
Commission No. DD179391
My commission expires: 2-16-07

EXHIBIT "A"

PROPERTY

[Overall Legal Description]

PARCELS "H" AND "I" DEERWOOD LAKE COMBINED

A PORTION OF LOTS 36 AND 49 AS SHOWN ON THE PLAT OF A.B. CAMPBELLS SUBDIVISION OF TIGER HOLE PLANTATION AS RECORDED IN DEED BOOK "Q" PAGES 260 AND 261 OF THE FORMER PUBLIC RECORDS OF DUVAL COUNTY, FLORIDA AND LYING WITHIN THE FRANCIS RICHARD GRANT, SECTION 56, TOWNSHIP 3 SOUTH, RANGE 27 EAST OF SAID COUNTY: BEGIN AT THE CORNER COMMON TO SAID SECTION 56 AND SECTIONS 1 AND 12; THENCE SOUTH 04°25'22" WEST, 667.89 FEET; THENCE NORTH 85°34'38" WEST, 292.99 FEET; THENCE NORTH 32°46'44" WEST, 842.05 FEET; THENCE NORTH 57°13'16" EAST, 262.89 FEET; THENCE NORTH 12°51'05" WEST, 22.37 FEET; THENCE NORTH 77°08'55" EAST, 138.68 FEET; THENCE NORTH 04°17'55" WEST, 208.07 FEET TO AN INTERSECTION OF A CURVE TO THE RIGHT, BEING CONCAVE TO THE SOUTH, AND HAVING A RADIUS OF 162.00 FEET; THENCE ALONG AND AROUND THE ARC OF SAID CURVE A CHORD BEARING AND DISTANCE OF NORTH 73°16'16" EAST, 62.22 FEET TO THE POINT OF REVERSE CURVE TO THE LEFT BEING CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 162.00 FEET; THENCE NORTHEASTERLY ALONG AND AROUND THE ARC OF SAID CURVE, A CHORD BEARING AND DISTANCE OF NORTH 66°05'26" EAST, 101.47 FEET TO THE POINT OF REVERSE CURVE TO THE RIGHT BEING CONCAVE TO THE SOUTHEAST AND HAVING A RADIUS OF 150.00 FEET; THENCE NORTHEASTERLY ALONG AND AROUND THE ARC OF SAID CURVE, A CHORD BEARING AND DISTANCE OF NORTH 63°22'50" EAST, 80.38 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 78°55'19" EAST, 31.13 FEET TO THE POINT OF CURVATURE OF A CURVE TO THE LEFT, BEING CONCAVE TO THE EAST, AND HAVING A RADIUS OF 1,000.00 FEET; THENCE ALONG AND AROUND THE ARC OF SAID CURVE A CHORD BEARING AND DISTANCE OF SOUTH 12°01'04" EAST, 22.46 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 12°39'40" EAST, 457.02 FEET TO THE POINT OF CURVATURE OF A CURVE TO THE LEFT; THENCE ALONG AND AROUND THE ARC OF SAID CURVE BEING CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 100.00 FEET A CHORD BEARING AND DISTANCE OF SOUTH 32°37'01" EAST, 68.26 FEET TO THE POINT OF REVERSE CURVE TO THE RIGHT BEING CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 100.00 FEET; THENCE SOUTHEASTERLY ALONG AND AROUND THE ARC OF SAID CURVE, A CHORD BEARING AND DISTANCE OF SOUTH 36°56'19" EAST, 53.90 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 89°31'47" EAST, 35.05 FEET TO THE POINT OF BEGINNING.

Master Covenants

EXHIBIT "B"

ARTICLES OF INCORPORATION OF MASTER ASSOCIATION

Master Covenants

**ARTICLES OF INCORPORATION
FOR
DEERWOOD PLACE MASTER ASSOCIATION, INC.**

The undersigned incorporator, for the purpose of forming a corporation not for profit pursuant to the laws of the State of Florida, hereby adopts the following Articles of Incorporation:

**1
NAME**

The name of the corporation shall be DEERWOOD PLACE MASTER ASSOCIATION, INC. For convenience, the corporation shall be referred to in this instrument as the "Association", these Articles of Incorporation as the "Articles", and the Bylaws of the Association as the "Bylaws".

**2
OFFICE**

The principal office and mailing address of the Association shall be 12854 Kenan Drive, Suite 100, Jacksonville, Florida 32258 or at such other place as may be subsequently designated by the Board of Directors. All books and records of the Association shall be kept at its principal office or at such other place as may be permitted by the Act.

**3
PURPOSE**

The objects and purposes of the Association are those objects and purposes as are authorized by the Declaration of Covenants, Conditions, Restrictions and Easements for Deerwood Place recorded (or to be recorded) in the Public Records of Duval County, Florida, as hereafter amended and/or supplemented from time to time (the "Declaration"). All of the definitions set forth in the Declaration are hereby incorporated herein by this reference. The further objects and purposes of the Association are to preserve the values and amenities in the Property and to maintain, repair and replace the Common Property thereof for the benefit of the Owners who become Members of the Association.

All of the Association's assets and earnings shall be used exclusively for the purposes set forth herein and in accordance with Section 528 of the Internal Revenue Code of 1986, as amended ("Code"), and no part of the assets of this Association may inure to the benefit of any individual Member or any other person. The Association may however, reimburse its Members for the actual expenses incurred for or on behalf of the Association and may pay compensation in a reasonable amount to its Members for actual services rendered to the Association, as permitted by Section 528 of the Code or other applicable provisions of the Code and federal and state law.

Prepared by Melissa S. Turra
Florida Bar No. 0022063
Holland & Knight LLP
50 N. Laura St., Suite 3900
Jacksonville, FL 32202
904-353-2000

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4
DEFINITIONS

The terms used in these Articles shall have the same definitions and meanings as those set forth in the Declaration which are incorporated herein, unless herein provided to the contrary, or unless the context otherwise requires.

5
POWERS

The powers of the Association shall include and be governed by the following:

- 5.1 General. The Association shall have all of the common law and statutory powers of a corporation not for profit under the Laws of Florida (as determined as of the date of these Articles), except as expressly limited or restricted by applicable law, the terms of these Articles, the Declaration or the Bylaws.
- 5.2 Enumeration. In addition to the powers set forth in Section 5.1 above, the Association shall have all of the powers and duties reasonably necessary to operate the Property pursuant to the Declaration and as more particularly described in the Bylaws, as they may be amended from time to time, including, but not limited to, the following:
- (a) To make and collect Assessments and other charges against Members as Owners (whether or not such sums are due and payable to the Association), and to use the proceeds thereof in the exercise of its powers and duties.
 - (b) To buy, accept, own, operate, lease, sell, trade and mortgage both real and personal property in accordance with the provisions of the Declaration; provided however, the Common Property may not be mortgaged without the prior approval of Members holding two thirds (2/3) of the votes present in person or by proxy at a duly called meeting at which a quorum is present or by written approvals of Members holding two thirds (2/3) of the total votes.
 - (c) To maintain, repair, replace, reconstruct, add to and operate the Common Property, and other property acquired or leased by the Association.
 - (d) To purchase insurance upon the Common Property and insurance for the protection of the Association, its officers, directors and Owners.
 - (e) To make and amend reasonable rules and regulations for the maintenance, conservation and use of the Property; provided however, all proposed rules and regulations must be delivered to Members and Members shall have a ten (10) day comment period prior to such proposed rule or regulation being voted on by the Board of Directors of the Association.
 - (f) To enforce by legal means the provisions of the Declaration, these Articles, the Bylaws, the rules and regulations for the use of the Common Property and applicable law.

- (g) To contract for the management and maintenance of the Common Property and to authorize a management agent (which may be an affiliate of the Declarant) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the Common Property with such funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties to make Assessments, promulgate rules and execute contracts on behalf of the Association.
- (h) To employ personnel to perform the services required for the proper operation of the Common Property.
- (i) To execute all documents or consents, on behalf of all Owners (and their Mortgagees), required by all governmental and/or quasi-governmental agencies in connection with land use and development matters (including, without limitation, plats, waivers of plat, unities of title, covenants in lieu thereof, etc.), and in that regard, each Owner, by acceptance of the deed to such Owner's Parcel, and each Mortgagee of an Owner, by acceptance of a lien on said Parcel, appoints and designates the President of the Association as such Owner's agent and attorney-in-fact to execute any and all such documents or consents.
- (j) To operate, maintain and manage that portion of the stormwater management system for Deerwood Place that is deemed to be Common Property of the Association (the "Stormwater Management System") in a manner consistent with the applicable St. Johns River Water Management District Permit(s) and requirements and applicable District rules.
- (k) To enter into necessary agreements with utility companies, community systems service providers, a community development district or governmental or quasi governmental entities to provide services to or for the Association or the Members.

5.3 Powers Exercised by Board of Directors. All of the foregoing powers or duties shall be exercised by the Board of Directors subject to the approval of the required number of directors as may be set forth in the Declaration, Articles or Bylaws, provided however, the Board of Directors may not act on behalf of the Association to amend the Declaration or terminate the Association or the Declaration. The foregoing powers are subject to the approval of the Members holding the requisite number of votes of Members who are present at a duly constituted meeting at which a quorum is present in person or by proxy.

5.4 Property of the Association. All funds and the title to all properties acquired by the Association and their proceeds shall be held for the benefit and use of the Members in accordance with the provisions of the Declaration, these Articles and the Bylaws.

5.5 Distribution of Income; Dissolution. The Association shall not pay a dividend to its Members and shall make no distribution of income to its Members, directors or officers, and upon dissolution, all assets of the Association shall be transferred only to another

non-profit corporation or a public agency or as otherwise authorized by the Florida Not For Profit Corporation Act (Chapter 617, Florida Statutes).

- 5.6 Limitation. The powers of the Association shall be subject to and shall be exercised in accordance with the provisions hereof and of the Declaration, the Bylaws and applicable law, provided that in the event of conflict, the provisions of applicable law shall control over those of the Declaration and Bylaws.

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MEMBERS

- 6.1 Membership. The Members of the Association shall consist of the Declarant under the Declaration (Beazer Homes Corp.) and all of the record title owners of Lots, Units and Parcels within the Property from time to time, which membership shall be appurtenant to and inseparable from ownership of the Lot, Unit or Parcel.
- 6.2 Assignment. The share of a Member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to the Lot, Unit or Parcel for which that share is held.
- 6.3 Classes of Members / Voting. The Association will have two (2) classes of voting membership:

- (a) Classes of Members.

Class A Members. Class A Members shall be all Owners of Units, with the exception of the "Declarant" (as long as the Class B Membership shall exist, and thereafter, the Declarant shall be a Class A Member to the extent it would otherwise qualify). Each Class A Member shall have one vote for each Unit owned by such Member.

Class B Member. The Class B Member shall be the Declarant, or a representative thereof, who shall have the sole right to vote in Association matters. The Class B Membership shall exist until the occurrence of the earlier of the following events ("Turnover"):

- a. Three months after seventy-five (75%) percent of the Units in the Property that will ultimately be operated by the Association (including the units to be located within the Future Development Property) have been conveyed to Class A Members.
- b. Such earlier date as Declarant, in its sole discretion, may determine in writing.
- c. Twenty-five years after recording of the Declaration.

(b) Voting.

All votes shall be exercised or cast in the manner provided by the Declaration and Bylaws. Until Turnover, the Class B Member shall appoint the Directors. After Turnover, the Directors will be elected in accordance with Section 10.3 of these Articles and in accordance with the Bylaws.

6.4 Meetings. The Bylaws shall provide for an annual meeting of Members, and may make provision for regular and special meetings of members other than the annual meeting.

6.5 Proviso. At Turnover, the Declarant shall transfer control of the Association to Owners other than the Declarant by causing enough of its appointed Directors to resign, whereupon it shall be the affirmative obligation of Owners other than the Declarant to elect Directors and assume control of the Association; provided at least thirty (30) days notice of Declarant's decision to cause its appointees to resign is given to Owners, neither the Declarant, nor such appointees, shall be liable in any manner in connection with such resignations even if the Owners other than the Declarant refuse or fail to assume control.

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INCORPORATOR

The name and address of the Incorporator of this Association is:

NAME

ADDRESS

Debra McGregor

12854 Kenan Drive, Suite 100
Jacksonville, FL 32258

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TERM OF EXISTENCE

Existence of the Association shall commence with the filing of these Articles of Incorporation with the Secretary of State, Tallahassee, Florida. The Association shall exist in perpetuity. The Association may only be terminated by the approval of the Members holding two thirds of the votes, voting in person or by proxy at duly called meeting at which a quorum is present or by the approval of members holding two thirds (2/3) of all the votes; provided however, in the event that the Association is dissolved, the assets shall be dedicated to the public body or conveyed to a non profit corporation with similar purpose. In the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the surface water or Stormwater Management System must be transferred to and accepted by an entity which would comply with Section 40C-42.027, F.A.C., and be approved by the St. Johns River Water Management District prior to such termination, dissolution or liquidation.

9
OFFICERS

The affairs of the Association shall be administered by the officers holding the offices designated in the Bylaws. The officers shall be elected by the Board of Directors of the Association at its first meeting following the annual meeting of the Members of the Association and shall serve at the pleasure of the Board of Directors. The Bylaws may provide for the removal from office of officers, for filling vacancies and for the duties and qualifications of the officers. The names and addresses of the officers who shall serve until their successors are designated by the Board of Directors are as follows:

Debra McGregor	President	12854 Kenan Drive, Suite 100 Jacksonville, FL 32258
Tom Daddario	Vice President	12854 Kenan Drive, Suite 100 Jacksonville, FL 32258
Fallon Gideon	Secretary/Treasurer	12854 Kenan Drive, Suite 100 Jacksonville, FL 32258

10
DIRECTORS

- 10.1 Number and Qualification. The property, business and affairs of the Association shall be managed by a board consisting of the number of directors determined in the manner provided by the Bylaws, but which shall consist of not less than three (3) directors.
- 10.2 Duties and Powers. All of the duties and powers of the Association existing under the Act, the Declaration, these Articles and the Bylaws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees.
- 10.3 Election and Removal.
- (a) Appointment of Directors Prior to Turnover. Prior to Turnover, Directors shall be appointed by the Class B Member, which Directors need not be Members of the Association.
- (b) Election of Directors After Turnover.
- (i) If Developer Owns 5% or More of the Units Within the Property. After Turnover, for so long as the Declarant owns at least five percent (5%) of the Units within the Property, the Declarant may appoint one (1) Director to the Board of Directors of the Association. The president of each Sub-Association within the Master Association shall be appointed as the remaining Directors. If the president of a Sub-Association is unwilling to serve on the Master Association Board of Directors, the Board of the Sub-Association will appoint another officer of the Sub-Association to serve on the Board of Directors of the Master Association. The Board shall have at least one Director representing each Sub-Association.

- (ii) If Developer Owns Less Than 5% of the Units Within the Property. After Turnover, if the Declarant owns less than five percent (5%) of the Units within the Property, the Declarant may no longer appoint members to the Board of Directors, and the president of each of the Sub-Associations within the Master Association shall constitute the Board of Directors. If the president of a Sub-Association is unwilling to serve on the Master Association Board of Directors, the Board of the Sub-Association will appoint another officer of the Sub-Association to serve on the Board of Directors of the Master Association. Additionally, if there are an even number of Sub-Associations (i.e. an even number of members on the Board of Directors), then the members of the Board of Directors shall elect one additional Director to the Board.
- (iii) Timing of Election. Directors of the Association shall be elected at the annual meeting of the Members in the manner determined by and subject to the qualifications set forth in the Bylaws.
- (iv) Removal of Directors. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the Bylaws.

10.4 Term of Declarant's Directors. The Declarant shall appoint the members of the first Board of Directors and their replacements who shall hold office for the periods described in the Bylaws.

10.5 First Directors. The names and addresses of the members of the first Board of Directors who shall hold office until their successors are elected and have taken office, as provided in the Bylaws, are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Debra McGregor	12854 Kenan Drive, Suite 100 Jacksonville, FL 32258
Tom Daddario	12854 Kenan Drive, Suite 100 Jacksonville, FL 32258
Fallon Gideon	12854 Kenan Drive, Suite 100 Jacksonville, FL 32258

10.6 Standards. A Director shall discharge his duties as a director, including any duties as a member of a Committee: in good faith; with the care an ordinary prudent person in a like position would exercise under similar circumstances; and in a manner reasonably believed to be in the best interests of the Association. Unless a Director has knowledge concerning a matter in question that makes reliance unwarranted, a Director, in discharging his duties, may rely on information, opinions, reports or statements, including financial statements and other data, if prepared or presented by: one or more officers or employees of the Association whom the Director reasonably believes to be reasonable

and competent in the manners presented; legal counsel, public accountants or other persons as to matters the Director reasonably believes are within the persons' professional or expert competence; or a Committee of which the Director is not a member if the Director reasonably believes the Committee merits confidence. A Director is not liable for any action taken as a director, or any failure to take action, if he performed the duties of his office in compliance with the foregoing standards.

11

INDEMNIFICATION PROVISIONS

- 11.1 Indemnitees. The Association shall indemnify any person who was or is a party to any proceeding (other than an action by, or in the right of, the Association) by reason of the fact that he is or was a director, officer, employee or agent (each, an "Indemnitee") of the Association, against liability incurred in connection with such proceeding, including any appeal thereof, if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interests of the Association or, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.
- 11.2 Indemnification. The Association shall indemnify any person, who was or is a party to any proceeding by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee, or agent of the Association against expenses and amounts paid in settlement not exceeding, in the judgment of the Board of Directors, the estimated expense of litigating the proceeding to conclusion, actually and reasonably incurred in connection with the defense or settlement of such proceeding, including any appeal thereof. Such indemnification shall be authorized if such person acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Association, except that no indemnification shall be made under this subsection in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable unless, and only to the extent that, the court in which such proceeding was brought, or any other court of competent jurisdiction, shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.
- 11.3 Indemnification for Expenses. To the extent that a director, officer, employee, or agent of the Association has been successful on the merits or otherwise in defense of any proceeding referred to in subsection 11.1 or subsection 11.2, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses actually and reasonably incurred by him in connection therewith.
- 11.4 Determination of Applicability. Any indemnification under subsection 11.1 or subsection 11.2, unless pursuant to a determination by a court, shall be made by the Association only

as authorized in the specific case upon a determination that indemnification of the director, officer, employee, or agent is proper under the circumstances because he has met the applicable standard of conduct set forth in subsection 11.1 or subsection 11.2. Such determination shall be made:

- (a) By the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such proceeding;
- (b) If such a quorum is not obtainable or, even if obtainable, by majority vote of a Committee duly designated by the Board of Directors (in which directors who are parties may participate) consisting solely of two or more Directors not at the time parties to the proceeding;
- (c) By independent legal counsel:
 - 1. selected by the Board of Directors prescribed in subsection 11.4(a) or the committee prescribed in subsection 11.4(b); or
 - 2. if a quorum of the Directors cannot be obtained for subsection 11.4(a) and the Committee cannot be designated under subsection 11.4(b), selected by majority vote of the full Board of Directors (in which Directors who are parties may participate); or
- (d) By a majority of the voting interests of the Members of the Association who were not parties to such proceeding.

11.5 Determination Regarding Expenses. Evaluation of the reasonableness of expenses and authorization of indemnification shall be made in the same manner as the determination that indemnification is permissible.

11.6 Advancing Expenses. Expenses incurred by an officer or director in defending a civil or criminal proceeding may be paid by the Association in advance of the final disposition of such proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if he is ultimately found not to be entitled to indemnification by the Association pursuant to this section. Expenses incurred by other employees and agents may be paid in advance upon such terms or conditions that the Board of Directors deems appropriate.

11.7 Exclusivity; Exclusions. The indemnification and advancement of expenses provided pursuant to this section are not exclusive, and the Association may make any other or further indemnification or advancement of expenses of any of its directors, officers, employees, or agents, under any bylaw, agreement, vote of shareholders or disinterested directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. However, indemnification or advancement of expenses shall not be made to or on behalf of any director, officer, employee, or agent if a judgment or other final adjudication establishes that his actions, or omissions to act, were material to the cause of action so adjudicated and constitute:

- (a) A violation of the criminal law, unless the director, officer, employee, or agent had reasonable cause to believe his conduct was lawful or had no reasonable cause to believe his conduct was unlawful;
 - (b) A transaction from which the director, officer, employee, or agent derived an improper personal benefit; or
 - (c) Willful misconduct or a conscious disregard for the best interests of the Association in a proceeding by or in the right of the Association to procure a judgment in its favor or in a proceeding by or in the right of the members of the Association.
- 11.8 Continuing Effect. Indemnification and advancement of expenses as provided in this section shall continue as, unless otherwise provided when authorized or ratified, to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person, unless otherwise provided when authorized or ratified.
- 11.9 Application to Court. Notwithstanding the failure of a Association to provide indemnification, and despite any contrary determination of the Board or of the Members in the specific case, a director, officer, employee, or agent of the Association who is or was a party to a proceeding may apply for indemnification or advancement of expenses, or both, to the court conducting the proceeding, to the circuit court, or to another court of competent jurisdiction. On receipt of an application, the court, after giving any notice that it considers necessary, may order indemnification and advancement of expenses, including expenses incurred in seeking court-ordered indemnification or advancement of expenses, if it determines that: (a) the director, officer, employee, or agent is entitled to mandatory indemnification under subsection 11.3 in which case the court shall also order the Association to pay the director reasonable expenses incurred in obtaining court-ordered indemnification or advancement of expenses; (b) the director, officer, employee, or agent is entitled to indemnification or advancement of expenses, or both, by virtue of the exercise by the Association of its power pursuant to subsection 7.7; or (c) the director, officer, employee, or agent is fairly and reasonably entitled to indemnification or advancement of expenses, or both, in view of all the relevant circumstances, regardless of whether such person met the standard of conduct set forth in subsection 11.1, subsection 11.2, or subsection 11.7, unless (1) a court of competent jurisdiction determines, after all available appeals have been exhausted or not pursued by the proposed Indemnitee, that he did not act in good faith or acted in a manner he reasonably believed to be not in, or opposed to, the best interest of the Association, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe his conduct was unlawful, and (2) such court further specifically determines that indemnification should be denied. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith or did act in a manner which he reasonably believed to be not in, or opposed to, the best interest of the Association, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe that his conduct was unlawful.

- 11.10 Definitions. For purposes of this Article 11, the term “expenses” shall be deemed to include attorneys’ fees, including those for any appeals; the term “liability” shall be deemed to include obligations to pay a judgment, settlement, penalty, fine, and expenses actually and reasonably incurred with respect to a proceeding; the term “proceeding” shall be deemed to include any threatened, pending, or completed action, suit, or other type of proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal; and the term “agent” shall be deemed to include a volunteer; the term “serving at the request of the Association” shall be deemed to include any service as a director, officer, employee or agent of the Association that imposes duties on such persons.
- 11.11 Amendment. Anything to the contrary herein notwithstanding, no amendment to the provisions of this Article 11 shall be applicable as to any party eligible for indemnification hereunder who has not given his prior written consent to such amendment.

12 BYLAWS

The first Bylaws of the Association shall be adopted by the Board of Directors and may be altered, amended or rescinded in the manner provided in the Bylaws and the Declaration.

13 AMENDMENTS

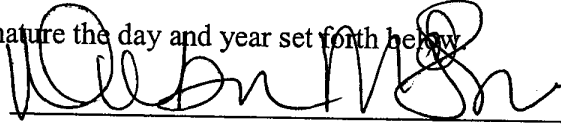
Amendments to these Articles shall be proposed and adopted in the following manner:

- 13.1 Notice. Notice of a proposed amendment shall be included in the notice of any meeting at which the proposed amendment is to be considered and shall be otherwise given in the time and manner provided in Chapter 617, Florida Statutes. Such notice shall contain the proposed amendment or a summary of the changes to be affected thereby.
- 13.2 Adoption. Amendments shall be proposed and adopted in the manner provided in Chapter 720, Florida Statutes; provided that in all events such amendments shall be approved by the approval of the Members holding two thirds (2/3) of the votes, voting in person or by proxy at a duly called meeting at which a quorum is present or by the written consent of the Members holding two thirds of the votes.
- 13.3 Declarant Amendments. Notwithstanding anything herein contained to the contrary, to the extent lawful, the Declarant may amend these Articles consistent with the provisions of the Declaration allowing certain amendments to be effected by the Declarant alone.
- 13.4 Recording. A copy of each amendment shall be filed with the Secretary of State pursuant to the provisions of applicable Florida law, and a copy certified by the Secretary of State shall be recorded in the public records of Duval County, Florida with an identification on the first page thereof of the book and page of said public records where the Declaration were recorded which contains, as an exhibit, the initial recording of these Articles.

14
INITIAL REGISTERED OFFICE;
ADDRESS AND NAME OF REGISTERED AGENT

The initial registered office of this corporation shall be at 12854 Kenan Drive, Suite 100, Jacksonville, Florida 32258, with the privilege of having its office and branch offices at other places within or without the State of Florida. The initial registered agent at that address shall be Debra McGregor.

The Incorporator has affixed his signature the day and year set forth below



Debra McGregor, Incorporator

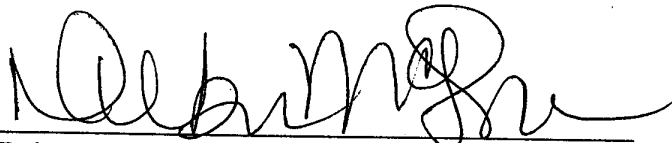
Dated this 8th day of SEPTEMBER, 2004.

CERTIFICATE DESIGNATING PLACE OF BUSINESS OR DOMICILE FOR THE SERVICE OF PROCESS WITHIN THIS STATE, NAMING AGENT UPON WHOM PROCESS MAY BE SERVED

In compliance with the laws of Florida, the following is submitted:

That desiring to organize under the laws of the State of Florida with its principal office, as indicated in the foregoing articles of incorporation, in the County of Duval, State of Florida, the Association named in the said articles has named Debra McGregor, located at 12854 Kenan Drive, Suite 100, Jacksonville, Florida 32258, as its statutory registered agent.

Having been named the statutory agent of said Association at the place designated in this certificate, I am familiar with the obligations of that position, and hereby accept the same and agree to act in this capacity, and agree to comply with the provisions of Florida law relative to keeping the registered office open.



Debra McGregor, Registered Agent

DATED this 8th day of SEPTEMBER, 2004.

EXHIBIT "C"

BYLAWS OF MASTER ASSOCIATION

Master Covenants

**BYLAWS
OF
DEERWOOD PLACE MASTER ASSOCIATION, INC.**

**A Corporation Not for Profit
Under the Laws of the State of Florida**

**1
DEFINITIONS**

All terms in these Bylaws shall have the meanings as set forth in the Declaration of Covenants, Conditions, Restrictions and Easements for Deerwood Place.

**2
BOOKS AND PAPERS**

2.1 The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection of any Member of the Association.

**3
MEMBERSHIP**

3.1 Membership of the Association is as set forth in Article 6 of the Articles of Incorporation of the Association.

3.2 The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each Owner of, and becomes a lien upon, that portion of the Property against which such assessments are made as provided in the Declaration.

**4
BOARD OF DIRECTORS**

4.1 Election and Removal.

(a) Appointment of Directors Prior to Turnover. Prior to Turnover, Directors shall be appointed by the Class B Member, which Directors need not be Members of the Association.

(b) Election of Directors After Turnover.

(i) If Developer Owns 5% or More of the Units Within the Property. After Turnover, for so long as the Declarant owns at least five percent (5%) of

the Units within the Property, the Declarant may appoint one (1) Director to the Board of Directors of the Association. The president of each Sub-Association within the Master Association shall be appointed as the remaining Directors. If the president of a Sub-Association is unwilling to serve on the Master Association Board of Directors, the Board of the Sub-Association will appoint another officer of the Sub-Association to serve on the Board of Directors of the Master Association. The Board shall have at least one Director representing each Sub-Association.

- (ii) If Developer Owns Less Than 5% of the Units Within the Property. After Turnover, if the Declarant owns less than five percent (5%) of the Units within the Property, the Declarant may no longer appoint members to the Board of Directors, and the president of each of the Sub-Associations within the Master Association shall constitute the Board of Directors. If the president of a Sub-Association is unwilling to serve on the Master Association Board of Directors, the Board of the Sub-Association will appoint another officer of the Sub-Association to serve on the Board of Directors of the Master Association. Additionally, if there are an even number of Sub-Associations (i.e. an even number of members of the Board of Directors), then the members of the Board of Directors shall elect one additional Director to the Board.
- (iii) Timing of Selection. Directors of the Association shall be selected at the annual meeting of the Members in the manner determined by and subject to the qualifications set forth in these Bylaws.
- (iv) Removal of Directors. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided in Section 4.8 of these Bylaws.

4.2 Any director (other than a director designated by the Declarant) may be removed from office at any time with or without cause by the affirmative majority vote of the Sub-Association membership which that Director represents cast at a meeting at which a quorum is present and the Board of Directors of that Sub-Association shall then fill the vacancy. Any director elected to the Board in accordance with the provisions of paragraph 4.1(ii) above may be removed from office at any time with or without cause by the affirmative majority vote of the Board of Directors and the Board of Directors shall then fill the vacancy. Notwithstanding anything herein contained to the contrary, in the event that a Director appointed by the Declarant is removed from office, said seat shall be filled by a replacement designated by the Declarant rather than by the remaining directors.

4.3 After Turnover, the first meeting of the duly elected Board of Directors, for the purposes of organization, shall be held immediately after the annual meeting of Members, provided the majority of the members of the Board elected be present. Any action taken at such meeting shall be by a majority of the whole Board. If the majority of the members of the Board elected shall not be present at that time, or if the directors shall fail to elect officers, the meeting of the Board to elect officers shall then be held within thirty (30) days after the annual meeting of

Members upon three (3) days notice in writing to each member of the Board so elected, stating the time, place and object of such meeting.

4.4 Subject to the provisions of Section 4.6 below, regular meetings of the Board of Directors may be held at any place or places in Florida as designated by the Board, on such days and at such hours as the Board of Directors may, by resolution, designate.

4.5 Subject to the provisions of Section 4.6 below, special meetings of the Board of Directors may be called at any time by the President or by any three (3) members of the Board and may be held any place or places within Florida as designated by the Board, and at any time.

4.6 Except only for meetings between the Board and its attorney with respect to proposed or pending litigation where the contents of the discussion would otherwise be protected by the attorney-client privilege, regular and/or special meetings of the Board of Directors shall be open to all Owners, and notices of Board meetings shall be posted in a conspicuous place on the property governed by the Association at least forty-eight (48) hours prior to the meeting, except in the event of an emergency. In the alternative, if notice is not conspicuously posted, notice of the Board meeting must be mailed or delivered to each Member at least seven (7) days before the meeting, except in an emergency. Notice of any meeting in which assessments against Lots, Parcels or Units are to be considered shall specifically contain a statement to that effect as well as a statement of the nature of such assessments.

4.7 Directors (including affiliates of the Declarant) shall have the absolute right to resign at any time and the remaining directors in office shall then fill the vacancies, provided that if all directors resign, a special meeting of Board of Directors of each Sub-Association shall be called as soon as possible for the purpose of appointing new directors and the resignations of the prior directors shall not be effective until such appointments are made and new directors are appointed, except that if no meeting is held or no directors are appointed after two (2) attempts to call and hold such meeting, the resignations shall become effective simultaneously with the date and time of the scheduled second meeting, whether held or not or whether new directors are appointed or not. Notwithstanding anything herein contained to the contrary, in the event that a Director appointed by the Declarant resigns, said seat shall be filled by a replacement designated by the Declarant rather than by the remaining directors.

4.8 Each Director shall have one vote and Directors may not vote by proxy or secret ballot, provided, however, that secret ballots may be used for the election of officers.

4.9 The Directors of the Association have a fiduciary duty to the Owners of Units governed by the Association.

5 OFFICERS

5.1 Any officer may be removed at any time by the affirmative vote of a majority of the Board of Directors at any duly called regular or special meeting of the Board.

5.2 The President shall preside at all meetings of the Members of the Association and of the Board of Directors. He shall have the general powers and duties of supervision and

management of the Association which usually pertain to his office, and shall perform all such duties as are properly required of him by the Board of Directors. The Board of Directors shall elect at least one (1) Vice President, who shall have such powers and perform such duties as usually pertain to such office or as are properly required of him by the Board of Directors. In the absence or disability of the President, any Vice President shall perform the duties and exercise the powers of the President. If more than one (1) Vice President is elected, the Board shall designate which Vice President is to perform which duties. The Secretary shall issue notices of all meetings of the membership of the Association and the directors where notices of such meetings are required by law or in these Bylaws. He shall keep the minutes of the meetings of the membership and of the Board of Directors. The Treasurer shall have the care and custody of all the monies and securities of the Association. He shall enter on the books of the Association, to be kept by him for that purpose, full and accurate accounts of all monies received by him and paid by him on account of the Association. He shall sign such instruments as require his signature and shall perform all such duties as usually pertain to his office or as are properly required of him by the Board of Directors.

5.3 Vacancies in any office arising from any cause may be filled by the Board of Directors at any regular or special meeting.

5.4 The officers of the Association have a fiduciary duty to the Owners of Units governed by the Association.

6 MEETINGS OF MEMBERS

6.1 The regular annual meeting of the Members shall be held in the month of October in each year at such time and place as shall be determined by the Board of Directors. The election of directors shall be held at, or in conjunction with, the annual meeting.

6.2 Special meetings of the Members for any purpose may be called at any time by the President, the Vice President, the Secretary or Treasurer, or by any four (4) or more members of the Board of Directors, or upon written request of the Members who have a right to vote one-third (1/3) of all the votes of the entire membership, or who have a right to vote one-third (1/3) of the votes of the Class A membership. Business conducted at a special meeting shall be limited to the purposes set forth in the notice of meeting.

6.3 Notice may be given to the Members either personally, or by sending a copy of the notice through the mail, postage thereon fully paid, to the addresses appearing on the records of the Association. Each Member shall register his address with the Secretary, and notices of meetings shall be mailed to him at such address. Notice of any meeting, regular or special, shall be mailed or personally delivered at least six (6) days in advance of the meeting and shall set forth the general nature of the business to be transacted, provided, however, that if any business of any meeting shall involve any action governed by the Articles of Incorporation, notice of such meeting shall be given or sent as therein provided.

6.4 The presence in person or by proxy at the meeting of Members entitled to cast at least thirty percent (30%) of the votes of the membership shall constitute a quorum for any action

governed by these Bylaws. Unless a greater percentage is expressly required, decisions of the members shall be made by a majority of the voting interests represented at a meeting at which a quorum is present.

6.5 Members have the right to vote in person or by proxy. To be valid, a proxy must be in writing and be signed by the Member and the proxy must state the date, time and place of the meeting for which it was given. A proxy is effective only for the meeting for which it was given, as the meeting may be legally adjourned and reconvened from time to time, and automatically expires ninety (90) days following the date of the meeting for which it was originally given. A proxy is revocable at any time at the pleasure of the person who executes it. If the proxy form so provides, the proxy holder may appoint, in writing, a substitute to act in the proxy holder's place.

6.6 Any Owner may tape record or videotape meetings of the Members, subject however to the rules established from time to time by the Board regarding such tapings.

6.7 Except when specifically or impliedly waived by the chairman of a meeting (either of Members or Directors) Robert's Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Declaration the Articles or these Bylaws; provided, however, that a strict or technical reading of said Robert's Rules of Order shall not be made as to frustrate the will of the persons participating in said meeting.

7

AMENDMENTS

7.1 These Bylaws may be amended, at a regular or special meeting of the Board, by a vote of two thirds of the votes of the Directors, provided that the notice to the Members of the meeting discloses the information that the amendment of the Bylaws is to be considered, provided, however, the provisions which are governed by the Articles of Incorporation of this Association may not be amended except as provided in the Articles of Incorporation or applicable law; and provided further that any matters stated herein to be or which are in fact governed by the Declaration may not be amended except as provided in such Declaration. Anything to the contrary herein notwithstanding, the Declarant shall have the absolute right to amend these Bylaws and the Articles of Incorporation as long as the Declarant or its affiliates owns any Unit governed by the Association without the consent of the Members or the Board.

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

8

OFFICIAL RECORDS

From the inception of the Association, the Association shall maintain each of the following, where applicable, which shall constitute the official records of the Association:

- (a) A photocopy of any plans, specifications, permits and warranties related to improvements constructed on the Common Property or other property that the Association is obligated to maintain, repair or replace;
- (b) A photocopy of the Bylaws of the Association and all amendments thereto;
- (c) A certified copy of the Articles of Incorporation of the Association or other documents creating the Association and all amendments thereto;
- (d) A photocopy of the Declaration and all amendments thereto;
- (e) A copy of the current rules and regulations of the Association;
- (f) The minutes of all meetings of the Association, of the Board of Directors, and of Members, which minutes shall be retained for a period of not less than seven (7) years;
- (g) A current roster of all Owners, their mailing addresses and Unit identification;
- (h) All current insurance policies of the Association or a copy of each such policy, which policies shall be retained for a period of not less than seven (7) years;
- (i) A current copy of all contracts to which the Association is a party, including, without limitation, any management agreement, lease, or other contract under which the Association has an obligation or responsibility;
- (j) Bids received by the Association for any work to be performed on behalf of the Association, which bids shall be retained for a period of not less than 1 year;
- (k) Financial and accounting records for the Association maintained in accordance with good accounting practices. All financial and accounting records shall be maintained for a period of not less than seven (7) years. The financial and accounting records shall include, but not be limited to:
 - (i) Accurate, itemized, and detailed records for all receipts and expenditures;
 - (ii) A current account and a periodic statement of the account for each Member of the Association, designating the name and current address of each Member, the due date and amount of each Assessment, the date and amount of each payment on the account, and the balance due;
 - (iii) All tax returns, financial statements and financial records of the Association; and
 - (iv) Any other records that identify, measure, record or communicate financial information.

9

**BOOKS AND PAPERS: FISCAL YEAR;
MINUTES: BUDGETS: FINANCIAL REPORTS**

9.1 The official records shall be maintained within the State of Florida and must be open to inspection and available for photocopying by any Association Member or the authorized agent(s) of such Member at all reasonable times and places within ten (10) business days after receipt of a written request for access. The Association may adopt reasonable written rules regarding the frequency, time, location, notice and manner of inspections and may impose fees to cover the costs of providing copies of the official records, including, without limitation, the costs of copying. The Association shall maintain an adequate number of copies of the recorded Declaration, Articles, Bylaws and any rules to ensure their availability to Members and prospective Members, and may charge only its actual costs for reproducing and furnishing these documents.

9.2 The fiscal year of the Association shall be the twelve month period commencing January 1st and terminating December 31st of each year.

9.3 Minutes of all meetings of the Members and of the Board must be maintained in written form or in another form that can be converted into written form within a reasonable time. The vote or abstention from voting on each matter voted upon for each director present at a Board meeting must be recorded in the minutes.

9.4 The Association shall prepare an annual budget reflecting, among other things, the estimated revenues and expenses for the budgeted year and the estimated surplus or deficit for the end of the current year. The budget must separately set out all fees or charges for recreational amenities, whether owned by the Association or another person. The Association shall provide each Member with a copy of the annual budget or a written notice advising that a copy of the budget is available upon request at no charge to the Member. The copy must be provided to the Member in accordance with the time limits set forth in Section 9.1 above.

9.5 The Association shall prepare an annual financial report within sixty (60) days following the close of each fiscal year of the Association. The financial report must consist of either, at the determination of the Board, (a) financial statements presented in conformity with generally accepted accounting principles, or (b) a financial report of actual receipts and expenditures, cash basis, showing, the amount of receipts and expenditures by classification and the beginning and ending cash balances of the Association. The Association shall provide each Member with a copy of the annual financial report or a written notice advising that a COPY of the report is available upon request at no charge to the Member. The copy must be provided to the Member in accordance with the time limits set forth in Section 9.1 above.

The foregoing Bylaws of the above-named corporation were duly adopted by the Board of Directors of said Association on the 27th day of January, 2005.

EXHIBIT "D"
TO

RULES AND REGULATIONS OF MASTER ASSOCIATION

1. The Common Property and facilities shall not be obstructed nor used for any purpose other than the purposes intended therefor. No carts, bicycles, carriages, chairs, tables' or, any other similar objects shall be stored therein except in areas (if any) specifically designated for such purpose by the Board.

2. Employees of the Master Association are not to be sent out by Owners for personal errands. The Board of Directors shall be solely responsible for directing and supervising employees of the Master Association.

3. No motor vehicle which cannot operate on its own power shall remain on the Property for more than twenty-four (24) hours, and no repair of such vehicles shall be made thereon except as is necessary. No portion of the Common Property or private lawns may be used for parking purposes, except those portions specifically designed and intended therefor. Areas designated for guest parking shall be used only for this purpose and neither Owners nor occupants of Units shall be permitted to use these areas. Vehicles which are in violation of these rules and regulations shall be subject to being towed by the Master Association as provided in the Declaration, subject to applicable laws and ordinances.

4. No electronic equipment may be permitted in or on any Unit or Lot which interferes with the television or radio reception of another Unit.

5. An Owner who plans to be absent during the hurricane season must prepare his Unit and Lot prior to his departure by designating a responsible firm or individual to care for his Unit and Lot should the Unit suffer hurricane damage and furnishing the Master Association with the name(s) of such firm or individual. Such firm or individual shall be subject to the approval of the Master Association.

6. Children will be the direct responsibility of their parents or legal guardians, including full supervision of them while within the Property and including full compliance by them with these Rules and Regulations and all other rules and regulations of the Master Association. All children under twelve (12) years of age must be accompanied by a responsible adult when entering and/or utilizing recreation facilities.

7. No hunting or use of firearms shall be permitted anywhere within the Property.

8. No Owner may alter in any way any portion of the Common Property, including, but not limited to, landscaping, without obtaining the prior written consent of the Architectural Control Committee.

9. No flammable, combustible or explosive fluids, chemicals or substances shall be kept in any Unit, on a Lot or on the Common Property.

10. No hurricane shutters or similar installations shall be used on or for any Unit unless same is of the type approved by the Master Association and is installed in accordance with any guidelines established in such regard by the Master Association.

11. Every Owner and occupant shall comply with these rules and regulations as set forth herein, any and all rules and regulations which from time to time may be adopted, and the provisions of the Declaration, Bylaws and Articles of Incorporation of the Master Association, as amended from

time to time. Failure of an Owner or occupant to so comply shall be grounds for action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof. The Master Association shall have the right to suspend voting rights and use of recreation facilities, if any, in the event of failure to so comply. In addition to all other remedies, in the sole discretion of the Board of Directors of the Master Association, a fine or fines may be imposed upon an Owner for failure of an Owner, his tenants, family, guests, invitees or employees, to comply with any covenant, restriction, rule or regulation herein or in the Declaration, or Articles of Incorporation or Bylaws, as provided in the Declaration.

12. Notwithstanding anything herein contained to the contrary, these rules and regulations shall not apply to the Declarant, nor its affiliates, agents or employees and contractors (except in such contractors' capacity as Owners), nor property while owned by either the Declarant or its affiliates. All of these rules and regulations shall apply, however, to all other Owners and occupants even if not specifically so stated in portions hereof. The Board of Directors shall be permitted (but not required) to grant relief to one or more Owners from specific rules and regulations upon written request therefor and good cause shown in the sole opinion of the Board.

EXHIBIT "E"

COMMON PROPERTY

167412_v2

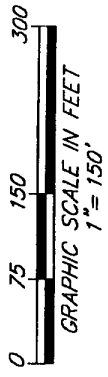
TABULATED CURVE DATA

CURVE	RADIUS	LENGTH	TANGENT	CHORD DISTANCE	CHORD BEARING	DELTA
C1	162.00'	62.61'	31.70'	62.22'	N73°16'15"E	22°08'33"
C2	162.00'	103.21'	53.43'	101.47'	N66°05'25"E	36°30'13"
C3	150.00'	81.38'	41.72'	80.38'	N63°22'49"E	31°05'02"
C4	1000.00'	22.46'	11.23'	22.46'	S12°01'04"E	01°17'12"
C5	100.00'	69.66'	36.31'	68.26'	S32°37'50"E	39°54'41"
C6	100.00'	54.57'	27.98'	53.90'	S36°56'19"E	31°16'04"

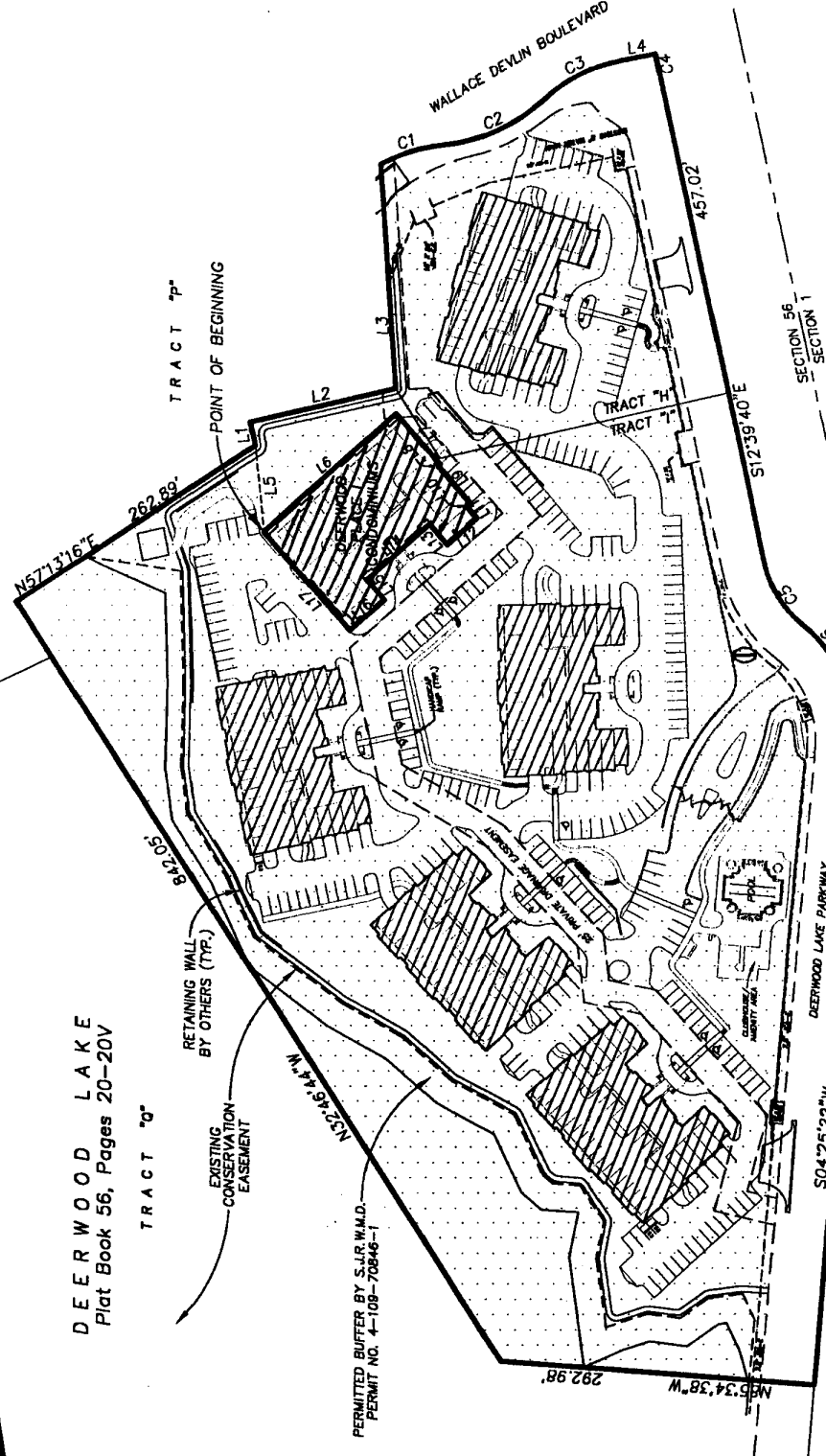
LINE TABLE

LINE	BEARING	LENGTH
L1	N12°51'05"W	22.37'
L2	N77°08'55"E	138.68'
L3	N04°17'55"W	208.07'
L4	N78°55'19"E	31.13'
L5	S06°28'29"E	78.72'
L6	N48°28'30"E	162.75'
L7	S41°31'30"E	62.47'
L8	S48°28'30"W	2.00'
L9	S41°31'30"E	46.28'
L10	S48°28'30"W	4.00'
L11	S41°31'30"E	13.00'
L12	S48°28'30"W	36.75'
L13	N41°31'30"W	25.00'
L14	S48°28'30"W	77.25'
L15	S41°31'30"E	25.00'
L16	S48°28'30"W	42.75'
L17	N41°31'30"W	121.75'

LEGEND
 DENOTES COMMON PROPERTY OF
 DEERWOOD PLACE MASTER ASSOCIATION



DEERWOOD LAKE
 Plat Book 56, Pages 20-20V



RICHARD A. MILLER & ASSOCIATES, INC.
 PROFESSIONAL LAND SURVEYORS
 6701 BEACH BLVD., SUITE #200
 JACKSONVILLE, FLORIDA 32216
 JOB NO. 2003-1414
 DATE: SEPT. 2, 2003
 Fax (904) 721-5758
 Tele. (904) 721-1225

DEERWOOD LAKE
 Plat Book 56, Pages 20-20V

SECTION 1
 SECTION 2
 SECTION 56
 SECTION 12
 POINT OF COMMENCEMENT
 N89°31'47"E 35.05'
 N57°34'38"W 292.98'
 S04°25'22"W 667.89'
 DEERWOOD LAKE PARKWAY
 FRANCIS RICHARD GRANT, SECTION 56
 SECTION 12

Prepared by and Return to:
Melissa S. Turra, Esq.
Holland & Knight LLP
50 North Laura Street
Suite 3900
Jacksonville, Florida 32202

**DECLARATION OF CONDOMINIUM
OF
DEERWOOD PLACE I CONDOMINIUMS**

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**DECLARATION OF CONDOMINIUM
OF DEERWOOD PLACE I CONDOMINIUMS**

THIS DECLARATION OF CONDOMINIUM is made as of the 26th day of January, 2005 (the "Declaration") by **BEAZER HOMES CORP.**, a Tennessee corporation, having a mailing address of 12854 Kenan Drive, Suite 100, Jacksonville, Florida 32258 (the "Developer"), for and on behalf of the Developer, its successors, assigns and grantees.

The Developer, being the owner of fee simple title of record to those certain lands located and situate in Duval County, Florida, being more particularly described in Exhibit "A" attached hereto, does hereby submit the lands described thereon and the improvements located on the land to condominium ownership pursuant to the provisions of Chapter 718 of the Florida Statutes, hereinafter referred to as the "Condominium Act", as amended from time to time.

1. NAME AND DESCRIPTION OF CONDOMINIUM PROPERTY.

The name by which this condominium is to be identified is: **DEERWOOD PLACE I CONDOMINIUMS** (the "Condominium").

1.1. The Condominium shall consist of thirty-two (32) Units in one (1) building, more particularly described as follows:

Unit Type	Number of Bedrooms	Number of Bathrooms	Square Footage in Each Unit	Number of Unit Types
A	2	2	1423	8
B	2	2	1509	8
C	3	2	1649	8
D	3	2 1/2	2000	4
E	3	2 1/2	2025	4

1.2. Each Unit shall own a fractional share in the Common Elements, Common Surpluses and obligation for Common Expenses, represented by a fraction, the numerator of which shall be the square footage of the unit and the denominator of which shall be the total square footage of the Condominium, as set forth on Exhibit "B" attached hereto.

1.3. Each Unit is entitled to one (1) vote in the Deerwood Place Master Association, Inc. ("Deerwood Place Master Association") and in the Deerwood Place I Condominium Association, Inc. ("Condominium Association").

1.4. The ownership of the Common Elements attributable to each Unit shall be that Unit's fractional share ownership, as set forth in paragraph 1.2.

1.5. Time share estates shall not be a part of this Condominium.

1.6. During the construction of this Condominium, the Developer, except for Units which have been conveyed to a Unit Owner, shall have the right to use any portion of the Condominium Property including the Common Elements and Association Property and the Deerwood Place Master Association Common Property (as hereinafter defined), for the construction, marketing and sale of Units.

2. DEFINITIONS.

The terms used in this Declaration and in its exhibits, including the Articles of Incorporation and Bylaws of the Condominium Association, shall be defined in accordance with the provisions of the Condominium Act and as follows, unless the context otherwise requires. All other definitions except as set forth herein shall be determined by the definitions set forth in Section 718.103, Florida Statutes as written as of the date of recording of this Declaration.

- 2.1. Assessment means a share of the funds which are required for the payment of Common Expenses, which from time to time is assessed against the Unit Owner.
- 2.2. Association Property has the meaning set forth in Section 6.3 of this Declaration.
- 2.3. Committee means a group of Board members, Unit Owners, or Board members and Unit Owners appointed by the Board or a member of the Board to make recommendations to the Board regarding the Condominium Association budget or take action on behalf of the Board.
- 2.4. Common Elements shall include:
- (a) All of those items stated in the Condominium Act at Section 718.108, Florida Statutes.
 - (b) Tangible personal property deemed proper by the Condominium Association for the maintenance and operation of the Condominium, even though owned by the Condominium Association.
 - (c) All hallways, corridors, landscaping, elevators, lobby areas, mechanical rooms, trash dumpster and garbage storage room, stairs, stairwells and all structural elements of the Condominium and all Condominium Property not included in the Units or in the Association Property.
- 2.5. Common Expenses shall include:
- (a) Expenses of administration and management of the Condominium Association and of the Condominium Property and Association Property.
 - (b) Expenses of maintenance, operation, repair or replacement of the Common Elements, any Limited Common Elements, Association Property and of any portions of Units to be maintained by the Condominium Association.
 - (c) The costs of carrying out the powers and duties of the Condominium Association.
 - (d) Expenses declared Common Expenses by the provisions of this Declaration or by the Bylaws of the Condominium Association or the Condominium Act, or by Florida Statute.
 - (e) Any valid charge against the Condominium Property as a whole.
 - (f) Rentals, membership fees, operations, replacements, and other expenses of lands or possessory interests in lands purchased by the Condominium Association pursuant to Sections 718.111 and 718.114, Florida Statutes.

(g) Assessments, if any, charged the Condominium Association or costs incurred by the Condominium Association in the operation, management, maintenance and repair of the stormwater system as permitted by the St. Johns River Water Management District ("District"), including lakes, retention areas, water management areas, ditches, canals, culverts, structures, related appurtenances, drainage structures and drainage easements.

- 2.6. Common Surplus means the excess of all receipts of the Condominium Association collected on behalf of a Condominium (including, but not limited to, assessments, rents, profits, and revenues on account of the Common Elements) over the Common Expenses.
- 2.7. Condominium Association means DEERWOOD PLACE I CONDOMINIUM ASSOCIATION, INC., a corporation not for profit, and its successors, and as further defined in Section 718.103(2), Florida Statutes.
- 2.8. Condominium Parcel is a Unit, together with the undivided share in the Common Elements which is appurtenant to the Unit.
- 2.9. Condominium Property means the lands and personal property that are subjected to Condominium ownership, whether or not contiguous, and all improvements thereon and all easements and rights appurtenant thereto intended for use in connection with the Condominium.
- 2.10. Deerwood Lake Community means the lands and the improvements thereon which are from time to time subjected to the Deerwood Lake Property Owners' Covenants. The developer of the Deerwood Lake Community is Deerwood Lake L.L.C., an entity that is not controlled by or affiliated with the Developer.
- 2.11. Deerwood Lake Property Owners' Association means Deerwood Lake Property Owners Association, Inc., a corporation not for profit, which is responsible for the operation and maintenance of the Deerwood Lake Property Owners' Association Common Property and such other duties as are from time to time designated in the Deerwood Lake Property Owners' Covenants.
- 2.12. Deerwood Lake Property Owners' Association Common Property means the common property located within the Deerwood Lake Property Owners Association, which property is more particularly defined in the Deerwood Lake Property Owners Covenants.
- 2.13. Deerwood Lake Property Owners' Covenants means the Declaration of Easements, Covenants, Conditions and Restrictions for Deerwood Lake, recorded in Official Records Book 10503, page 1690 of the current public records of Duval County, Florida, as may be amended from time to time.
- 2.14. Deerwood Place Community means the lands and the improvements thereon which are from time to time subjected to the Deerwood Place Master Covenants. Beazer Homes Corp. is the developer of the Deerwood Place Community.
- 2.15. Deerwood Place Master Association means Deerwood Place Master Association, Inc., a corporation not for profit, and its successors, which is responsible for the operation and maintenance of the Deerwood Place Master Association Common Property and such other duties as are from time to time designated in the Deerwood Place Master Covenants.
- 2.16. Deerwood Place Master Association Common Property means the land which is or will be improved by the Developer and is or will be subject to use rights for all owners subject to the

Deerwood Place Master Covenants as may be supplemented from time to time, all as more fully described in the Deerwood Place Master Covenants.

2.17. Deerwood Place Master Covenants means the Declaration of Covenants, Conditions, Restrictions and Easements for Deerwood Place recorded simultaneously herewith in the current public records of Duval County, Florida, as may be amended from time to time.

2.18. Developer means Beazer Homes Corp., and its successors and assigns. Developer may assign all or a portion of its rights hereunder or all or a portion of such rights in connection with specific portions of the Condominium. In the event of any partial assignment, the assignee shall not be deemed the Developer, but may exercise such rights of the Developer as are specifically assigned to it. Any such assignment may be made on a non-exclusive basis. The rights of the Developer under this Declaration are independent of the Developer's rights to control the Board of Directors of the Condominium Association, and accordingly, shall not be deemed waived, transferred or assigned to the Unit Owners, the Board or the Condominium Association upon transfer of control of the Condominium Association.

2.19. Institutional Mortgagee means a bank, life insurance company, savings and loan association, savings bank, real estate investment trust, and the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Housing Administration, or Veterans Administration, or any institution under the conservatorship or receivership of the Resolution Trust Corporation or Federal Deposit Insurance Corporation or any such affiliate who shall hold or guaranty mortgage on the Condominium Parcel, including, without limitation, the Developer, if Developer holds a mortgage on a Condominium Parcel.

2.20. Limited Common Elements means and includes those Common Elements which are reserved for the use of a certain Unit or Units to the exclusion of other Units, as specified in Section 6.2 of this Declaration. References to Common Elements herein shall mean and refer to Limited Common Elements, unless the context would prohibit it or it is otherwise expressly prohibited.

2.21. Operation or operation of the Condominium means and includes the administration and management of the Condominium Property.

2.22. Special Assessment means any assessment levied against Unit Owners other than the Assessment required by a budget adopted annually.

2.23. Stormwater Management System or Surface Water Management System means a system which is designed, constructed, or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use, or reuse water to prevent or reduce flooding, overdrainage, environmental degradation and water pollution, or to otherwise affect the quality and quantity of discharge from the system, as permitted pursuant to Chapter 40C-4, 40C-40 or 40C-42, Florida Administrative Code.

2.24. Unit means a part of the Condominium Property which is subject to exclusive ownership.

2.25. Unit Owner or Owner of a Unit means the fee simple owner of a Condominium Parcel as shown by the real estate records in the office of the Clerk of the County, whether such Owner be the Developer, one or more persons, firms, associations, corporations or other legal entities. "Owner" shall not mean or refer to the holder of a mortgage or security deed, its successors or assigns, unless and until such holder has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner.

2.26. Utility Services shall include but not be limited to electric power, gas, water, telephone, air conditioning, garbage and trash disposal, sewers, and cable television, together with all other public service and convenience facilities.

2.27. Voting Certificate means a document which designates one of the record title owners, or the corporate, partnership, or entity representative, who is authorized to vote on behalf of a Condominium Unit that is owned by more than one owner or by any entity.

3. EXHIBITS.

Exhibits attached to this Declaration of Condominium shall include the following:

3.1. Exhibit "A" - The legal description of the land submitted by this Declaration to the condominium form of ownership and a survey of the land showing all existing easements and a graphic description of the improvements in which Units are located and a plot plan thereof which together with the Declaration are in sufficient detail to identify the Common Elements and each Unit and their relative locations and approximate dimensions, and identification of each Unit by number so that no Unit bears the same designation as any other Unit. Upon substantial completion of a building and its appurtenant Common Elements, a surveyor's certificate will be attached to Exhibit "A".

3.2. Exhibit "B" - The fractional shares of ownership schedule of the Common Elements, Common Surplus and Common Expenses.

3.3. Exhibit "C" - The Articles of Incorporation of the Condominium Association.

3.4. Exhibit "D" - The Bylaws of the Condominium Association.

4. EASEMENTS AND RESERVATIONS.

Easements are expressly provided for and reserved in favor of the Unit Owners, their lessees, their guests and invitees, the Condominium Association, the Deerwood Place Master Association and the Deerwood Lake Property Owners' Association, their successors and assigns, as follows:

4.1. Landscaping, Hardscaping, Use and Maintenance Agreement. The Condominium Property shall be subject to the Landscaping, Hardscaping, Use and Maintenance Agreement recorded simultaneously herewith in the public records of Duval County, Florida, as may be amended from time to time. This easement grants to the Deerwood Place Master Association the right and obligation to maintain the land constituting the Condominium Property from the boundary up to but not including the building façade so that all grounds within the Deerwood Place Community are maintained in a uniform manner.

4.2. Deerwood Place Master Covenants. The Condominium Property shall be subject to the Deerwood Place Master Covenants. This easement grants to the Deerwood Place Master Association the right and obligation to maintain the Deerwood Place Master Association Common Property. Each Unit Owner shall have as an appurtenance to ownership of each Unit an easement for ingress, egress and enjoyment of the Deerwood Place Master Association Common Property all as more fully set forth in the Deerwood Place Master Covenants.

4.3. Deerwood Lake Property Owners' Covenants. The Condominium Property shall be subject to the Deerwood Lake Property Owners' Covenants. This easement grants to the Deerwood Lake

Property Owners' Association the right and obligation to maintain the Deerwood Lake Property Owners' Association Common Property.

4.4. Encroachments. In the event that any Unit shall encroach upon any of the Common Elements or upon any other Unit for any reason other than the intentional or negligent act of the Unit Owner, or in the event any Common Element shall encroach upon any Unit, then an easement shall exist to the extent of such an encroachment so long as the same shall exist.

4.5. Utilities. Easements are reserved through the Condominium Property as may be required for utility service (including but not limited to cable TV and all other telecommunications systems, wiring, conduit, etc.) in order to serve the specific Condominium Property and Condominium Parcel, however, such easements shall be only in accordance with the plans and specifications for the building and improvements, or as the building or improvements are actually constructed, unless approved in writing by the Board of Directors and the affected Unit Owners. Further, it is understood and acknowledged that other properties adjacent to the Condominium may connect to the utility systems within the Condominium.

4.6. Traffic. A non-exclusive easement shall exist for pedestrian traffic over, through and across sidewalks, paths, walks, and other portions of the Common Elements and Association Property as may be from time to time intended and designated for such purpose and use; and such easement shall be for the use and benefit of the Unit Owners of the Condominium Property, and those claiming by, through or under the aforesaid Unit Owners; provided, however, nothing herein shall be construed to give or create in any person the right to park upon any portion of the Condominium Property except to the extent that space may be specifically designated for parking purposes.

4.7. Easements and Reservations for Developer, Condominium Association, Deerwood Place Master Association for Ingress, Egress and Utilities. There is reserved in the Developer, the Condominium Association, and the Deerwood Place Master Association, their successors and assigns, the right to create utility easements and to install utilities and to use same over and across the land declared to condominium ownership hereunder for the benefit of the Developer, the Condominium Association, the Deerwood Place Master Association and their respective successors and assigns and any designated provider of such utility services. Such right to create and install and use utilities shall not encumber or encroach upon any Unit or impair the exclusive use and ownership of any Unit. Such use of the lands for utilities shall be established as five feet (5') on either side of the actual installed improvement. There is reserved in the Developer, the Condominium Association, and the Deerwood Place Master Association the right of ingress and egress over all of the Condominium Property.

4.8. Reservation in the Developer to Use Facilities for Sale, Marketing, and Advertising of Units. There is hereby reserved in the Developer, its successors and assigns, the right to use the Units (including Units designated as a sales office and/or model Unit) for the marketing, sale, and advertising of all Units constructed. For so long as the Developer owns an interest in any land within the Deerwood Place Community with the intention to sell Units, the Condominium Association and the Condominium Association's management company is prohibited from restricting access to the Deerwood Place Community, including without limitation, this Condominium, by agents or sales prospects, including without limitation, any decision to close the vehicular access gate during daylight hours until all Units have been conveyed to Owners within the Deerwood Place Community. This reservation is made notwithstanding the use restrictions set forth in Article 12, and such reservation is intended with respect to the Developer, its successors and assigns, to be superior to such use restriction in Article 12. Such reservation shall continue for so long as the Developer, its successors and assigns, shall own an interest in any land within the Deerwood Place Community with the intention to sell Units to the public.

4.9. Easement through Interior Walls, Ceilings and Under Units. The Condominium Association and adjoining Unit Owners shall have easements in and through all interior walls, through the area between the ceiling and the roof and under the Units as necessary for the installation, maintenance and repair of pipes, wires and other conduits within said walls, ceilings or under the Units as required to provide utilities services to Units in the Condominium. Any damage to a Unit in gaining access to any such conduit shall be repaired by the person or entity responsible for repairing the conduit in question.

4.10. Permits, Licenses and Easements over Common Elements and Association Property. In addition to the rights of the Developer, the Condominium Association shall have the right to grant permits, licenses and easements over the Common Elements and Association Property for the installation, moving, and terminating of easements for utilities, roads and other purposes necessary for the operation of the Condominium.

4.11. Easements for Benefit of Land Subject to the Deerwood Place Master Covenants. The Developer reserves for itself, its successors, nominees and assigns, a perpetual nonexclusive easement for the installation, maintenance, operation and connection of utilities and for stormwater drainage over and across the Condominium Property, including any land subjected from time to time to the Deerwood Place Master Covenants for the benefit of itself and the adjacent land, their successors and assigns. The Developer further reserves the right to terminate the rights created by this paragraph, which termination shall not require the consent of any person(s) and shall automatically be exercised at such time as Developer records a Notice of Termination regarding the rights created by this paragraph among the public records of the County. As of the date hereof, Developer is the fee simple owner of all of the Condominium. However, it is Developer's intent that the rights created by this paragraph not merge with Developer's fee simple interest in the Condominium; instead, Developer, as well as any person or persons hereafter possessing any right, title and interest in the land from time to time subjected to the Deerwood Place Master Covenants or adjacent land, shall be entitled to exercise the rights created by this paragraph, until such rights are terminated by Developer as provided above.

4.12. Recorded Easements and Licenses. The Condominium Property shall be subject to all easements and licenses as shown on Exhibit "A" attached hereto and to any other easements or licenses of record or of use as of the date of recordation of this Declaration. The recording data for all presently recorded easements and licenses appurtenant to or included in the Condominium has been set forth on Exhibit "A" attached hereto.

4.13. Emergency Access Easement. The Association and its authorized agents shall have an easement for access to all Units and Limited Common Elements as set forth in Section 9.7 below.

4.14. Easement for Association Service. The Association shall have a general easement over, across, through and under each Unit and each Common Element to perform any obligation imposed upon the Association by this Declaration or any other Association Document in connection with services to be provided by the Association, including any services in connection with pest control or the administration of the fire and safety monitoring service for the Condominium. Notwithstanding the foregoing, the Association shall not enter any Unit without reasonable prior notice to the Owner thereof, except in cases of emergency.

5. UNIT BOUNDARIES.

Each Unit shall include that part of the structure containing the Unit that lies within the boundaries of the Unit, which boundaries are as follows:

5.1. The upper and lower boundaries of the Unit shall be the following boundaries extended to an intersection with the perimetrical boundaries:

- (a) Upper Boundaries - The lowest surface of the unfinished ceilings of the Unit.
- (b) Lower Boundaries - The lowest surface of the unfinished floors of the Unit.

5.2. The perimetrical boundaries of the Unit shall be the vertical planes established by the unfinished interior of the walls, doors and windows bounding the Unit extending to the intersections with each other and with the upper and lower boundaries; and where there is attached to the Unit a balcony, it shall not be considered a part of the Unit to which it is attached and shall be considered a Limited Common Element for the exclusive use of the Unit to which it is attached.

5.3. Each Unit Owner shall not own the undecorated or unfinished surfaces of the perimeter walls, floors, and ceilings surrounding his Unit, nor shall he own pipes, wires, conduits or other utility lines running through his Unit which are utilized for or serve more than one Unit, which items are hereby made a part of the Common Elements. Said Owner, however, shall own the walls and partitions which are contained within his Unit and inner decorated or finished surfaces of the perimeter walls, floors and ceilings, including plaster, paint and wallpaper.

5.4. Each Unit shall be identified by the use of a letter, number, or any combination thereof, all of which are graphically described in Exhibit "A" attached hereto and made a part hereof.

6. APPURTENANCES TO UNITS.

6.1. Appurtenances. There shall pass with each Unit as appurtenances thereto the following:

- (a) The Owner of each Unit shall own an undivided share and interest in the Condominium Property, which shall include an undivided share in the Common Elements and Common Surplus, the exclusive right to use the portion of the Common Elements and Association Property as provided herein, the easements herein provided, and the right of exclusive use of his Unit subject to the rights of the Condominium Association and the Deerwood Place Master Association, which share and interest shall be appurtenant to the Unit, said undivided interest in the Condominium Property and the Common Elements and Common Surplus being as designated and set forth in Exhibit "B" attached hereto and made a part hereof.
- (b) An exclusive easement for the use of the air space occupied by the Unit as it exists at any particular time and as the Unit may lawfully be altered or reconstructed from time to time, which easement shall be terminated automatically in any air space which is vacated from time to time.
- (c) Membership of the Unit Owner in the Condominium Association and the Deerwood Place Master Association, and the right to use and to access the Common Elements and Association Property of the Condominium and the Deerwood Place Master Association Common Property, subject to the rules and regulations as adopted from time to time by the Condominium Association and the Deerwood Place Master Association.
- (d) A perpetual, non-exclusive easement for ingress and egress by the Owners, their families, guests, tenants, servants, agents, invitees and lessees over streets, walks, and other rights-of-way, including the Common Elements, the Association Property, the Deerwood

Place Master Association Common Property, serving the Units of the Condominium, necessary to provide reasonable access to the public ways.

(e) An exclusive easement for the use of such Limited Common Elements as may be designated for a particular Unit in this Declaration.

(f) With respect to surface parking within the outside parking lots (which property is part of the Deerwood Place Master Association Common Property), each Unit Owner will be entitled to use one assigned parking space, which parking space will be assigned at closing. A Unit Owner may be temporarily prohibited from using its parking space for periods of time that the Condominium Property or Deerwood Place Master Association Common Property is being repaired.

6.2. Limited Common Elements. Each Unit shall have an exclusive use right for Limited Common Elements as follows:

(a) Balconies. The balcony appurtenant to a Unit is a Limited Common Element of the Unit having direct and exclusive access thereto.

(b) Air Conditioning and Heating Units. That portion of the air conditioning and heating unit appurtenant to, but located outside of a Unit is a Limited Common Element of the Unit.

(c) Private Garages. Nine (9) private garages located within the parking garage. The private garages will be Limited Common Elements of certain Units (i.e. the Unit Owners who purchase private garages). The individual parking garages may not be leased or transferred separate and apart from a Unit.

6.3. Association Property.

(a) Storage Areas. There will be thirty two (32) storage areas located within the parking garage level that will be assigned to Unit Owners at the closing of the applicable Unit, as Association Property, for the use and benefit of the Unit Owner. Once assigned, the storage area will be an appurtenance of that Unit and may not be reassigned by the Unit Owner. (If there are unassigned storage areas after the Developer has turned over control of the Condominium Association, the Condominium Association shall succeed to the rights of the Developer set forth in this sub-section). Storage areas may not be leased or transferred separate and apart from a Unit.

(b) Parking Spaces Within the Parking Garage. There will be twenty three (23) parking spaces located within the parking garage level that will be assigned to Unit Owners at the closing of the applicable Unit, as Association Property, for the use and benefit of the Unit Owner. Once assigned, the parking space will be an appurtenance of that Unit and may not be reassigned by the Unit Owner. (If there are unassigned parking spaces after the Developer has turned over control of the Condominium Association, the Condominium Association shall succeed to the rights of the Developer set forth in this sub-section). Parking spaces may not be leased or transferred separate and apart from a Unit.

(c) Conveyance of Association Property. The Association Property will be conveyed from the Developer to the Condominium Association within six (6) months from the substantial completion of the Condominium. The Association Property improvements will be substantially completed at the time of the conveyance of the first unit in the Condominium

from the Developer to a Unit Owner. The Developer specifically disclaims any and all representations and warranties, expressed or implied, that the personal property to be supplied by the Developer is all of the personal property which the Unit Owners will deem necessary or desirable for the management and operation of the Condominium. Any additional personal property shall be at the election and expense of the Unit Owners.

7. MAINTENANCE, ALTERATION AND IMPROVEMENT.

Responsibility for the maintenance of the Condominium Property and restrictions upon its alteration and improvement shall be as follows:

7.1. Units:

(a) **By The Condominium Association.** The Condominium Association shall maintain, repair and replace at the Condominium Association's expense:

- (1) All Common Elements and Association Property, except as provided in paragraph 7.1(b)(1).
- (2) All portions of a Unit contributing to the support of the building, except interior surfaces, which portions shall include but not be limited to load-bearing columns, load-bearing walls and roofs.
- (3) All conduits, ducts, plumbing, wiring, and other facilities for the furnishing of utility services contained in the Unit.
- (4) All incidental damage caused to a Unit by reason of maintenance, repair and replacement accomplished pursuant to the provisions of 7.1(a)(1), (2) and (3) above.
- (5) The Condominium Association shall clean the exterior windows at least once a year and repair any leaks which are not accessible to the Unit Owner.

(b) **By The Unit Owner.** The responsibility of the Unit Owner for maintenance, repair and replacement shall be as follows:

- (1) To maintain, repair and replace at the Unit Owner's expense all portions of the Unit, including, but not limited to, the water heater, air handlers and the air conditioning and heating unit which services the Unit Owner's Unit, including, but not limited to, the balcony and private garage (if any), that portion of the air conditioning and heating unit which is designated as a Limited Common Element. Included within the responsibility of the Unit Owner shall be all windows, screens and doors opening into or onto the Unit, private garages and garage doors for the private garages (provided however that the Condominium Association is responsible for repainting the garage doors), sliding glass doors opening into or onto the Unit, carpeting, electrical fixtures and appliances in the Units, non-supporting walls and partitions, all contents of the Units and built-in cabinets in the Units and re-keying the mailbox serving the Unit. All such maintenance, repair and replacement shall be done without disturbing the rights of other Unit Owners and shall be of a design, quality specification and decor consistent with the Condominium Property.
- (2) To promptly report to the Condominium Association defects or need for repairs for which the Condominium Association is responsible.

(3) In the event any Unit Owner fails to comply with the maintenance, repair or replacement obligations set forth in paragraph 7.1(b)(1) above, the Association has the right but not the obligation to perform such maintenance, repair or replacement obligations. The cost of such maintenance, repair or replacement shall be the responsibility of that Unit Owner and shall be assessed to and payable by the responsible Unit Owner immediately upon receipt of a written invoice or statement. Nothing contained herein shall impose absolute liability for damages to the Condominium on the Unit Owners, and in the event such an assessment is levied against any Unit Owner, such Unit Owner may make a written request for reconsideration to the Board of Directors within ten (10) days after receipt of the assessment notice.

7.2. Alteration and Improvement.

(a) After the completion of the improvements included in the Condominium Property which are contemplated in this Declaration, there shall be no material alteration or substantial additions to the Common Elements without the prior approval of eighty percent (80%) of the total voting interests of the Condominium Association. The cost of such material alteration or improvement shall be a Common Expense and so assessed. Any such material alteration or improvement shall not interfere with the rights of any Unit Owner respecting the use of his Unit without his consent.

(b) Subject to the restrictions set forth in Article 12, no Unit Owner shall make any addition, alteration, or improvement in or to his Unit, the Common Elements, the Limited Common Elements or the Association Property until the design, construction and specifications have been approved in writing by the Board of Directors (or an architectural review committee appointed by it) as to quality, design and materials, harmony with existing structures. In addition, any such alteration, addition, or improvement which is visible from the exterior of the Condominium Parcel shall be subject to the approval of the architectural control committee of the Deerwood Place Master Association ("Deerwood Place Master Association ACC") as provided in the Deerwood Place Master Covenants. Any Unit Owner desiring to make such addition, alteration or improvement shall submit duplicate copies of the plans and specifications to the Condominium Association and, if applicable, to the Deerwood Place Master Association ACC. The Deerwood Place Master Association ACC shall have sixty (60) days and the Deerwood Lake Reviewer shall have fifteen (15) days to review such plans and specifications. In the event of a conflict between the Condominium Association and the Deerwood Place Master Association ACC, the decision of the Deerwood Place Master Association ACC shall prevail. Nothing contained in this Section shall be construed to lessen the obligation of any Owner to make prompt application for and obtain all necessary governmental permits and approvals and any other necessary approvals. In no event shall a Unit Owner make any alterations in the portions of the improvements of the Condominium which are to be maintained by the Condominium Association, remove any portion thereof, make any additions thereto, do any work which would jeopardize the safety or soundness of the Condominium building containing his Unit, or impair any easement. The provisions of this Article shall not apply to the Developer.

A Unit Owner making or causing to be made any such additions, alterations, or improvements agrees, and shall be deemed to have agreed, for such Owner and his heirs, personal representatives, successors and assigns, as appropriate, to hold the Condominium Association, Deerwood Place Master Association ACC, Deerwood Place Master Association, and any manager of the Condominium, together with all their officers, directors, partners, and all other Unit Owners, harmless from any liability or damage to the Condominium

Property and expenses arising therefrom, and shall be solely responsible for the maintenance, repair and insurance thereof from and after the date of installation or construction thereof, as may be required by the Condominium Association.

7.3. Hurricane Shutters. The Board of Directors may, from time to time, establish hurricane shutter or laminated glass or window film specifications which comply with the applicable building code and which establish permitted colors/tints, styles and materials for hurricane shutters or such laminated glass or indoor window film. Subject to the provisions hereof, the Condominium Association shall approve the installation or replacement of hurricane shutters or laminated glass and/or window film as applicable, conforming with the Board's specifications. The Board may, with the approval of the majority voting interests of the Condominium, install hurricane shutters or laminated glass or other indoor window film and may (without regard to approval of the membership) maintain, repair or replace such approved shutters or glass whether on or within Common Elements, Limited Common Elements, or Units; provided, however, that if laminated glass and/or window film in accordance with all applicable building codes and standards, architecturally designed to serve as hurricane protection is installed, the Board will not install hurricane shutters in accordance with this provision. If shutters are permitted, all shutters shall remain open unless and until a storm or a storm warning is announced by the National Weather Center or other recognized weather forecaster. A Unit Owner or occupant who plans to be absent during all or any portion of the hurricane season must prepare a Unit prior to departure by designating a responsible firm or individual to care for his Unit should a hurricane threaten the Unit or should the Unit suffer hurricane damage and furnishing the Condominium Association with the names of such firm or individual.

7.4. Window Treatments. All window treatments must have an exterior appearance of white or off white when viewed from the exterior of the building.

8. CONDOMINIUM ASSOCIATION ASSESSMENTS AND COMMON EXPENSES.

8.1. Common Expenses. The Condominium Association, through its Board of Directors, shall have the power to determine and fix the sums necessary to provide for the Common Expenses, including the expense allocable to services being rendered by a management company with whom the Condominium Association may contract. The annual Assessment for each Unit shall commence when such Unit is made subject to the terms and conditions of this Declaration and shall initially be payable monthly in advance; however, the Board of Directors shall have the power to establish other collection procedures. In addition, the Condominium Association shall have the power to levy Special Assessments against Units in their respective fractional shares for the following purposes: (i) if a deficit should develop in the payment of Common Expenses during any period that the level of Assessments has not been guaranteed by the Developer (see paragraph 8.6 hereof); (ii) for the costs incurred by the Condominium Association for specific purposes of a nonrecurring nature which are not capital improvements; or (iii) costs incurred by the Condominium Association for the acquisition, installation, construction or replacement of any capital improvements located or to be located within the Common Elements or Association Property. Unless waived pursuant to Section 718.112(2)(f), Florida Statutes, Condominium dues or charges shall include an adequate reserve fund for maintenance, repairs and replacement of those Common Elements or Association Property that must be replaced on a periodic basis, and shall be payable in regular installments rather than by special assessment. In addition to the reserves which may be required to be maintained by the Condominium Association, the Board of Directors may include sums to establish reasonable reserves against future contingencies in each annual Assessment.

8.2. Liability for Assessments. A Unit Owner, regardless of the manner in which he acquired title to his Unit including, without limitation, a purchaser at a judicial sale or by deed in lieu of

foreclosure, shall be liable for all Assessments while he is the Owner of a Unit. A grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid Assessments against the latter for his share of the Common Expenses up to the time of the conveyance, except that the liability for prior Assessments of Institutional Mortgagees acquiring title through foreclosure or deed in lieu of foreclosure shall be limited to the lesser of: (i) the Unit's unpaid Common Expenses and regular periodic assessments which accrued or came due during the six (6) months immediately preceding the acquisition of title and for which payment in full has not been received by the Condominium Association, or (ii) one percent (1%) of the original mortgage debt. The liability for Assessments may not be avoided by waiver of the use or enjoyment of any Common Elements, Association Property, services or recreation facilities, or by abandonment of the Unit against which the Assessment was made. The Condominium Association may charge an administrative late fee, in addition to interest, on any late Assessment payments not to exceed the maximum amount permitted under the Condominium Act. No Institutional Mortgagee is required to collect Assessments. Failure to pay Assessments shall not be deemed a default under any mortgage, except as provided in the mortgage instrument. Any unpaid share of Common Expenses or Assessments for which an Institutional Mortgagee is relieved from liability under the provisions of this Declaration shall be deemed to be a Common Expense, collectible from all Unit Owners, including the acquirer of the Condominium Parcel, his successors and assigns. An Institutional Mortgagee may not, during the period of its ownership of such Condominium Parcel, whether or not such Condominium Parcel is unoccupied, be excused from the payment of some or all of the Common Expenses coming due during the period of such ownership. Nothing contained herein shall abridge or limit the right or responsibilities of Institutional Mortgagees as set forth in the Condominium Act.

8.3. Assessments. The making and collection of Assessments against each Unit Owner for Common Expenses, and for reserves as may from time to time be established by the Condominium Association, shall be pursuant to the Bylaws of the Condominium Association, subject to the following provisions:

(a) Interest and Late Charge: Application of Payments. Assessments and installments on such Assessments paid on or before five (5) days after the date when due, shall not bear interest, but all sums not paid on or before five (5) days after the date when due shall bear interest at the rate of eighteen percent (18%) per annum from the date when due until paid and there shall also be assessed as an Administrative late fee of five percent (5%) of the sum due but, not to exceed \$25.00. All payments on accounts shall be first applied to interest accrued by the Condominium Association, then to any Administrative late fee, then to costs and attorney's fees, and then to the delinquent assessment payment first due.

(b) Lien for Assessments. The Condominium Association shall have a lien against each Condominium Parcel for any unpaid assessments, including interest, costs and reasonable attorneys' fees incurred by the Condominium Association incident to the collection of such assessment or enforcement of such lien, whether or not legal proceedings are initiated. The said liens may be recorded among the public records of the county where located by filing a claim therein which states the description of the Condominium Parcel, the name of the record owner, the name and the address of the Condominium Association, the amount due and the due dates, and said lien shall continue in effect until all sums secured by said lien shall have been paid or one (1) year from the recording of said lien, whichever shall first occur, unless within the one (1) year period an action to enforce the lien is commenced in a court of competent jurisdiction. Such claims of lien shall be executed and acknowledged by an officer of the Condominium Association, or by an authorized agent of the Condominium Association. Upon full payment, the party making payment shall be entitled to a recordable satisfaction of lien.

- 8.4. Collection. Assessments shall be due and payable upon conveyance of the first Unit from the Developer to its purchaser. The Condominium Association shall have the power and authority to charge, assess and collect all fees, charges and assessments allowed by this Declaration, Florida law, the Articles or Bylaws from Unit Owners and shall be entitled to use such remedies for collection as are allowed by this Declaration, Articles, Bylaws and the laws of the State of Florida.
- 8.5. Subordination of Lien. The lien for Assessments or other charges that the Condominium Association has on a Unit is subordinate to a first mortgage on the Unit, if the mortgage was recorded before the delinquent Assessment was due.
- 8.6. Developer's Responsibility for Assessments. In accordance with the provisions of Section 718.116(9)(a)(2), Florida Statutes, the Developer shall be excused from the payment of assessments for the Units owned by Developer for during the Guaranty Period and has agreed to pay any Common Expenses that exceed the guaranteed amount. The Developer shall pay those Common Expenses incurred during the Guaranty Period which exceed the amount assessed against other Unit Owners; provided however that so long as the Condominium Association has maintained all insurance coverages required by Section 718.111(11)(a), Florida Statutes, the Common Expenses incurred during the Guaranty Period resulting from a natural disaster or an Act of God which are not covered by insurance proceeds from the insurance maintained by the Condominium Association may be assessed against all Unit Owners, including the Developer, in accordance with their share of Common Expenses on the date of such natural disaster or act of God. The Developer does not intend to extend the guaranty beyond the Guaranty Period.
- 8.7. Reserve Accounts. In accordance with the provisions of Section 718.112(2)(f), Florida Statutes, prior to turnover of control of the Condominium Association to the non-developer Unit Owners, the Developer may vote to waive the reserves for the first two (2) fiscal years of the Condominium Association's operation, beginning with the fiscal year in which the Declaration is recorded. The Developer has elected to vote to waive reserves during the first fiscal year of the Condominium Association's operation.

9. CONDOMINIUM ASSOCIATION.

The operation of the Condominium shall be by the Condominium Association, which shall fulfill its functions pursuant to the following provisions:

- 9.1. Membership and Voting Rights in Condominium Association. Membership of each Unit Owner in the Condominium Association is mandatory and shall be acquired pursuant to the provisions of the Articles of Incorporation and Bylaws of the Condominium Association. The interest of each Unit Owner in the funds and assets held by the Condominium Association shall be in the same proportion as the liability of each such Owner for Common Expenses. Each Unit shall be entitled to one vote in the Condominium Association.
- 9.2. Articles of Incorporation. A copy of the Articles of Incorporation of the Condominium Association, which sets forth its powers and duties, is attached as Exhibit "C" and made a part hereof.
- 9.3. Bylaws. A copy of the Bylaws of the Condominium Association is attached as Exhibit "D" and made a part hereof.
- 9.4. Restraint Upon Assignment of Shares and Assets. The Unit Owner's share in the funds and assets of the Condominium Association cannot and shall not be assigned, hypothecated or transferred in any manner except as an appurtenance to his Unit.

9.5. Condominium Association Name. The Condominium Association shall be named as provided in paragraph 2.2 herein and shall be a corporation not-for-profit.

9.6. Purchase or Lease of Properties. The Condominium Association shall have the power and authority to purchase real estate, leaseholds or possessory interest therein, including memberships pursuant to Sections 718.111 and 718.114, Florida Statutes.

9.7. Condominium Association's Access to Units. The Condominium Association and its authorized agents shall have the right to enter the Condominium Units and Limited Common Elements at reasonable times for the purposes making repairs or otherwise maintaining the Condominium Property other than the Units, or to abate emergency situations which threaten damage to the Condominium Property other than the Unit entered. Each Unit Owner shall be required to deliver at closing and keep on file with the Condominium Association, a key or keys that will allow access to the Unit in the event of emergency. Said keys shall be accessible only by designated individuals in an emergency situation.

9.8. Right of Action. The Condominium Association and any aggrieved Unit Owner has the right of action against Unit Owners who fail to comply with the provisions of the Condominium documents or the decisions made by the Condominium Association.

10. INSURANCE.

The insurance that shall be carried upon the Condominium Property shall be governed by the following provisions:

10.1. Authority to Purchase; Named Insured. All insurance policies upon the Condominium Property shall be purchased by the Condominium Association. The named insured shall be the Condominium Association individually and as agent for the Unit Owners, without naming them, and as agent for their Institutional Mortgagees. Provisions shall be made for the issuance of the mortgagee endorsements and memoranda of insurance to the Institutional mortgagees of Unit Owners. Such policies shall provide that payments by the insurer for losses shall be made to the Condominium Association or the insurance trustee designated below, and all policies and their endorsements shall be deposited with the Condominium Association or the insurance trustee as set forth herein.

10.2. Personal Property of Unit Owner. Unit Owners should obtain coverage at their own expense upon their personal property and improvements within their Unit not covered by the Condominium Association and for their personal liability and living expenses including without limitation, those matters in Section 10.3(a)(3) and such insurance shall not be the responsibility of the Condominium Association.

10.3. Coverage.

(a) Casualty. All buildings and improvements upon the Condominium Property shall be insured in an amount equal to the insurable replacement value, excluding foundation and excavation costs, and all personal property included in the Common Elements shall be insured for its value, all as shall be determined annually by the Board of Directors of the Condominium Association. Coverage shall afford protection against:

(1) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and

(2) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the land, including, but not limited to, vandalism and malicious mischief.

(3) Hazard policies issued to protect Condominium Buildings shall provide that the word "building", wherever used in the policy, shall include, but shall not necessarily be limited to, fixtures, installations or additions comprising that part of the building within the unfurnished interior surfaces of the perimeter walls, floors and ceilings of the individual Units initially installed or replacements thereof, of like kind and quality, in accordance with the original plans and specifications or as existed at the time the Unit was initially conveyed if the original plans and specifications are not available. However, the word "building" shall not include Unit floor coverings, wall coverings or ceiling coverings, and shall not include electrical fixtures, appliances, air conditioning and heating equipment, water heaters, water filters, built-in cabinets and countertops, and window treatments, including curtains, drapes, blinds, hardware, and similar window treatment components, or replacements of any of the foregoing which are located within the boundaries of a Unit and serve only on Unit and all air conditioning compressors that service only an individual unit, whether or not located within the Unit boundaries. With respect to the coverage provided by this paragraph, the Unit Owner shall be considered as an additional insured under the policy.

(b) Public Liability. Public Liability in such amounts and with such coverage as shall be required by the Board of Directors of the Condominium Association, including, but not limited to, hired vehicles, owned, and non-owned vehicle coverage, and with cross liability endorsements to cover liabilities of the Unit Owner as a group to a Unit Owner.

(c) Worker's Compensation. Worker's Compensation insurance to meet the requirements of law.

(d) Flood Insurance. Flood Insurance, where required by federal or other regulatory authority.

(e) Liability Insurance. Liability Insurance for its officers and directors or persons who are in control or disburse funds of the Condominium Association.

(f) Other. Such other insurance that Board of Directors of the Condominium Association shall determine from time to time to be desirable.

(g) Insurance/Fidelity Bond. The Condominium Association shall obtain and maintain adequate insurance or fidelity bonding of all persons who control or disburse funds of the Condominium Association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Condominium Association or its management agent at any one time. The term "persons who control or disburse funds of the Condominium Association" includes, but is not limited to, those individuals authorized to sign checks and the president, secretary, and treasurer of the Condominium Association. The Condominium Association shall bear the cost of bonding.

10.4. Premiums. Premiums upon insurance policies purchased by the Condominium Association shall be paid by the Condominium Association as a Common Expense.

10.5. Insurance Trustee; Share of Proceeds. All insurance policies purchased by the Condominium Association shall be for the benefit of the Condominium Association and the Unit Owners and their Institutional Mortgagees as their interests may appear, and shall provide that all proceeds covering property losses shall be paid to the Condominium Association or a named insurance trustee as Trustee or to such Trustee in Florida with Trust Powers as may be designated as Insurance Trustee from time to time by the Board of Directors of the Condominium Association when required by this Declaration (hereinafter referred to as the "Insurance Trustee"). The Insurance Trustee shall not be liable for payment of premiums nor for the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the proceeds in trust for the purposes stated herein for the benefit of the Unit Owners and their Institutional Mortgagees in the following shares, provided, however, such shares need not be set forth on the records of the Insurance Trustee.

(a) Proceeds on Account of Damage to Common Elements and Limited Common Elements. An undivided share for each Unit Owner, such share being the same as the undivided share in the Common Elements and Limited Common Elements appurtenant to the Unit as set forth on Exhibit "B" attached hereto.

(b) Units. Proceeds on account of damage to Units shall be held in the following undivided shares:

(1) When the Building is to be Restored. For the Owners of damaged Units in proportion to the cost of repairing the damage suffered by each Unit Owner, said cost to be determined by the Condominium Association.

(2) When the Building is Not to be Restored. An undivided share for each Unit Owner, such share being the same as the undivided share in the Common Elements appurtenant to his Unit.

(c) Institutional Mortgagees. In the event a mortgagee endorsement has been issued to a Unit, the share of the Unit Owner shall be held in trust for the Institutional Mortgagee and the Unit Owner as their interest may appear; provided, however, that no Institutional Mortgagee shall have any right to determine or participate in the determination as to whether any damaged property shall be reconstructed or repaired, and no Institutional Mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions of such proceeds made to the Unit Owner and Institutional Mortgagee pursuant to the provisions of this Declaration.

(d) Insurance Trustee. An Insurance Trustee need not be appointed until there exists a major damage as defined in paragraph 11.1(b) and 11.6(b)(2) or until there shall have been a request by an Institutional Mortgagee for such appointment.

10.6. Distribution of Proceeds. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial Owners in the following manner:

(a) All expenses of the Insurance Trustee shall be paid first or provisions made for such payment.

(b) If the damage for which the proceeds are paid is to be repaired or reconstructed, the proceeds shall be paid to defray the cost thereof as provided herein. Any proceeds remaining after defraying such cost shall be distributed to the beneficial Owners, remittances to Unit

Owners and their Institutional Mortgagees being payable jointly to them. This is a covenant for the benefit of, and may be enforced by, any Institutional Mortgagee of a Unit.

(c) If it is determined in the manner provided herein that the damage for which proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed to the beneficial Owners, remittances to Unit Owners and their Institutional Mortgagees being payable jointly to them. This is a covenant for the benefit of, and may be enforced by, the Institutional Mortgagee of a Unit.

(d) In making distribution to Unit Owners and their Institutional Mortgagees, the Insurance Trustee may rely upon a Certificate of the Condominium Association made by its President and Secretary as to the names of the Unit Owners and their respective shares of the distribution.

10.7. Condominium Association as Agent. The Condominium Association is hereby irrevocably appointed Agent for each Unit Owner and for each Owner of any other interest in the Condominium Property to adjust all claims arising under the insurance policies purchased by the Condominium Association and to execute and deliver releases upon the payment of a claim.

11. RECONSTRUCTION OR REPAIR AFTER CASUALTY OR CONDEMNATION.

11.1. Determination to Reconstruct or Repair. If any part of the Condominium Property shall be damaged or taken by casualty or by condemnation or deed in lieu thereof, whether or not it shall be reconstructed or repaired shall be determined in the following manner:

(a) Common Elements, Association Property and Limited Common Elements / Minor Damage or Condemnation. If the damaged or taken improvement is a Common Element, Association Property and/or Limited Common Element, or if the damaged or taken improvement is a building in which less than sixty percent (60%) of the Units to which the Common Elements are appurtenant are untenable, then the damaged or taken property shall be reconstructed or repaired, unless it is determined that the Condominium shall be terminated.

(b) Major Damage. If the damaged or taken improvement is a building, and if Units to which sixty percent (60%) of the Common Elements are appurtenant are found by the Board of Directors to be not tenable, then the damaged or taken property will not be reconstructed or repaired, and the Condominium will be terminated without agreement, unless within one hundred sixty (160) days after the casualty, the Owners of eighty percent (80%) of the Common Elements and fifty-one percent (51%) of the Eligible Institutional Mortgagees agree in writing to such reconstruction or repair.

(c) Certificate. The Insurance Trustee may rely upon a Certificate of the Condominium Association made by its President and attested by its Secretary as to whether or not the damaged or taken property is to be reconstructed or repaired.

11.2. Plans and Specifications. Any reconstruction or repairs must be substantially in accordance with the plans and specifications for the original building, or in lieu thereof, according to the plans and specifications approved by the Board of Directors of the Condominium Association, and if the damaged or taken property is in a building and reconstruction is not substantially in accordance with the original plans and specifications, then, approval by the Owners of not less than eighty percent (80%) of the Common Elements, including the Owners of all damaged or taken Units,

together with the approval of fifty-one percent (51%) of the Eligible Institutional Mortgagees shall be required, which approval shall not be unreasonably withheld.

11.3. Responsibility. If the damage or taking is only to those parts of one Unit for which the responsibility of maintenance and repair is that of the Unit Owner, then the Owner shall be responsible for reconstruction and repair after casualty or taking. In all other instances, the responsibility of reconstruction and repair after casualty or taking shall be that of the Condominium Association. Each Owner hereby appoints the Condominium Association to be attorney-in-fact in any negotiating settlements or agreements.

11.4. Estimates of Cost. Immediately after a determination is made to rebuild or repair damage to property for which the Condominium Association has the responsibility of reconstruction and repair, the Condominium Association shall obtain reliable and detailed estimates of the cost to rebuild or repair.

11.5. Assessments. If it is determined that reconstruction and repair should occur and if the proceeds of insurance or condemnation are not sufficient to defray the estimated costs of reconstruction and repair by the Condominium Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, assessments shall be made against all Unit Owners in the case of damage or taking of Common Elements, in sufficient amounts to provide funds for the payment of such costs. Such assessments on account of damage or taking of Common Elements shall be in proportion to the Unit Owner's obligation for Common Expenses.

11.6. Construction Funds. The funds for payment of costs of reconstruction and repair after casualty or taking shall be paid to the Condominium Association or Insurance Trustee for the benefit of the Owners and the Institutional Mortgagees. They shall consist of proceeds of insurance held by the Condominium Association or the Insurance Trustee and funds collected by the Condominium Association from assessments against Unit Owners, shall be disbursed in payment of such costs in the following manner:

(a) Condominium Association. If the total of assessments made by the Condominium Association in order to provide funds for the payment of reconstruction and repair that is the responsibility of the Condominium Association is more than \$500,000.00, then the sums paid upon such assessments shall be deposited by the Condominium Association with the Insurance Trustee. In all other cases the Condominium Association shall hold the sums paid upon such Assessments and disburse them in payment of the costs of reconstruction and repair.

(b) Insurance Trustee. The proceeds of insurance or condemnation collected on account of casualty or taking, and the sums deposited with the Insurance Trustee by the Condominium Association from collections of Assessments against Unit Owners on account of such casualty or taking shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order:

(1) Condominium Association - Lesser Damage. If the amount of the estimated costs of reconstruction and repair that is the responsibility of the Condominium Association is less than \$500,000.00, then the construction fund shall be disbursed in payment of such costs upon the order of the Board of Directors of the Condominium Association, provided, however, that upon request by an Institutional Mortgagee that is a beneficiary of an insurance policy the proceeds of which are included in the

construction fund, such fund shall be disbursed in the manner provided for the reconstruction and repair of major damage.

(2) Condominium Association - Major Damage. If the amount of the estimated costs of reconstruction and repair that is the responsibility of the Condominium Association is more than \$500,000.00, then the construction fund shall be disbursed in payment of such costs pursuant to the approval of an architect selected by the Board of Directors.

(3) Unit Owner. The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with a Unit Owner shall be paid to the Owner, or if there is a mortgagee endorsement as to the Unit, then to the Owner thereof and the Institutional Mortgagee jointly, who may use such proceeds as they may agree.

(4) Surplus. It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance or condemnation proceeds. If there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial Owners of the fund; except, however, that only those portions of a distribution to the beneficial Owners in excess of assessments paid by a Unit Owner to the construction fund shall be made payable to any Institutional Mortgagee.

(5) Certificate. Notwithstanding the provisions of this instrument, the Insurance Trustee shall not be required to determine whether sums paid by the Unit Owners upon assessments shall be deposited by the Condominium Association with the Insurance Trustee, nor to determine whether the disbursements from the construction fund are to be upon the order of the Condominium Association or approval of an architect or otherwise, nor whether a disbursement is to be made from the construction fund nor to determine the payee nor the amount to be paid. Instead, the Insurance Trustee may rely upon a Certificate of the Condominium Association made by its President and Secretary as to any or all of such matters and stating that the sums to be paid are due and properly payable and stating the name of the payee and the amount to be paid; provided, that when an Institutional Mortgagee is required in this instrument to be named payee, the Insurance Trustee shall also name the Institutional Mortgagee as a payee of any distribution of insurance proceeds to a Unit Owner; and further, provided, that when the Condominium Association, or an Institutional Mortgagee that is the beneficiary of an insurance policy whose proceeds are included in the construction fund, so requires the approval of an architect named by the Condominium Association shall be first obtained by the Condominium Association prior to the disbursements in payment of costs of reconstruction and repair.

12. USE RESTRICTIONS.

The use of the Condominium Property shall be in accordance with the following provisions as long as the Condominium exists upon the land:

12.1. Units. This is a residential Condominium, and therefore, each of the Units shall be occupied only as a single family residential private dwelling by no more than six (6) persons at any one time. No Unit may be divided or subdivided into a smaller Unit. Home-based occupations that meet all

applicable zoning requirements may be operated out of the Units, provided, that: (i) there are no employees working within the Units, (ii) no signage and (iii) such use meets all other municipal code requirements.

12.2. Common Elements, Limited Common Elements and Association Property. The Common Elements, Limited Common Elements and Association Property shall be used only for the purpose for which they are intended in the furnishing of services and facilities for the enjoyment of the Units. No alterations may be made by a Unit Owner to exterior landscaping and no additional gardens or plantings may be installed with respect to exterior landscaping. Kickplates added to balcony screen doors must be approved by the Condominium Association and the Deerwood Place Master Association ACC prior to installation.

12.3. Nuisances. No nuisance shall be allowed upon the Condominium Property or within a Unit, nor any use or practice that is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents. All parts of the Condominium Property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist. No Unit Owner shall permit any use of his Unit or make any use of the Common Elements or Association Property that will increase the costs of insurance upon the Condominium Property.

12.4. Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Condominium Property or a Unit, and all applicable laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed.

12.5. Leasing of Units. Entire Units may be rented provided the occupancy is only by the lessee, his family and guests. No rooms may be rented and no transient tenants (tenants for less than one (1) calendar month) shall be accommodated in any Unit. The lease of any Unit shall not release or discharge the Owner from compliance with any of his obligations and duties as a Unit Owner. No lease shall be for a period of less than seven (7) calendar months. Any such lease shall be in writing and provide that all of the provisions of this Declaration, the Bylaws, the Rules and Regulations of the Condominium Association and the Deerwood Place Master Covenants pertaining to use and occupancy shall be applicable and enforceable against any person occupying a Unit to the same extent as against a Unit Owner, and a covenant shall exist upon the part of each such tenant or occupant to abide by the Rules and Regulations of the Condominium Association, the terms and provisions of the Declaration of Condominium, the Bylaws and the Deerwood Place Master Covenants, and designating the Condominium Association as the Unit Owner's agent for the purpose of and with the authority to terminate any such lease agreement in the event of violations by the tenant of such covenants, which covenant shall be an essential element of any such lease or tenancy agreement. All leases must be submitted to the Condominium Association at least five (5) days prior to the commencement of the lease.

12.6. Signs and Flags. No signs shall be displayed from a Unit or from the Condominium Property except those signs as shall have advance written approval by the Condominium Association and Deerwood Place Master Association ACC except that the Developer shall be entitled to install such marketing signs as are necessary and convenient during the period of time the Developer is marketing the Units. Notwithstanding the foregoing, a Unit Owner may display one (1) portable, removable United States flag in a respectful way and on Armed Forces Day, Memorial Day, Flag Day, Independence Day and Veteran's Day may display in a respectful way the flag of the United States Army, Navy, Marine Corps or Coast Guard, which flag shall not be larger than 4 ½ by 6 feet.

12.7. Prohibited Parking and Vehicles. No commercial trucks or vans or other commercial vehicles shall be parked in any parking space except with the written consent of the Board of Directors of the

Condominium Association and Deerwood Place Master Association, except such temporary parking spaces provided for such purpose as may be necessary to effectuate deliveries to the Condominium, the Condominium Association, Unit Owners, or residents. It is acknowledged that there are pickup trucks and vans that are not used for commercial purposes, but are family vehicles. It is not intended that such noncommercial, family vehicles be prohibited. A commercial vehicle is one with lettering or display on it, has equipment affixed to it, or is used in a trade or business. No campers, recreational vehicles, boats or boat trailers may be parked or stored on the Condominium Property. Motorcycles may be parked on the Condominium Property only with the written consent of the Board of Directors of the Condominium Association. Any such vehicle or recreational equipment parked in violation of these or other regulations contained herein or in the rules and regulations adopted by the Condominium Association and/or Deerwood Place Master Association may be towed by the Condominium Association and/or Deerwood Place Master Association at the sole expense of the owner of such vehicle or recreational equipment if it remains in violation for a period of twenty-four (24) consecutive hours or for forty-eight (48) non-consecutive hours in any seven (7) day period. The Condominium Association and/or Deerwood Place Master Association shall not be liable to the owner of such vehicle or recreational equipment for trespass, conversion, damages, or otherwise, nor guilty of any criminal act by reason of such towing, and neither its removal nor failure of the owner of such vehicle or recreational equipment to receive any notice of said violation shall be grounds for relief of any kind.

12.8. Children. Children shall be allowed to reside in the Units, provided that an adult shall supervise any children in the Common Elements, the Association Property and the Deerwood Place Master Association Common Property. No person under eighteen (18) years of age shall occupy a Unit unless his or her parent or the Unit Owner is also in residence.

12.9. Window Treatments. No reflective film or other type of window treatment shall be placed or installed on the inside or the outside of any Unit without the prior written consent of the Board of Directors of the Condominium Association and the Deerwood Place Master Association ACC. All such window treatments, if approved, shall have an exterior appearance of white or off white.

12.10. Use of Doors, Windows, or Balconies. Except as provided in paragraph 12.6 above, no articles shall be hung or shaken from the doors, windows, or balconies. No articles shall be placed upon the outside window sills or outside of balcony railings of the Units. Balconies are not to be used for storage.

12.11. Grills and Broilers, etc. No gas or charcoal grills, burners, broilers, fryers or open flamed devices are permitted (i.e. only electric grills in compliance with applicable laws).

12.12. Storage. All storage must be kept inside the Unit or the storage area assigned to such Unit. Fire regulations prohibit the storage of gasoline, paint, or any combustible items presenting a fire hazard. Common Elements cannot be used for storage purposes.

12.13. Pets. Unit Owners are granted a license to maintain not more than a total of two (2) pets, which must be either dogs or cats. This license may be revoked by the Board of Directors of the Condominium Association or the Deerwood Place Master Association and no pet will be permitted on the Condominium Property or Deerwood Place Master Association Common Property which creates a nuisance. All animal waste must be properly disposed of by the Unit Owner. Further, pets such as birds or fish which are kept wholly within the Unit may be maintained, provided that if any such pets become a nuisance, the Board of Directors of the Condominium Association or the Deerwood Place Master Association shall have the right, but not the obligation, to require their removal. The Board of Directors is authorized from time to time to make additional rules regarding pets. Neither the Board, Developer, the Condominium Association nor the Deerwood Place Master Association shall be liable for any personal injury, death or property damage resulting from a violation of the

foregoing in rules and regulations governing pets and any Unit Owner maintaining a pet on the Condominium Property shall indemnify and hold the Condominium Association, Deerwood Place Master Association, Developer, each Unit Owner and the Boards harmless from any loss, claim or damage arising from or in connection with the maintenance of a pet on the Condominium Property or Deerwood Place Master Association Common Property.

12.14. Refuse. All refuse shall be disposed of with care and in containers intended for such purpose. All trash must be contained in plastic trash bags and secured and placed in trash containers in the Condominium.

12.15. Satellite Dishes. Subject to federal guidelines, all antennae, satellite dishes and other receptor devices to be installed on a balcony that is a Limited Common Element of a Unit shall be no larger than thirty inches (30") in diameter and twelve (12') feet in height and must be approved in advance by the Condominium Association and the Deerwood Place Master Association ACC, in accordance with federal law. Such devices shall not be placed on the roof, Common Elements or Association Property of the Condominium. In addition, Owners shall endeavor to assure that the location of such devices is screened to the extent possible from the view of others. The foregoing limitation shall not apply to the Condominium Association or to a telecommunication service provider.

12.16. Private Garages. Garages within the parking garage level must be used for vehicular parking only (no refrigerators, freezers or other major appliances may be used within the garages). Garage doors provide secured access to the building and must be kept closed.

12.17. Rules and Regulations. Reasonable regulations and rules concerning the use of the Condominium Property may be promulgated, modified or amended from time to time by the Board of Directors of the Condominium Association. Copies of such rules and regulations and amendments thereto shall be furnished by the Condominium Association to all Unit Owners and residents of the Condominium upon request. The Condominium Association shall have the right to enforce all restrictions set forth in this Article and in the Declaration in any manner it deems necessary, including without limitation injunctions, suits for damages, or fines. In the event the Condominium Association fails to properly enforce any provisions of this Declaration, the Deerwood Place Master Association shall have the right to enforce this Declaration pursuant to any rights granted herein or in the Deerwood Place Master Covenants.

12.18. Proviso. Until the Developer has completed all of the contemplated improvements and closed the sale of all of the Units of the Condominium and Deerwood Place Community, neither the Unit Owners nor the Condominium Association, nor the use of the Condominium Property shall interfere with the completion of the contemplated improvements and the sale of the Units or other units in the Deerwood Place Community. Developer may make such use of the unsold Units and Common Elements and Association Property, as may facilitate such completion and sale, including, but not limited to, maintenance of a sales office, showing of the property within the Deerwood Place Community, and the display of signs. In addition to these specific rules and regulations, the Board of Directors may establish reasonable rules and regulations on its own motion and vote which will govern the use, maintenance, and operation of the Common Elements and Association Property. Such rules and regulations shall be reasonable and shall be consistent with the maintenance of a high standard and quality use and maintenance of the Common Elements and Association Property. Such rules and regulations made by the Board of Directors may, in addition to new rules and regulations, clarify these existing rules and regulations.

13. STORMWATER MANAGEMENT SYSTEM.

13.1. **Blanket Easement.** The plan for the development of the Deerwood Place Community includes the construction of a Stormwater Management System, in accordance with all applicable permits issued by the St. Johns River Water Management District, which may include, without limitation, retention lakes, swales, conduits, weirs, pipes, pumps, and berms across the Condominium Property. Developer hereby reserves for itself, its successors and assigns, and grants to the Condominium Association, the Deerwood Place Master Association and their designees, a perpetual, nonexclusive easement over and across all areas of the Stormwater Management System for the drainage of stormwater from the Condominium and any adjacent land and for access to operate, maintain and repair the Stormwater Management System.

13.2. **Maintenance.** The Deerwood Place Master Association shall operate, maintain, and repair the Stormwater Management System as set forth in the Deerwood Place Master Covenants.

14. COMPLIANCE AND DEFAULT.

Each Unit Owner shall be governed by and shall comply with the terms of the Declaration of Condominium, Articles of Incorporation and Bylaws and the Rules and Regulations adopted pursuant to those documents, as they may be amended from time to time. Failure of a Unit Owner to comply with such documents and regulations shall entitle the Condominium Association or Deerwood Place Master Association, or other Unit Owners to the following relief in addition to the remedies provided by the Condominium Act:

14.1. **Negligence.** A Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or by that of any member of his family or his or their guests, employees, agents, or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Condominium Association. There shall be no absolute liability imposed on such Owner.

14.2. **Costs and Attorneys' Fees.** In any proceeding arising because of an alleged failure of a Unit Owner or the Condominium Association to comply with the terms of the Declaration, Articles of Incorporation of the Condominium Association, the Bylaws, or the Rules and Regulations adopted pursuant to them, and the documents and regulations as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding, and recover such reasonable attorneys' fees as may be awarded by any Court, before, at trial or appellate levels and administrative hearings, in bankruptcy or in post-judgment collection.

14.3. **No Waiver of Rights.** The failure of the Condominium Association or any Unit Owner to enforce any covenant, restriction or other provision of the Condominium Act, this Declaration, the Articles of Incorporation of the Condominium Association, the Bylaws or the Rules and Regulations shall not constitute a waiver of the right to do so thereafter.

15. AMENDMENTS.

Except as provided herein, this Declaration of Condominium and the Articles and Bylaws of the Condominium Association, may be amended in the following manner:

15.1. **Notice.** Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.

15.2. Resolution – Notice. A resolution made by the Board for the adoption of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.

15.3. Resolution – Voting. A resolution for the adoption of a proposed amendment may be proposed by the Board of Directors of the Condominium Association or by the Unit Owners of the Condominium Association. Unit Owners may propose such an amendment by instrument in writing directed to the President or Secretary of the Board signed by not less than twenty percent (20%) of the Unit Owners. Amendments may be proposed by the Board of Directors by action of a majority of the Board at any regularly constituted meeting thereof. Upon an amendment being proposed as herein provided, the President, or, in the event of his refusal or failure to act, the Board of Directors, shall call a meeting of the Unit Owners to be held not sooner than fifteen (15) days nor later than sixty (60) days thereafter for the purpose of considering said amendment. Directors and Unit Owners not present in person or by proxy at the meeting considering the amendment may express their approval or disapproval in writing, provided such approval or disapproval is delivered to the Secretary at or prior to the meeting. Except as provided herein, such approvals must be by not less than sixty-seven percent (67%) of the votes of the entire Unit Owners of the Condominium Association.

15.4. Proviso. Provided, however, that no amendment shall discriminate against any Unit Owner nor against any Unit or class or group of Units, unless the Unit Owners so affected shall consent; and no amendment shall change any Unit nor the share in the Common Elements appurtenant to it nor increase the Owner's share of the Common Expenses, unless the record Owner of the Unit concerned and all Institutional Mortgagees on such Unit shall join in the execution of the amendment. Any vote to amend the Declaration of Condominium relating to a change in the fractional share of ownership in the Common Elements or sharing of the Common Expense shall be conducted by secret ballot. Neither shall an amendment make any change in the paragraph entitled "Insurance" nor in the paragraph entitled "Reconstruction or Repair After Casualty" unless fifty one percent (51%) of the Eligible Institutional Mortgagees (as hereinafter defined) of any Condominium Property shall join in the execution of such amendment. Nor shall any amendment make any change which would in any way affect any of the rights, privileges, powers and/or options herein provided in favor of or reserved to the Developer, or any person who is an officer, stockholder or director of the Developer, or any corporation having some or all of its directors, officers or stockholders in common with the Developer, unless the Developer or any limited partner or general partner shall join in the execution of such amendment. No amendment shall be passed which shall in any way affect any of the rights, privileges, powers or options of the Deerwood Place Master Association without the written consent of the Deerwood Place Master Association.

15.5. Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted, and the certificate shall be executed by the President of the Condominium Association and attested by the Secretary with the formalities of a deed, and shall be effective upon recordation thereof in Duval County, Florida.

15.6. Stormwater Management System. Any amendment of this Declaration which alters or affects the Stormwater Management System, including the water management portions of the Condominium Association Property, beyond maintenance in its original condition, must have the prior written approval of the District.

15.7. Scrivener's Errors. Prior to the transfer of control of the Condominium Association, Developer may amend this Declaration and any exhibits thereto in order to correct a scrivener's error or other defect or omission without the consent of the Owners or the Board of Directors, provided that such amendment does not materially and adversely affect the right of Unit Owners,

lienors or mortgagees. This amendment shall be signed by Developer only and need not be approved by the Condominium Association, Deerwood Place Master Association, Deerwood Lake Property Owners' Association, Unit Owners, lienors or mortgagees, whether or not elsewhere required for amendment, and a copy of the amendment shall be furnished to each Unit Owner, the Condominium Association and all listed Institutional Mortgagees as soon after recordation thereof among the Public Records of the County and State in which the land is situate as is practicable. After the transfer of control of the Condominium Association, amendments for the correction of scrivener's errors or other nonmaterial changes may be made by the affirmative vote of two-thirds (2/3) of the Board of Directors and without the consent of the Unit Owners or the Institutional Mortgagees.

16. TERMINATION.

The Condominium may be terminated in the following manners, in addition to the manner provided by the Condominium Act:

16.1. Destruction. If it is determined as provided herein that the Building shall not be reconstructed because of major damage or taking by condemnation or deed in lieu thereof, the Condominium plan of ownership shall be terminated by the agreement of Owners who represent at least sixty-seven percent (67%) of the total allocated votes in the Condominium Association and by Eligible Institutional Mortgagees who represent at least fifty-one percent (51%) of the votes of Units subject to mortgages held by Eligible Institutional Mortgagees. "Eligible Institutional Mortgagee" shall mean those who hold a first mortgage on a Unit and who have requested notice, in writing, stating their name, address and the unit number of the mortgaged Unit.

16.2. Agreement. The Condominium may be terminated at any time by the approval in writing of seventy-five percent (75%) of record Owners of Units and Eligible Institutional Mortgagees. The Board shall notify the Division of Florida Land Sales, Condominiums and Mobile Homes (the "Division") before taking any action to terminate the Condominium. Notice of a meeting at which the proposed termination is to be considered shall be given not less than thirty (30) days prior to the date of such meeting. Provided that the approval of Owners of not less than seventy-five percent (75%) of the Common Elements, and the approval of seventy-five percent (75%) of Eligible Institutional Mortgagees, are obtained at the meeting or within thirty (30) days thereafter, then the approving Owners shall have an option to buy all of the Units of the Owners not approving of termination, said option to continue for a period of sixty (60) days from the date of such meeting. Approval by a Unit Owner of a Unit, or of a lien encumbering a Unit, shall be irrevocable until expiration of the above recited option to purchase the Unit of Owners not so approving, and if the option to purchase such Unit is exercised, then such approval shall be irrevocable. The option to purchase the Units not approving of termination shall be exercised upon the following terms:

(a) Exercise of option. The option shall be exercised by delivering or mailing by registered mail to each of the record Owners of the Units to be purchased an agreement to purchase signed by the record Owners of Units who will participate in the purchase. Such agreement shall indicate which Units will be purchased by each participating Owner and shall require the purchase of all Units owned by Owners not approving the termination, but the agreement shall effect a separate contract between each seller and his purchaser.

(b) Price. The sale price for each Unit shall be the fair market value determined by agreement between the seller and the purchaser within thirty (30) days from the delivery or mailing of such agreement, and in the absence of agreement as to price, it shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association by appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the Unit; and a

judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any Court of competent jurisdiction. The expense of the arbitration shall be paid by the purchaser. In any such action for specific performance the prevailing party shall also be entitled to his reasonable attorneys' fees and costs incurred in connection therewith.

(c) Payment. The purchase price shall be paid in cash, provided, in the event there shall be a pre-existing first mortgage on the Unit, then the purchaser shall have the option of assuming the remaining principal obligation thereof, and that portion of the purchase price which is in excess of such mortgage shall be payable in cash at closing.

(d) Closing. The sale shall be closed within thirty (30) days following determination of the sale price.

16.3. Certificate. Termination of the Condominium in either of the foregoing manners shall be evidenced by a certificate of the Condominium Association executed by its President and Secretary certifying to the facts effecting the termination, said certificate to become effective upon being recorded in Duval County, Florida. Upon recordation of the instrument evidencing consent of all of the Unit Owners to terminate the Condominium, the Condominium Association within thirty (30) business days shall notify the Division of the termination and the date the document was recorded, the county where the document was recorded, and the book and page number of the public records where the document was recorded, and shall provide the Division a copy of the recorded termination notice certified by the clerk.

16.4. Shares of Owners after Termination. After termination of the Condominium, the Unit Owners shall own the Condominium Property and all assets of the Condominium Association as tenants in common in undivided shares that shall be the same as the undivided shares in the Common Elements appurtenant to the Owners' Units prior to the termination.

17. SEVERABILITY.

The invalidity in whole or in part of any covenant or restriction, or any paragraph, sentence, clause, phrase or word, or other provision of this Declaration of Condominium and the Articles of Incorporation, Bylaws and Rules and Regulations of the Condominium Association shall not affect the validity of the remaining portions.

18. RULE AGAINST PERPETUITIES.

The rule against perpetuities shall not defeat a right given any person or entity by the Declaration of Condominium for the purpose of allowing Unit Owners to retain reasonable control over the use, occupancy and transfer of Units.

19. JOINDER AND CONSENTS.

A person who joins in or consents to the execution of this Declaration of Condominium subjects his interest in the Condominium Property to the provisions of the Declaration.

20. ENFORCEABILITY.

All provisions of this Declaration of Condominium are enforceable equitable servitudes, run with the land and are effective until the Condominium is terminated. The terms and conditions of this Declaration may be enforced by the Developer, the Condominium Association, any Owner and Deerwood Place Master Association.

21. PARTITION.

The undivided share in the Common Elements which is appurtenant to a Unit shall not be separated from it and shall pass with the title to the Unit, whether or not separately described. The share in the Common Elements appurtenant to a Unit cannot be conveyed or encumbered except together with the Units. Shares in the Common Elements appurtenant to Units are undivided, and no action for partition of the Common Elements shall lie.

22. DEERWOOD LAKE MASTER ASSOCIATION AND DEERWOOD LAKE PROPERTY OWNERS' ASSOCIATION.

22.1. Deerwood Place Master Association.

(a) Deerwood Place Master Association represents residents of Deerwood Place Community generally, including residents of the Condominium. Its members are those persons appointed or elected in accordance with the Articles of Incorporation and Bylaws of the Deerwood Place Master Association. Deerwood Place Master Association, acting through its Board of Directors, shall have the powers, rights and duties with respect to the Deerwood Place Community as set forth in this Article and as more particularly described in the Deerwood Place Master Covenants.

(b) Deerwood Place Master Association shall be entitled to charge each Unit Owner an assessment for expenses incurred or to be incurred by the Deerwood Place Master Association in fulfillment of its maintenance, operation and management responsibilities for Deerwood Place Master Association Common Property. The Deerwood Place Master Association Common Property may include common roads and roadways, swimming pool, clubhouse, lakes, sidewalks, walking paths or trails, bicycle paths and other recreational facilities throughout the Deerwood Place Community. Deerwood Place Master Association may provide certain services including vehicular access gate, water irrigation and sewage facilities, lighting of roads, garbage and trash collection and disposal, insect and pest control, legal, accounting and other administrative expenses, and such other costs and expenses and obligations as Deerwood Place Master Association may deem necessary or desirable to perform any of the functions or services to be provided for the common benefit of property owners in the Deerwood Place Community. The enforcement and collection of such assessments is more fully set forth in the Deerwood Place Master Covenants. The Deerwood Place Master Association shall be entitled to collect such assessments through the Condominium Association and shall have a lien right upon the individual Units to enforce collection of such assessments, which shall also be enforced as a personal obligation of each Unit Owner.

(c) If for any reason the Condominium Association shall refuse to perform the obligations imposed on it under this Declaration or the Deerwood Place Master Covenants, the Deerwood Place Master Association shall be authorized to act for and on behalf of the Condominium Association to the extent that the Condominium Association has refused or failed to act. Any expenses thereby incurred by Deerwood Place Master Association or shall be reimbursed by the Condominium Association.

(d) This Declaration shall not be amended in any manner so as to affect the rights of the Deerwood Place Master Association without the written approval of Deerwood Place Master Association. Any such approval shall be evidenced by a recordable instrument executed by the Deerwood Place Master Association.

(e) Without the prior written consent of Deerwood Place Master Association, no permanent improvements other than as set forth and shown in the Exhibits to this Declaration shall be constructed on the Condominium Property, and no substantial or material alterations of the exterior of any Building.

(f) The Developer and Deerwood Place Master Association and their respective agents and employees shall have the reasonable right of ingress and egress to the Condominium Property for the purpose of preserving, maintaining or improving the common roadways and providing access to public roads, lakes or other similar areas (whether within or without the Condominium Property), although nothing stated herein shall require the Developer or the Deerwood Place Master Association to maintain any such properties located within the Condominium Property.

22.2. Deerwood Lake Property Owners' Association. The Developer (as the current owner of the Deerwood Place Community land, which is designated as a "Building Site" under the Deerwood Lake Property Owners' Covenants) is a member of the Deerwood Lake Property Owners' Association, Inc. which is a master association for the Deerwood Lake community. The individual Unit Owners are obligated to pay their pro-rata share of the Deerwood Lake budget, but the individual Unit Owners are not members of the Deerwood Lake Property Owners' Association. At such time as the Developer turns over control of the Deerwood Place Master Association to the Unit Owner members of the Deerwood Place Master Association, the Deerwood Place Master Association shall automatically be a member of the Deerwood Lake Property Owners' Association. The Deerwood Lake Property Owners' Association, acting through its Board of Directors, shall have the powers, rights and duties with respect to the Deerwood Lake Community as set forth in the Deerwood Lake Property Owners' Covenants.

23. LIMITATION OF LIABILITY.

23.1. Unit Owner Liability. The liability of each Unit Owner for Common Expenses shall be limited to the amounts assessed against him from time to time in accordance with the Condominium Act, this Declaration, the Articles and the Bylaws. A Unit Owner may be personally liable for any damages caused by the Condominium Association in connection with the use of the Common Elements, but only to the extent of his or her pro rata share of that liability in the same fractional share as his interest in the Common Elements, and in no event shall said liability exceed the value of his Unit. Each Unit Owner shall be liable for injuries or damages resulting from an accident in his own Unit to the same extent and degree that the owner of a house or any other property owner would be liable for such an occurrence.

23.2. Limitation on Condominium Association and Deerwood Place Master Association Liability. Notwithstanding anything contained in this Declaration, the Articles, Bylaws or rules and regulations of the Condominium Association or any other document governing or binding the Condominium Association ("Property Documents"), neither the Developer nor the Condominium Association will be liable or responsible for, or in any manner a guarantor or insurer of, the health, safety or welfare of any Owner, occupant or user of any portion of the Property, including without limitation, residents, their families, guests, invitees, licensees, agents, servants, contractors or subcontractors, nor for any property of such persons. There is a vehicular access gate at the entrance to the Deerwood Place Community, which is intended to limit vehicular access to the Deerwood Place Community, subject to the Developer's rights to access the Condominium Property as set forth in Sections 4.4 and 4.9. The gate is not intended to be a security gate or to protect an Owner's person or property from the acts of third parties and neither the Developer nor the Condominium Association nor Deerwood Place Master Association shall be liable for any breaches of the gate, or whether or not the gate properly operates.

(a) It is the express intent of the Property Documents that the various provisions of the Property Documents which are enforceable by the Condominium Association and which govern or regulate the use of Property have been written and are to be interpreted and enforced for the sole purpose of enhancing and maintaining the enjoyment of the Condominium Property and the value thereof.

(b) Neither the Developer nor the Condominium Association is empowered to enforce or ensure compliance with the laws of the United States, the State of Florida or the County or any other jurisdiction or to prevent tortious activities by Owners or third parties.

(c) The provisions of the Property Documents setting forth the uses of the Condominium Property which relate to health, safety or welfare will be interpreted as limitations on the uses of such funds and not as creating a duty of the Condominium Association or the Developer to protect or further the safety or welfare of the persons even if such funds are used for such purposes.

(d) Notwithstanding the duty of the Condominium Association to maintain and repair parts of the Condominium Property, the Condominium Association shall not be liable to Unit Owners for entry or damage, other than the cost of maintenance and repair, caused by any latent condition of the Condominium Property. Further, the Condominium Association shall not be liable for any such injury or damage caused by defects in the design or workmanship or other reason connected with any additions, alterations or improvements or other activities done by or on behalf of any Unit Owners regardless of whether or not the same shall have been approved by the Condominium Association as provided hereunder. The Condominium Association shall not be liable to any Unit Owner or lessee or to any other person or entity for any property damage, personal injury, death or other liability on the grounds that the Condominium Association did not obtain or maintain insurance (or carried insurance with any particular deductible amount) for any particular matter where: (i) such insurance is not required hereby or (ii) the Condominium Association could not obtain such insurance at reasonable cost or upon reasonable terms.

23.3. Legal Action Against the Condominium Association. In any legal action in which the Condominium Association may be exposed to liability in excess of insurance coverage protecting it and the Unit Owners, the Condominium Association shall give notice of the exposure within a reasonable time to all Unit Owners, and they shall have a right to intervene in and defend any action arising therefrom.

23.4. Owner Covenant. Each Unit Owner, his heirs, successors and assigns, by virtue of his or her acceptance of title, and each other person or entity having an interest or lien upon, or making the use of, any portion of the Condominium Property, by virtue of accepting such interest or lien or by making use thereof, will be bound by this paragraph and will be deemed to have automatically waived any and all rights, claims, demands or causes of action against the Condominium Association or the Developer arising from or connected with any matter for which the liability of the Condominium Association or the Developer has been disclaimed in this Article 23.

23.5. Noise Disclaimer. Each Unit Owner, by acceptance of a deed to his or her Unit, acknowledges and agrees that sound transmission in a multi-story building, such as a condominium, is very difficult to control, and that noises from adjoining or nearby Units or mechanical equipment, can often be heard in another unit. The Developer does not make, and specifically disclaims, any representation or warranty as to the level of sound transmission between and among the Units and other portions of the Condominium Property or Deerwood Place Community. By acceptance of a

deed, each Unit Owner will be deemed to have expressly released Developer from any loss, claim, liability or damage now or hereafter arising from or related to noise in the building.

23.6. Construction Inconveniences. Each Unit Owner, by acceptance of a deed to his or her Unit, acknowledges and agrees that during a period of construction within the Condominium and the Deerwood Place Community, if the construction of the Unit is completed prior to the completion of the construction of other units in the Condominium or other improvements within the Deerwood Place Community, there may be certain inconveniences to the Unit Owner until all construction within the Condominium and the Deerwood Place community is complete. Inconveniences may include noise, dust, odors and debris associated with construction, interference with access and temporary interruptions of utility services. In acceptance of a deed to his or her Unit, each Unit Owner acknowledges and agrees that the Developer shall have no liability or responsibility for any such inconvenience

23.7. View Disclaimer. Each Unit Owner, by acceptance of a deed to his or her Unit, acknowledges that the Unit is being sold to the Owner without any guarantee of the view from the Unit and any view that the Unit currently enjoys may be impaired or obstructed by the construction of houses, fences, walls, landscaping, and other improvements in the Condominium and/or Deerwood Place Community. Developer does not make, and specifically disclaims, any representation or warranty with respect to the view from the Unit, and Developer shall have no liability or responsibility for any loss, damage, or expenses incurred by an Owner that are occasioned by the view from a Unit or loss thereof.

24. REQUIREMENT OF FNMA, FHLMC, VA AND HUD.

Notwithstanding anything herein to the contrary set forth in this Declaration of Condominium and its attached exhibits, the following shall prevail and be binding on all Unit Owners, the Developer, and anyone having an interest in the Condominium Property where a lender holds a mortgage upon a Unit in this Condominium and is subject to the Federal Home Loan Mortgage Corp. ("FHLMC"), Federal National Mortgage Association ("FNMA"), U. S. Department of Housing and Urban Development ("HUD"), and/or Veterans Administration ("VA") regulations:

24.1. Any first Institutional Mortgagee who obtains title to a Condominium Unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage will not be liable for such Unit's unpaid dues or charges which accrue prior to the acquisition of title to such Unit by the Institutional Mortgagee, except as required by Florida Statute.

24.2. Except as provided by statute in case of condemnation or substantial loss to the Units and/or Common Element of the Condominium Project, unless at least fifty-one percent (51%) of the Eligible Institutional Mortgages (based on one vote for each first mortgage owned), and by Owners who represent at least sixty-seven percent (67%) of the total allocated votes in the Condominium Association (other than the sponsor, Developer, or builder) of the individual Condominium Units have given their prior written approval, Condominium Association shall not be entitled to:

- (a) By act or omission, seek to abandon or terminate the Condominium Project;
- (b) Change the pro-rata interest or obligations of any individual Condominium Unit for the purpose of: (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro-rata share of ownership of each Condominium Unit and the Common Elements;

- (c) Partition or subdivide any Condominium Unit, or the exclusive easement rights appertaining thereto;
- (d) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements or Limited Common Elements. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements for the Condominium Project shall not be deemed a transfer within the meaning of this clause);
- (e) Use hazard insurance proceeds for losses to any Condominium Property (whether to Units or to Common Elements) for more than the repair, replacement or construction of such Condominium Property substantially in accordance with the original plans and specifications and this Declaration;
- (f) Change the voting rights appertaining to any Unit; and
- (g) Amend any provisions of the Declaration, Articles or Bylaws which are for the express benefit of Institutional Mortgagees.

Notwithstanding the foregoing, if an Institutional Mortgagee fails to respond to any written proposal within thirty (30) days after it receives proper notice of the proposal, provided that notice was delivered by registered or certified mail with a return receipt requested, implied approval may be assumed.

24.3. All taxes, assessments and charges which may become liens prior to the first mortgage under local law shall relate only to the individual Condominium Units and not to the Condominium Parcel as a whole.

24.4. For so long as the Developer controls the Condominium Association, and provided that the Federal Housing Administration or Veteran's Administration has guaranteed a mortgage on a Unit, annexation of additional properties (other than Subsequent Phase amendment of this Declaration), amendment of Declaration, or dedication of the Common Elements or Association Property shall require the approval of HUD or VA, which approval shall not be unreasonably withheld.

24.5. Upon written request, the Condominium Association shall furnish the following notices to the Institutional Mortgagee of any Unit in the Condominium:

- (a) Notice of any condemnation or casualty loss that affects a material portion of the Condominium Property or the applicable Unit.
- (b) Notice of any delinquency and the payment of the Assessments or charges more than sixty (60) days past due as to the applicable Unit.
- (c) Notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Condominium Association.
- (d) Notice of any proposed action which would require the consent of a percentage of mortgage holders.

25. MERGER AND CONSOLIDATION.

As provided by Section 718.110(7), Florida Statutes this Condominium shall be entitled to merge or consolidate with any other condominium. The Board of Directors of the Condominium Association shall notify the Division before taking any action to merge or consolidate the Condominium. Said merger or consolidation shall allow the operation of the period though it was a single condominium for all matters, including budgets, assessments, accounting, record-keeping and similar matters. In the event of such merger or consolidation, Common Expenses for residential condominiums in such a project being operated by a single association may be assessed against all Unit Owners in such project pursuant to the proportions or percentages established therefor in the declarations as initially recorded or in the Bylaws as initially adopted, subject, however, to the limitations of Sections 718.116 and 718.302, Florida Statutes. Such merger or consolidation shall be complete upon compliance with Section 718.110(7), Florida Statutes and may be subject to the approval of the VA/FHA.

THE REMAINDER OF THIS PAGE IS BLANK

IN WITNESS WHEREOF, the Developer has executed this Declaration this 26th day of January, 2005.

Signed, sealed and delivered in the presence of:

[Signature]
Print Name: DEBRA MCGREGOR

BEAZER HOMES CORP.,
a Tennessee corporation

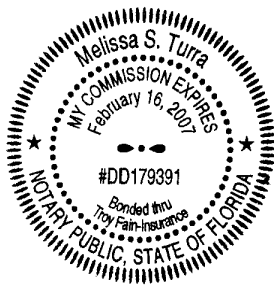
By: [Signature]
Name: BARBARA MOORE
Title: President Jacksonville Duval

[Signature]
Print Name: Melissa S. Turra

(Corporate Seal)

STATE OF Florida
COUNTY OF Duval

The foregoing instrument was acknowledged before me this 26th day of January, 2005, by Barbara Moore, as President, Jacksonville President of Beazer Homes Corp., a Tennessee corporation authorized to do business in Florida, on behalf of the corporation, who is known to me and who did not take an oath.



[Signature]
Notary Public, State of Florida
Print Name: Melissa S. Turra
My Commission Expires: 2-16-07
Commission No. DD179391

(Corporate Seal)

EXHIBIT "A"

**TO
DECLARATION OF CONDOMINIUM OF
DEERWOOD PLACE I CONDOMINIUMS
LEGAL DESCRIPTION OF CONDOMINIUM PROPERTY
(SURVEY OF LAND, PLOT PLAN, FLOOR PLAN, UNIT PLANS)**

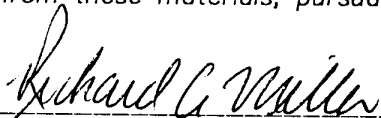
DEERWOOD PLACE I CONDOMINIUMS

A portion of Tract "I", as shown on the plat of Deerwood Lake, as recorded in Plat Book 56, Pages 20 through 20V (inclusive) of the Current Public Records of Duval County, Florida, being more particularly described as follows: COMMENCE at the corner common to Francis Richard Grant, Section 56 and Sections 1 and 12, Township 3 South, Range 27 East of said County; thence South 04°25'22" West, 667.89 feet; thence North 85°34'38" West, 292.99 feet; thence North 32°46'44" West, 842.05 feet; thence North 57°13'16" East, 262.89 feet; thence South 06°28'29" East, 78.72 feet to the POINT OF BEGINNING; thence North 48°28'30" East, 162.75 feet; thence South 41°31'30" East, 62.47 feet; thence South 48°28'30" West, 2.00 feet; thence South 41°31'30" East, 46.28 feet; thence South 48°28'30" West, 4.00 feet; thence South 41°31'30" East, 13.00 feet; thence South 48°28'30" West, 36.75 feet; thence North 41°31'30" West, 25.00 feet; thence South 48°28'30" West, 77.25 feet; thence South 41°31'30" East, 25.00 feet; thence South 48°28'30" West, 42.75 feet; thence North 41°31'30" West, 121.75 feet to the POINT OF BEGINNING.

Containing 0.4066 acres, more or less.

CERTIFICATION:

This is to certify that the construction of Building 4, within Deerwood Place I Condominiums, the building, together with the common elements and common areas appurtenant to said buildings are constructed so that this material, together with the provisions of the Declaration describing the condominium property, is an accurate representation of the location and dimensions of the improvements, and that the identification, location and dimensions of the common elements and of each unit referenced above can be determined from these materials, pursuant to Chapter 716.104(4)(e), Florida Statutes.



Richard A. Miller
 Registered Land Surveyor No.3848
 State of Florida
 Dated: February 24, 2005

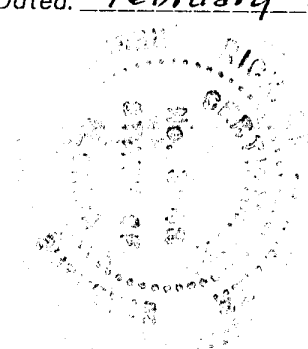


EXHIBIT A
 SHEET 1 OF 3

RICHARD A. MILLER & ASSOCIATES, INC.
 PROFESSIONAL LAND SURVEYORS
 6701 BEACH BLVD., SUITE #200
 JACKSONVILLE, FLORIDA 32216
 Fax (904) 721-5758
 Tele. (904) 721-1226
 JOB NO. 2003-1414
 DATE: SEPT. 2, 2003

The foregoing described property is presently subject to the following:

1. General or special taxes and assessments required to be paid in the year of recording and subsequent years.
2. Notice of Fair Share Assessment Contract as set out in instrument recorded in Official Records Book 10248, page 184, in the current public records of Duval County, Florida.
3. Declaration of Easements, Covenants and Restrictions for Deerwood Lake, which include provision for a private charge or assessment, as recorded in Official Records Book 10542, page 1757; Release of Easement recorded in Official Records Book 10542, page 1759, both in the current public records of Duval County, Florida.
4. Conservation Easement as set out in instrument recorded in official Records Book 10520, page 467, in the current public records of Duval County, Florida.
5. Restrictions, Covenants and Reservations as set out in Special Warranty Deed recorded in Official Records Book 11031, page 292, of the current public records of Duval County, Florida.
6. Declaration of Covenants, Conditions, Restrictions and Easements for Deerwood Place recorded simultaneously herewith in the current public records of Duval County, Florida.
7. Landscaping, Hardscaping, Use and Maintenance Agreement recorded simultaneously herewith in the current public records of Duval County, Florida.

DEERWOOD PLACE I CONDOMINIUMS

PLOT PLAN



TABULATED CURVE DATA

CURVE	RADIUS	LENGTH	TANGENT	CHORD DISTANCE	CHORD BEARING	DELTA
C1	162.00'	62.61'	31.70'	62.22'	N73°16'15"E	22°08'33"
C2	162.00'	103.21'	53.43'	101.47'	N66°05'25"E	36°30'13"
C3	150.00'	81.38'	41.72'	80.38'	N63°22'49"E	31°05'02"
C4	1000.00'	22.46'	11.23'	22.46'	S12°01'04"E	01°17'12"
C5	100.00'	69.66'	36.31'	68.26'	S32°37'00"E	39°54'41"
C6	100.00'	54.57'	27.98'	53.90'	S36°56'19"E	31°16'04"

LINE TABLE

LINE	BEARING	LENGTH
L1	N12°51'05"W	22.37'
L2	N77°08'55"E	138.68'
L3	N04°17'55"W	208.07'
L4	N78°55'19"E	31.13'
L5	S06°28'29"E	78.72'
L6	N48°28'30"E	162.75'
L7	S41°31'30"E	62.47'
L8	S48°28'30"W	2.00'
L9	S41°31'30"E	46.28'
L10	S48°28'30"W	4.00'
L11	S41°31'30"E	13.00'
L12	S48°28'30"W	36.75'
L13	N41°31'30"W	25.00'
L14	S48°28'30"W	77.25'
L15	S41°31'30"E	25.00'
L16	S48°28'30"W	42.75'
L17	N41°31'30"W	121.75'

LEGEND

 DENOTES COMMON PROPERTY OF DEERWOOD PLACE MASTER ASSOCIATION
 NOT A PART OF THIS CONDOMINIUM

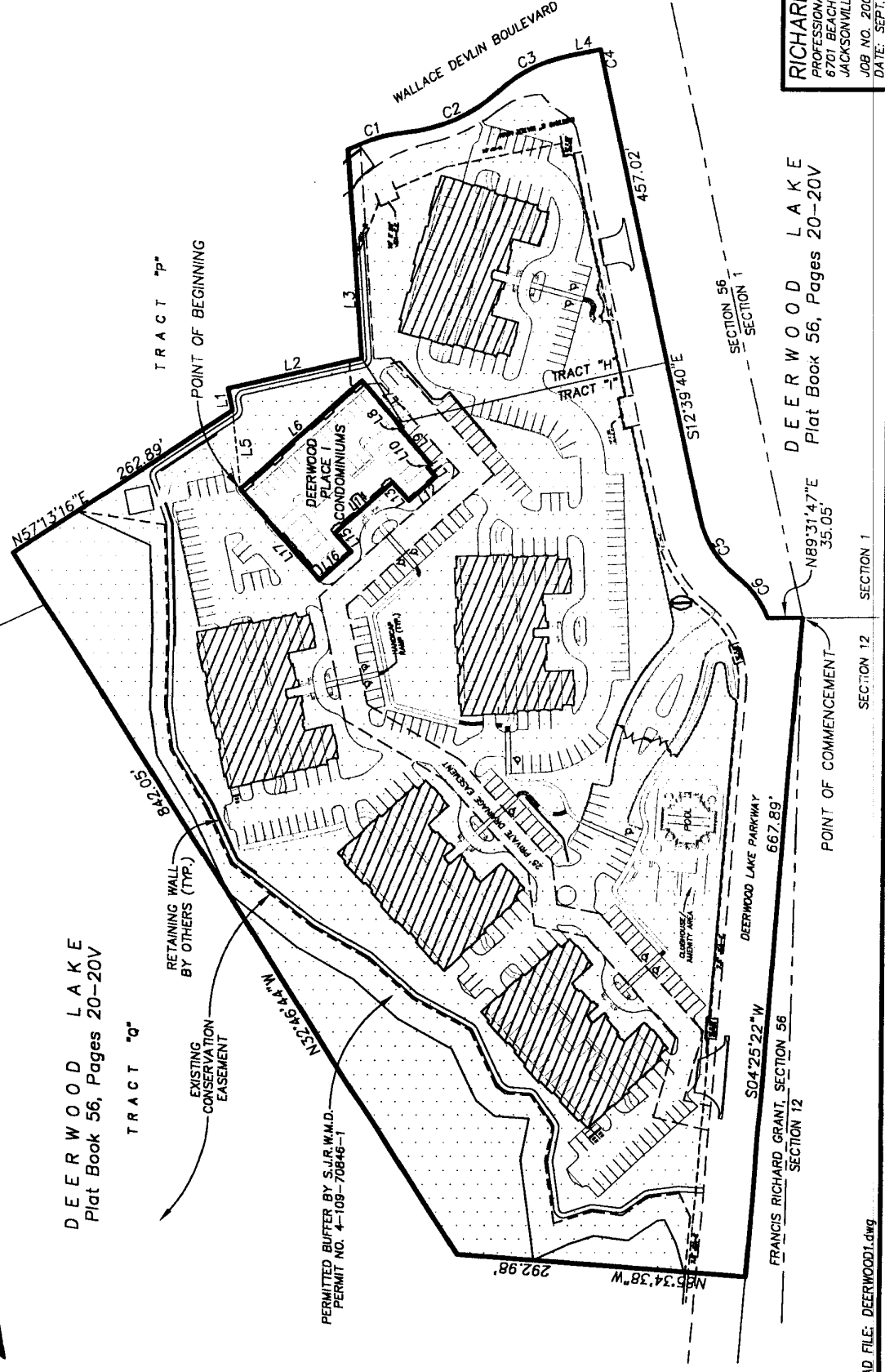
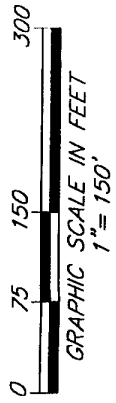
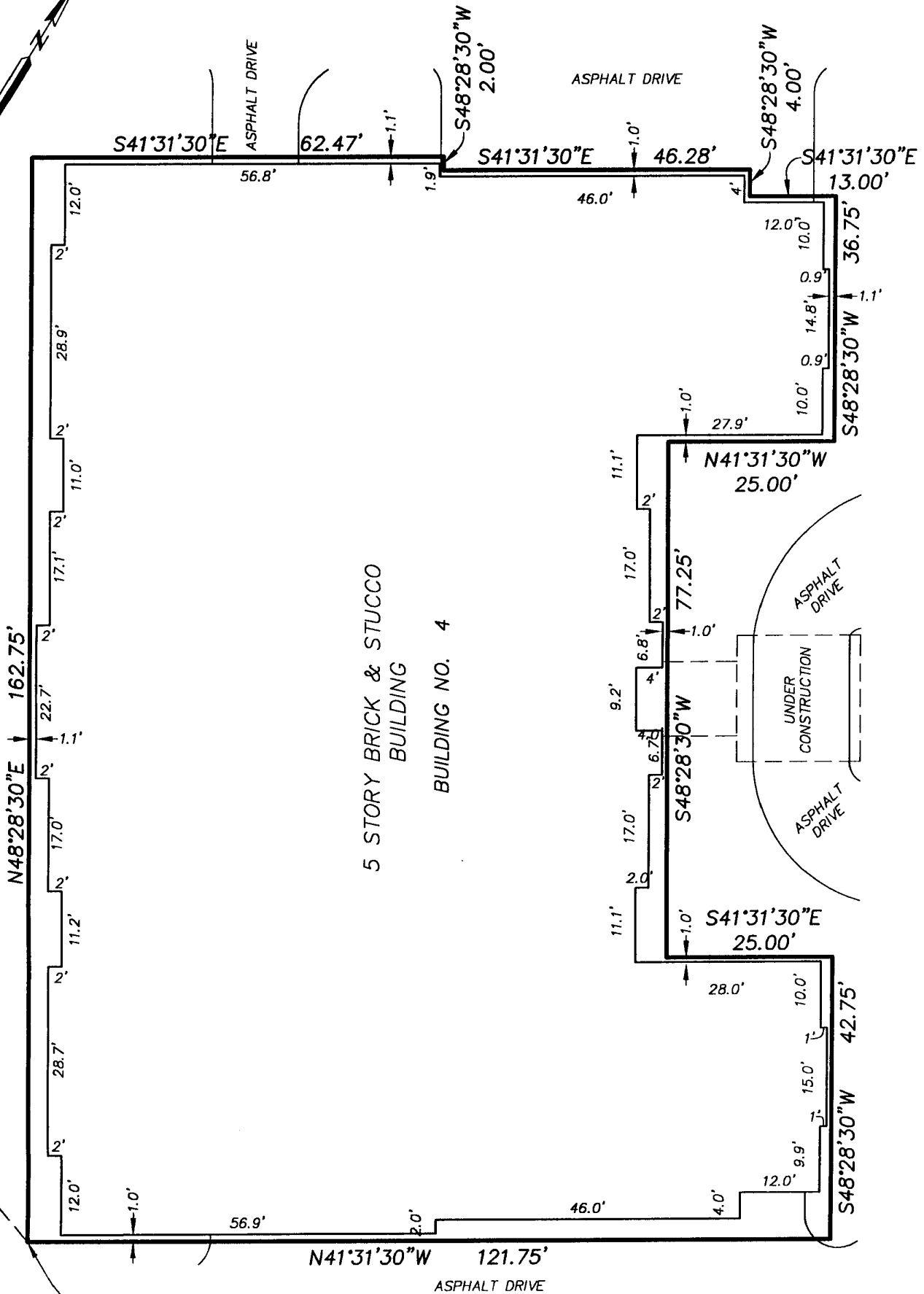
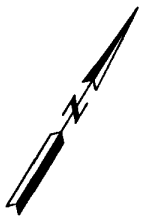


EXHIBIT A
SHEET 2 OF 3

DEERWOOD LAKE
Plat Book 56, Pages 20-20V

RICHARD A. MILLER & ASSOCIATES, INC.
PROFESSIONAL LAND SURVEYORS
6701 BEACH BLVD., SUITE #200
JACKSONVILLE, FLORIDA 32216
JOB NO. 2003-1414
DATE: SEPT. 2, 2003
Fax (904) 721-5758
Tele. (904) 721-1226

DEERWOOD PLACE I CONDOMINIUMS



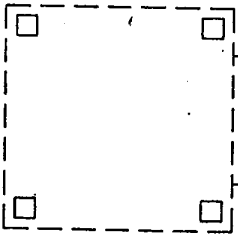
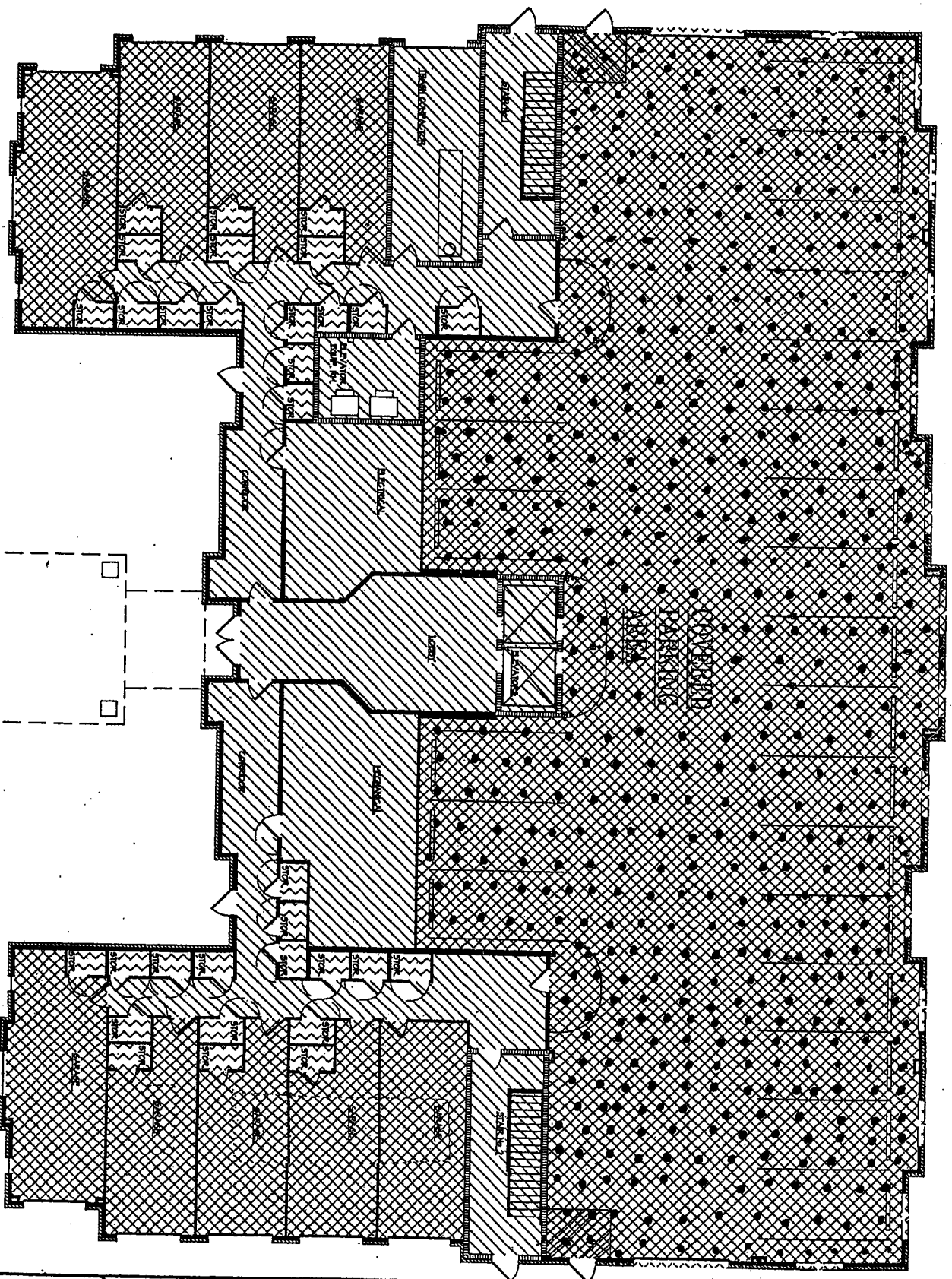
POINT OF BEGINNING

EXHIBIT A
SHEET 3 OF 3

RICHARD A. MILLER & ASSOCIATES, INC.
 PROFESSIONAL LAND SURVEYORS
 6701 BEACH BLVD., SUITE #200
 JACKSONVILLE, FLORIDA 32216
 JOB NO. 2003-1414-66
 DATE: FEB. 3, 2005

Fax (904) 721 5758
 Tele. (904) 721-1226
 Scale: 1" = 20'

GROUND FLOOR BUILDING PLAN



ASSOCIATED PARKING (covered parking)

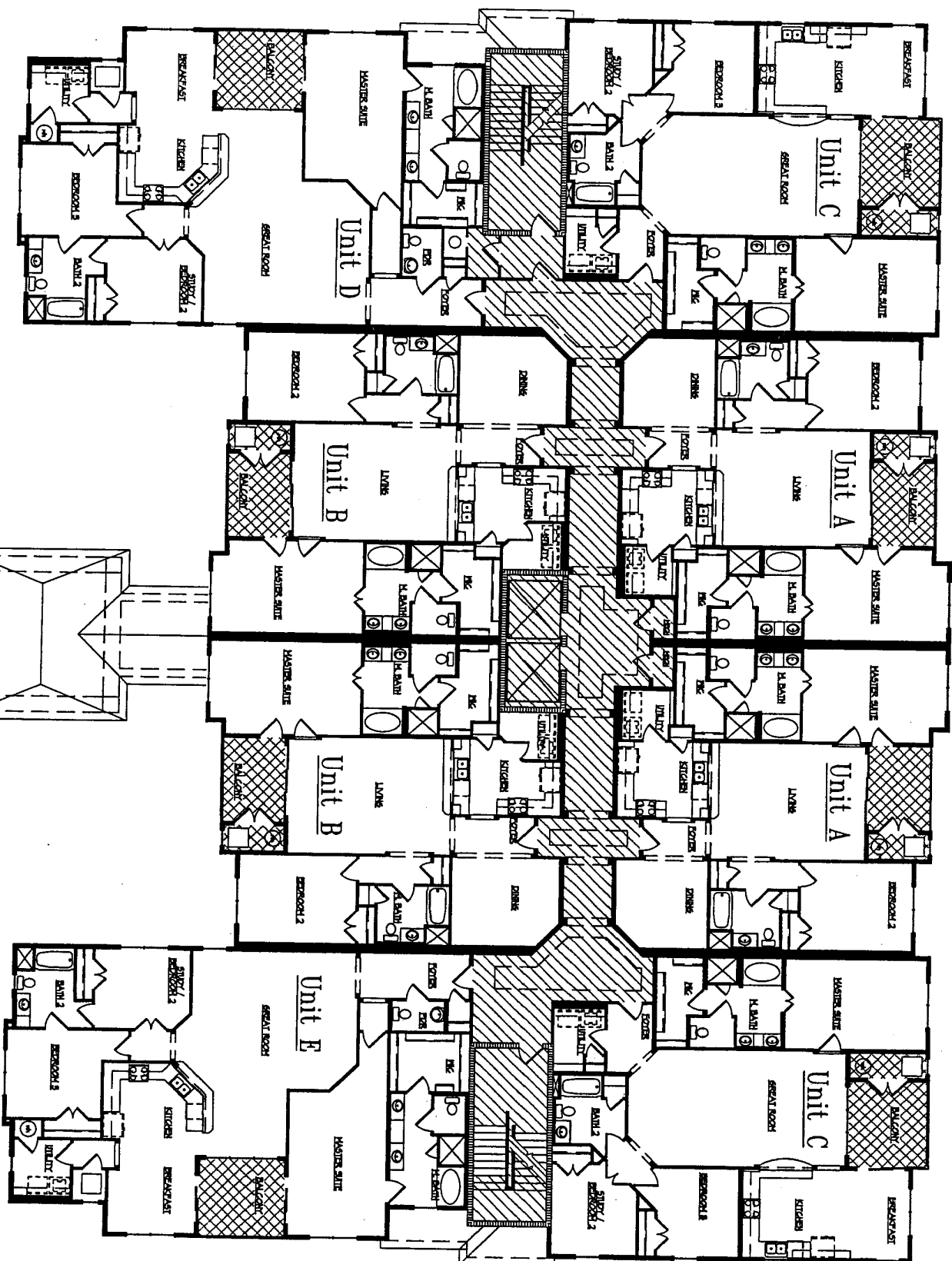
LEGEND

	CENTRAL LOBBY
	UNIT COMMON AREAS
	ASSOCIATED PARKING

• HOMES •
BEAZER
 1300 SOUTH BOULEVARD, SUITE X CHARLOTTE, NC 28203-4285
 PH. 704.370.7200 FAX 704.370.7260

DEERWOOD PLACE I CONDOMINIUMS
 GROUND FLOOR PLAN

2nd - 5th. FLOOR BUILDING PLAN
N.T.S.



LEGEND

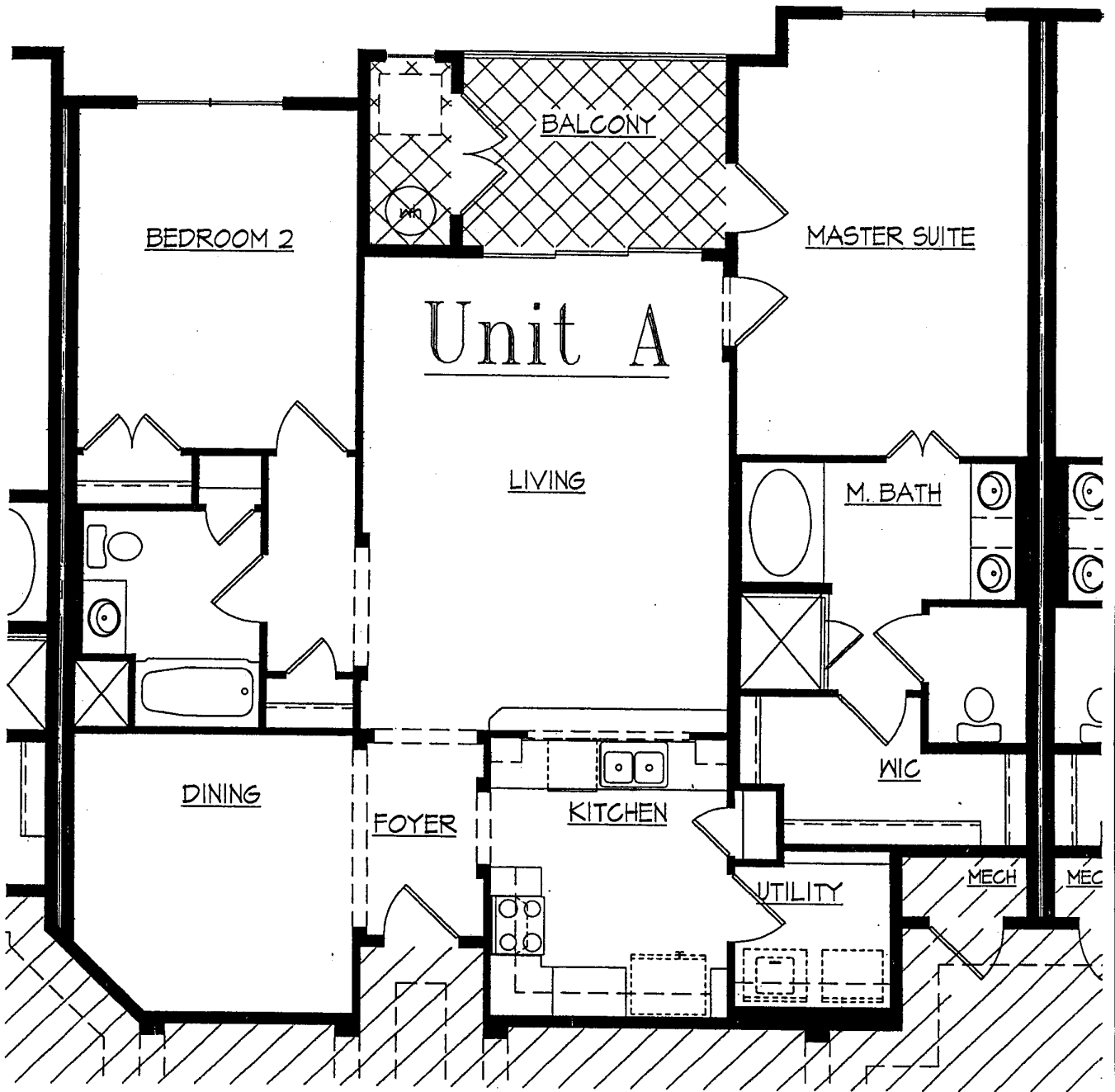
- COTTON BLINDS
- LIMITED COTTON BLINDS
- ASSOCIATION PROPERTY

• HOMES •

BEAZER

1300 SOUTH BOULEVARD, SUITE K CHARLOTTE,
NC 28203-4265
PH. 704.370.7200 FAX 704.370.7260

DEERWOOD PLACE I CONDOMINIUMS
2nd.- 5th. FLOOR BUILDING PLANS



UNIT-A FLOOR PLAN
N.T.S.

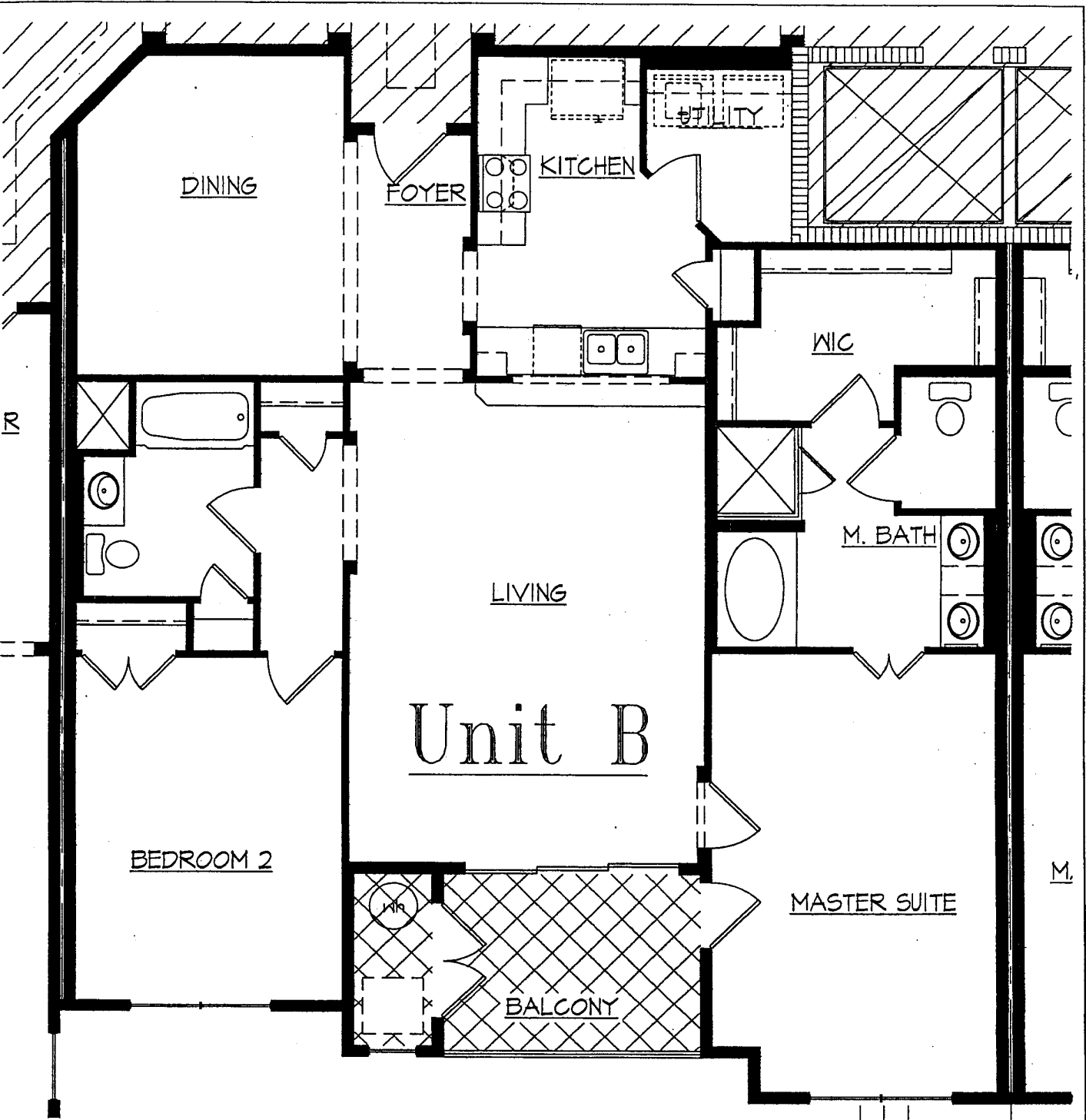
LEGEND	
COTTON ELEMENTS	
LIMITED COTTON ELEMENTS	
ASSOCIATION PROPERTY	

LIVING AREA 1,423 sq.ft.
BALCONY 83 sq.ft.

• HOMES •
BEAZER
1300 SOUTH BOULEVARD, SUITE K CHARLOTTE,
NC 28203-4265
PH. 704.370.7200 FAX 704.370.7260

DEERWOOD PLACE I CONDOMINIUMS

UNIT-A FLOOR PLAN



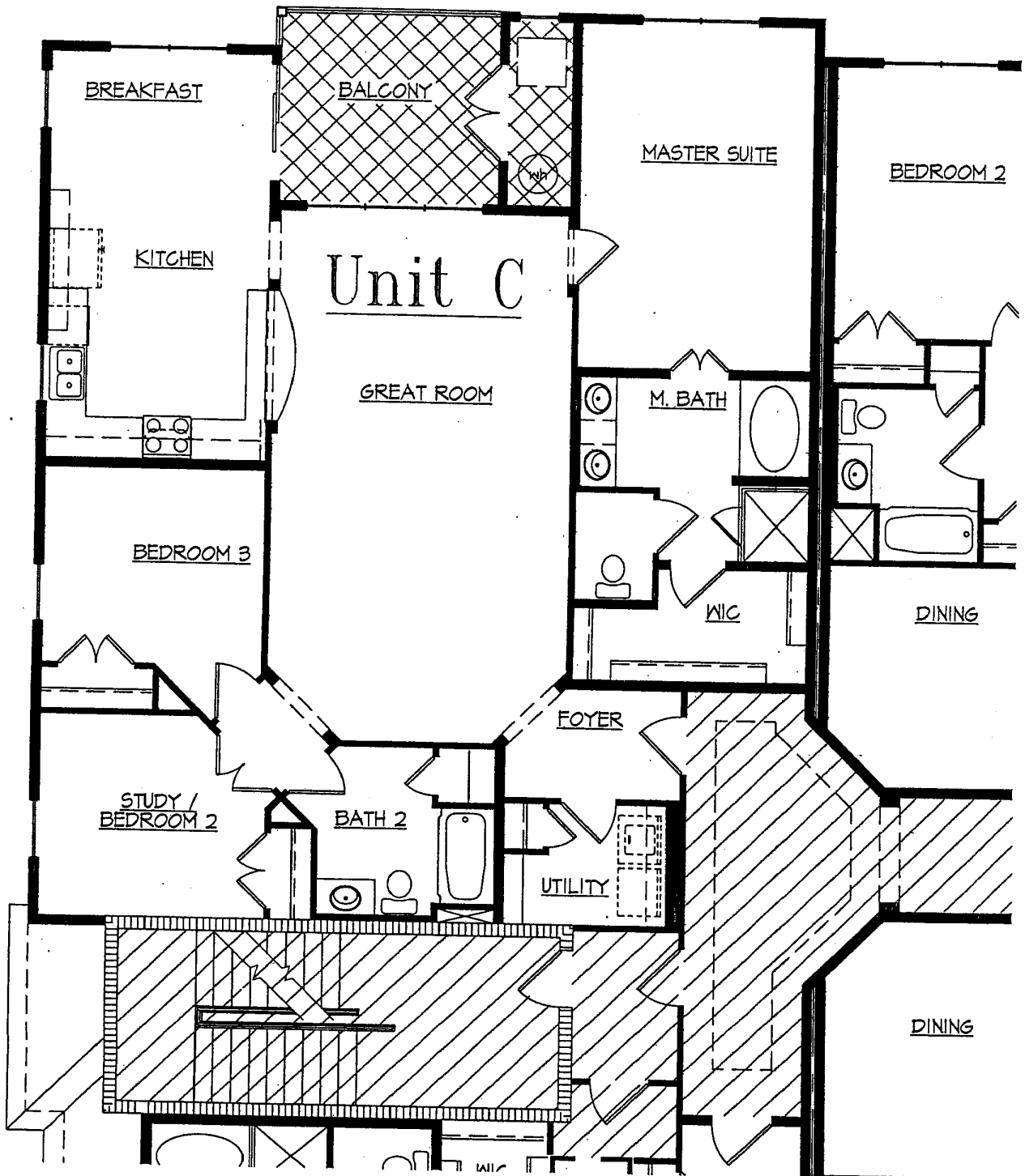
UNIT-B FLOOR PLAN
N.T.S.

LEGEND	
COMMON ELEMENTS	
LIMITED COMMON ELEMENTS	
ASSOCIATION PROPERTY	

LIVING AREA 1,509 sq.ft.
BALCONY 82 sq.ft.

• HOMES •
BEAZER
 1300 SOUTH BOULEVARD, SUITE K CHARLOTTE,
 NC 28203-4265
 PH. 704.370.7200 FAX 704.370.7260

DEERWOOD PLACE I CONDOMINIUMS
UNIT-B FLOOR PLAN



LEGEND	
CORPORATE ELEMENTS	
LIMITED COMMON ELEMENTS	
ASSOCIATION PROPERTY	

UNIT-C FLOOR PLAN

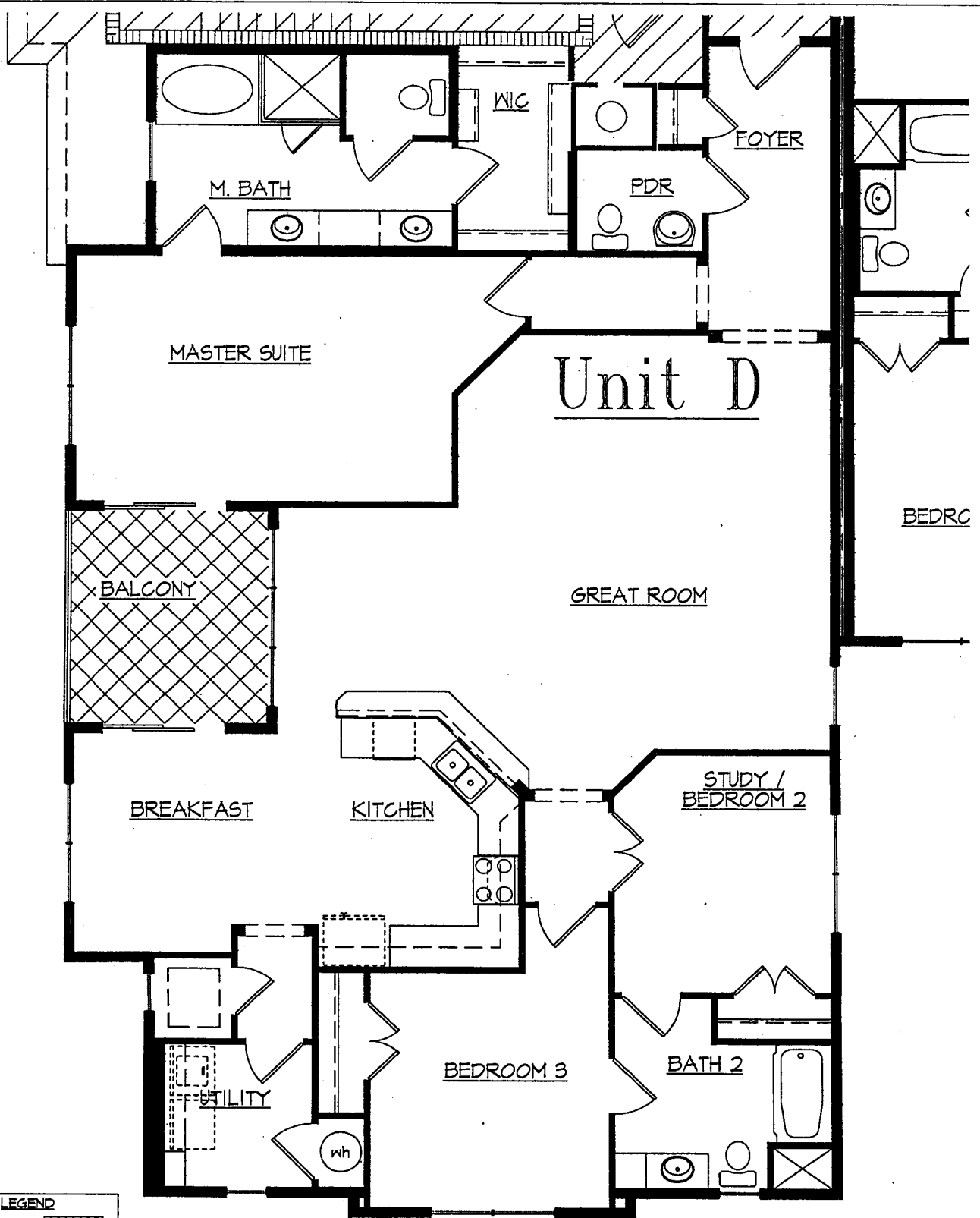
N.T.S.

LIVING AREA 1,649 sq. ft.
BALCONY 106 sq. ft.

• HOMES •
BEAZER
1300 SOUTH BOULEVARD, SUITE 1 CHARLOTTE,
NC 28203-4265
PH. 704.370.7200 FAX 704.370.7280

DEERWOOD PLACE I CONDOMINIUMS

UNIT-C FLOOR PLAN



LEGEND	
COTTON ELEMENTS	
LIMITED COTTON ELEMENTS	
ASSOCIATION PROPERTY	

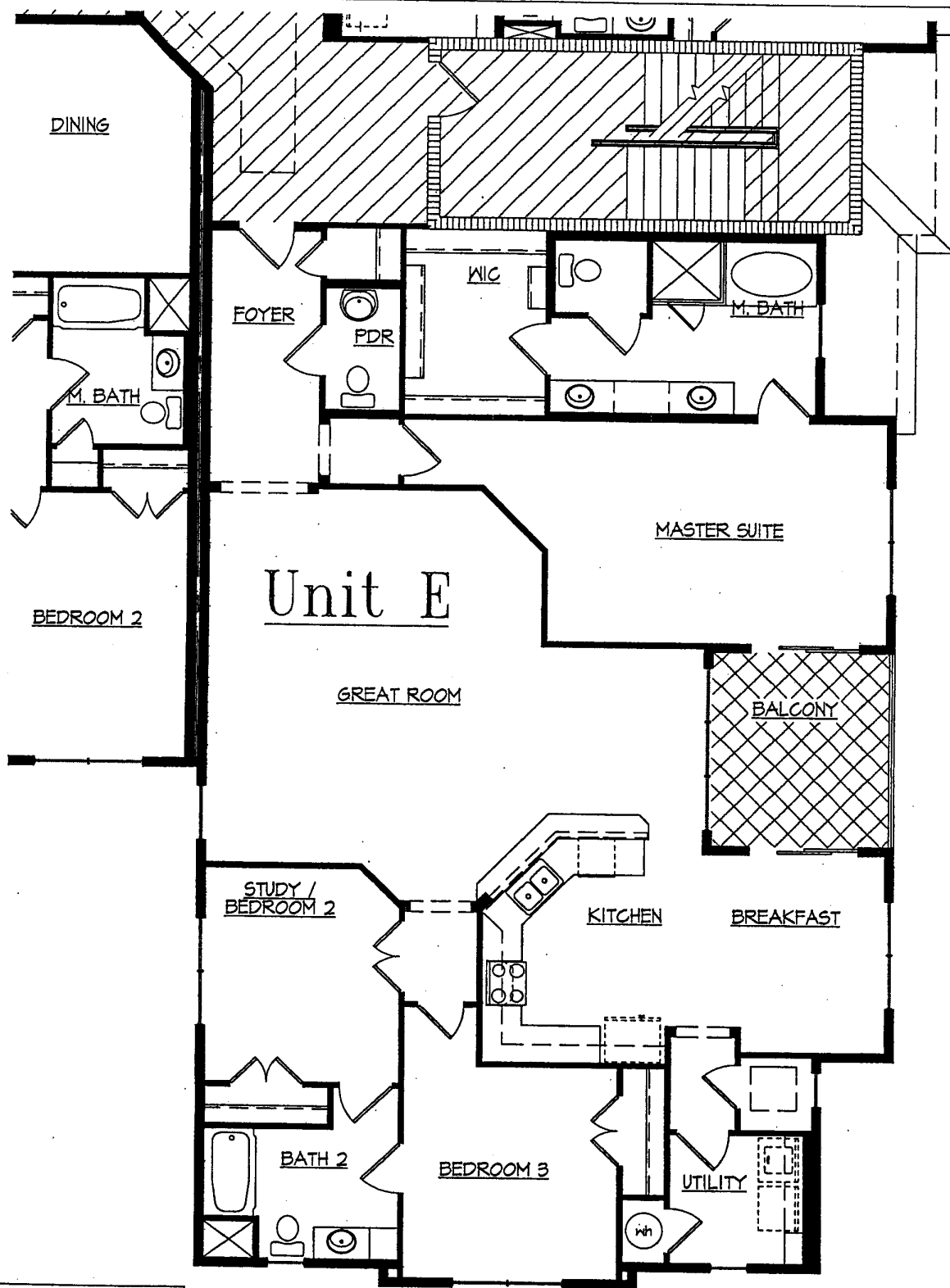
UNIT-D FLOOR PLAN
N.T.S.

LIVING AREA 2,000 sq.ft.
BALCONY 102 sq.ft.

• HOMES •
BEAZER
100 SOUTH BOULEVARD, SUITE K CHARLOTTE,
NC 28203-4285
TEL. 704.370.7200 FAX 704.370.7280

DEERWOOD PLACE I CONDOMINIUMS

UNIT-D FLOOR PLAN



UNIT-E FLOOR PLAN
N.T.S.

LIVING AREA 2,025 sq.ft.
BALCONY 102 sq.ft.

• HOMES •
BEAZER
1300 SOUTH BOULEVARD, SUITE K CHARLOTTE,
NC 28203-4265
PH. 704.370.7200 FAX 704.370.7260

DEERWOOD PLACE I CONDOMINIUMS

UNIT-E FLOOR PLAN

EXHIBIT "B"

TO
**DECLARATION OF CONDOMINIUM OF
 DEERWOOD PLACE I CONDOMINIUMS
 FRACTIONAL INTERESTS IN COMMON ELEMENTS,
 AND SHARE OF COMMON EXPENSES AND COMMON SURPLUS**

The Units of DEERWOOD PLACE I CONDOMINIUMS will have fractional interests in Common Elements and fractional shares in Common Expenses and Common Surplus based upon their respective share of the square footage of all units in the Condominium as follows:

<u>Unit Nos.</u>	<u>Unit Type</u>	<u>Square Footage*</u>	<u>Number of Units</u>	<u>Fractional Share</u>
423,425,433,435,443,445,453,455	A	1423	8	1423/52748
424,426,434,436,444,446,454,456	B	1509	8	1509/52748
421,427,431,437,441,447,451,457	C	1649	8	1649/52748
422,432,442,452	D	2000	4	2000/52748
428,438,448,458	E	2025	4	2025/52748
UNIT				
<u>TOTALS:</u>		52,748	32	

The foregoing determination is based upon the square footage of heated and air conditioned area contained within the Units. The as built square footages may vary from the foregoing.

EXHIBIT "C"

**TO
DECLARATION OF CONDOMINIUM OF
DEERWOOD PLACE I CONDOMINIUMS
ARTICLES OF INCORPORATION**

**ARTICLES OF INCORPORATION
OF
DEERWOOD PLACE I CONDOMINIUMS ASSOCIATION, INC.**

The undersigned does hereby form this corporation for the purpose of forming a corporation not-for-profit as allowed by Chapter 718 and Chapter 617 of the Florida Statutes. Pursuant to the provisions and laws of the State of Florida, the undersigned certifies as follows:

1. NAME

The name of the corporation shall be DEERWOOD PLACE I CONDOMINIUMS ASSOCIATION, INC., hereinafter referred to as the ("Association"); with its principal registered office located at 12854 Kenan Drive, Suite 100, Jacksonville, Florida 32258. The Board of Directors may, from time to time, move the principal office to any other address in Florida.

2. PURPOSE

The purpose for which the Association is organized is to provide an entity pursuant to Chapter 718, Florida Statutes, hereinafter called the "Condominium Act," for the operation of DEERWOOD PLACE I CONDOMINIUMS (the "Condominium") to be created pursuant to the provisions of its Declaration of Condominium and the Condominium Act.

3. POWERS

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

3.1 The Association shall have all of the common law and statutory powers of a corporation not-for-profit, not in conflict with the terms of these Articles of Incorporation or the Condominium Act.

3.2 The Association shall have all of the powers and duties set forth in the Condominium Act, these Articles of Incorporation and the Declaration of Condominium and its attendant documents, and all of the powers and duties reasonably necessary for operation of the Condominium.

3.3 All funds and the titles to all properties acquired by the Association, and their proceeds, shall be held in trust for the members in accordance with the provisions of the Declaration of Condominium, these Articles of Incorporation, and the Bylaws of the Association, and the costs, expenses, maintenance, care and upkeep of such properties for the benefit of the members shall be considered Common Expenses of the Condominium.

3.4 The powers of the Association shall be subject to and shall be exercised in accordance with the provisions of the Declaration of Condominium and the Bylaws.

3.5 The Association shall have the power and authority to levy, charge, assess and collect fees, charges and assessments from the Unit Owners as allowed by the Declaration of Condominium, including without limitation, assessments against members of the Association for the costs of maintenance and operation of the surface water or stormwater management system.

3.6 Notwithstanding anything herein to the contrary, the corporation shall exercise only such powers as are in furtherance of the exempt purposes of organizations set forth in Section 501(c)(7) of the Internal Revenue Code and its regulations as the same now exists or they may be hereinafter amended from time to time.

3.7 The corporation shall have no power to declare dividends, and no part of its net earnings shall inure to the benefit of any member or director of the corporation or to any other private individual. The corporation shall have no power or authority to engage in activities which consist of carrying on propaganda or otherwise attempting to influence legislation or to participate in, or intervene in, any political campaign on behalf of any candidate for public office.

3.8 The corporation shall have no capital stock.

3.9 The Association shall operate, maintain and manage the surface water or stormwater management system in the manner consistent with the St. Johns River Water Management District ("District") Permit No. 4-031-70846-1 requirements and applicable District rules, and shall assist in the enforcement of the Declaration of Condominium provisions that relate to the surface water or stormwater management system.

4. MEMBERSHIP

4.1 The members of the Association shall consist of all of the record Owners of Units in the Condominium, hereinafter referred to as ("Units"), and after termination of the Condominium shall consist of those who are members at the time of such termination, and their successors and assigns.

4.2 Membership shall be acquired by recording in the public records of Duval County, Florida, a deed or other instrument establishing record title to a Unit in the Condominium, the Owner designated by such instrument thus becoming a member of the Association, and the membership of the prior Owner being thereby terminated, provided, however, any party who owns more than one Unit shall remain a member of the Association so long as he shall retain title to or a fee ownership interest in any Unit.

4.3 The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his Unit.

4.4 On all matters upon which the member shall be entitled to vote, there shall be one vote for each Unit, which vote may be exercised or cast in such manner as may be provided in the Bylaws of the Association. Any person or entity owning more than one Unit shall be entitled to one vote for each Unit owned.

4.5 Beazer Homes Corp. ("Developer") shall be a member of the Association and shall be allowed one vote for each Unit owned by the Developer.

5. EXISTENCE

Existence of the Association shall commence with the filing of these Articles of Incorporation with the Secretary of State, Tallahassee, Florida. The Association shall exist in perpetuity. The Association may be dissolved with the assent given in writing and signed by not less than seventy-five percent (75%) of the Members in accordance with the provisions of the Declaration. The Association may also be dissolved in the event of destruction of the Condominium, if approved by the requisite percentage to terminate the Condominium as provided in the Declaration. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association as created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to similar purposes. Additionally, in the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and

maintenance of the surface water or stormwater management system must be transferred to and accepted by an entity that would comply with Section 40C-42.027, Florida Administrative Code, and be approved by the St. Johns River Water Management District, prior to such termination, dissolution or liquidation.

6. SUBSCRIBER

The name and address of the subscriber to these Articles of Incorporation is:

Debra McGregor
12854 Kenan Drive, Suite 100
Jacksonville, Florida 32258

7. OFFICERS

The affairs of the Association shall be administered by a President, a Vice President, a Secretary and a Treasurer, and such other officers as the Board of Directors may from time to time designate. Any person may hold two offices, excepting that the same person shall not hold the office of President and Secretary. Officers of the Association shall be those set forth herein or elected by the Board of Directors at its first meeting following the annual meeting of the members of the Association, and shall serve at the pleasure of the Board of Directors. The names and addresses of the officers who shall serve until their successors are designated by the Board of Directors are as follows:

President: Debra McGregor
12854 Kenan Drive, Suite 100
Jacksonville, Florida 32258

Vice President: Tom Daddario
12854 Kenan Drive, Suite 100
Jacksonville, Florida 32258

Secretary/Treasurer: Fallon Gideon
12854 Kenan Drive, Suite 100
Jacksonville, Florida 32258

8. DIRECTORS

8.1 The affairs of the Association shall be managed by a Board of Directors who need not be members of the Association. The membership of the Board shall consist of not less than three (3) Directors.

8.2 Directors of the Association shall be elected at the annual meeting of the members in the manner provided by the Bylaws. Directors may be removed and vacancies on the Board shall be filled in the manner provided by the Bylaws.

8.3 The first election of Directors shall not be held until the Developer, as defined in the Declaration of Condominium, is required by law to elect directors in accordance with Section 718.301, Florida Statutes. That is to say, the Developer shall remain in control of the Board of Directors until required to relinquish pursuant to Section 718.301(1)(a) through (e), Florida Statutes as follows:

- (1) When Unit Owners other than the Developer own 15 percent (15%) or more of the Units that will be operated ultimately by the Association, the Unit Owners other than the Developer shall be entitled to elect no less than one-third (1/3) of the members of the Board of Directors.
- (2) Unit Owners other than the Developer are entitled to elect not less than a majority of the members of the Board of Directors of the Association as follows:
 - (a) Three (3) years after fifty percent (50%) of the Units that will be operated ultimately by the Association have been conveyed to purchasers;
 - (b) Three (3) months after ninety percent (90%) of the Units that will be operated ultimately by the Association have been conveyed to purchasers;
 - (c) When all the Units that will be operated ultimately by the Association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business;
 - (d) When some of the Units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business; or
 - (e) Seven (7) years after recordation of the Declaration or in the case of an association operating a phase condominium created pursuant to Section 718.403, Florida Statutes, seven (7) years after recordation of the declaration creating the initial phase, whichever occurs first.
3. The Developer is entitled to elect at least one member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business at least five percent (5%) of the Units operated by the Association. Following the time the Developer relinquishes control of the Association, the Developer may exercise the right to vote any Developer-owned Units in the same manner as any other Unit Owner, except for purposes of reacquiring control of the Association or selecting the majority of the members of the Board of Directors.
4. Until such time as Developer transfers control of the Association to the Unit Owners, Developer shall have the right to appoint one member to the Board of Directors of the Deerwood Place Master Association, Inc. ("Master Association"). Thereafter, the Board of Directors of the Association shall have the right to appoint one member of this Association to the Board of Directors of the Master Association.

8.4 The names and addresses of the members of the first Board of Directors who shall hold office until their successors are elected and have qualified, or until removed, are as follows:

Name	Address
Debra McGregor	12854 Kenan Drive, Suite 100 Jacksonville, Florida 32258
Tom Daddario	12854 Kenan Drive, Suite 100 Jacksonville, Florida 32258

Fallon Gideon

12854 Kenan Drive, Suite 100
Jacksonville, Florida 32258

The Directors named in these Articles shall serve until the first election of Directors, and any vacancies in office occurring before the first election shall be filled by the remaining Directors and/or the Developer.

9. INDEMNIFICATION

Every Director and every Officer of the Association shall be indemnified by the Association against all expenses and liabilities including attorneys' fees, reasonably incurred by or imposed upon him or her in connection with any proceedings or the settlement of any proceeding to which he or she may be a party, or in which he or she may become involved by reason of his being or having been a Director or Officer of the Association, whether or not he or she is a Director or Officer at the time such expenses are incurred, except when the Director or Officer is adjudged guilty of willful misfeasance, malfeasance, or nonfeasance, or found to have breached his or her fiduciary duty, in the performance of his duties. The foregoing right of indemnification shall be in addition to and exclusive of all other rights and remedies to which such Director or Officer may be entitled.

10. BYLAWS

The Bylaws of the Association shall be adopted by the Board of Directors and may be altered, amended or rescinded in the manner provided herein.

11. AMENDMENT

These Articles of Incorporation shall be amended in the following manner:

11.1 Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.

11.2 A resolution for the adoption of a proposed amendment may be proposed by the Board of Directors of the Association or by the members of the Association. A member may propose such an amendment by instrument in writing directed to any member of the Board of Directors signed by not less than twenty percent (20%) of the membership. Amendments may be proposed by the Board of Directors by action of a majority of the Board at any regularly constituted meeting thereof. Upon an amendment being proposed as herein provided, the President, or in the event of his refusal or failure to act, the Board of Directors, shall call a meeting of the membership to be held no sooner than fifteen (15) days nor later than sixty (60) days thereafter for the purpose of considering said amendments. Directors and members not present in person at the meeting considering the amendment may express their approval in writing provided such approval is delivered to the Secretary at or prior to the meeting. Except as provided herein, such approval must be by not less than sixty-six and two-thirds percent (66 2/3%) of the votes of the entire membership of the Association.

11.3 Provided, however, that no amendment shall make any changes in the qualifications for membership nor the voting rights of the members, nor any change in Paragraph 3.3, without approval in writing by all members and the joinder of all record Owners of mortgages on the Condominium Units. No amendment shall be made that is in conflict with the Condominium Act or the Declaration of Condominium. No amendment shall be made without the written approval of the Developer if such amendment shall cause an assessment of the Developer as a Unit Owner for capital improvements, constitute an action that would be detrimental to the sales of Units by the

Developer or any other such action which would inhibit, impair, or otherwise preclude the rights reserved to the Developer by way of the Declaration of Condominium.

11.4 A copy of each amendment shall be filed with the Secretary of State, pursuant to the provisions of the applicable Florida statutes, and a copy certified by the Secretary of State shall be recorded in the public records of the County where the Condominium is located.

11.5 Any Amendment that affects the stormwater management system must be approved by the St. Johns River Water Management District.

12. APPROVAL BY VA AND HUD

For so long as the Developer has the right to appoint the majority of the members of the Board of Directors, the Developer shall obtain the approval of the Department of Housing and Urban Development ("HUD") or the Veteran's Administration ("VA") prior to: annexation of additional properties, merger or consolidation of this Association, mortgaging of the Common Elements or dissolution or amendment of the Articles.

13. REGISTERED AGENT

The name and address of the Registered Agent of the Association is:

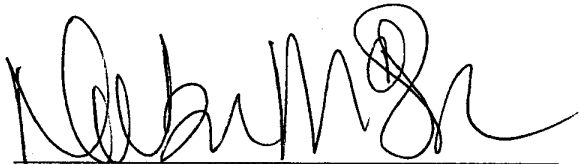
Debra McGregor
12854 Kenan Drive, Suite 100
Jacksonville, Florida 32258
Telephone: (904) 292-9440

~~IN WITNESS WHEREOF~~ The Subscriber has affixed his/her signature hereto this 25th day of January, 2005.

~~Signed, sealed and delivered
in the presence of:~~

~~_____~~
Print Name: _____

~~_____~~
Print Name: _____



Debra McGregor

ACCEPTANCE OF REGISTERED AGENT

Having been named to accept service of process for the above-stated corporation, at the place designated in the certificate, I agree to act in this capacity and I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties.



Debra McGregor

1-25-05

Date: _____

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EXHIBIT "D"
TO
DECLARATION OF CONDOMINIUM OF
DEERWOOD PLACE I CONDOMINIUMS
BYLAWS

138707_v6

BYLAWS
OF
DEERWOOD PLACE I CONDOMINIUMS ASSOCIATION, INC.

1. IDENTITY

These are the Bylaws of DEERWOOD PLACE I CONDOMINIUMS ASSOCIATION, INC., hereinafter called the "Association," a corporation not for profit under the laws of the State of Florida. These Bylaws are adopted for the purpose of governing the Association and incorporate by reference the terms and conditions of the Articles of Incorporation of the Association and of the Declaration of Condominium referred to therein.

- 1.1 Office. The office of the Association shall be at 12854 Kenan Drive, Suite 100, Jacksonville, Florida 32258.
- 1.2 Fiscal Year. The fiscal year of the Association shall be the calendar year.
- 1.3 Seal. The seal of the Association shall bear the name of corporation, the word "Florida," and the words "Corporation Not For Profit."

2. MEMBERS' MEETINGS

- 2.1 Annual Meeting. The annual members' meeting shall be held at least once each year in the month of September at the office of the Association unless otherwise designated by the Board of Directors, at a time and date determined by the Board. Such annual members' meetings shall be for the purpose of transacting annual business of the Association authorized to be transacted by the members.
- 2.2 Special Meetings. Special members' meetings shall be held whenever called by the President or by a majority of the Board of Directors, and must be called by such officer upon receipt of a written request from members entitled to cast ten percent (10%) of the votes of the entire membership. Provided, however, until Developer has relinquished control of the Association, no special members' meetings shall be called or convened for the purpose of removal of the Directors appointed by the Developer or to amend this Declaration or its exhibits to remove rights and reservations in the Developer.
- 2.3 Notice. Notice of all members' meetings, with an agenda stating the time and place and the object for which the meeting is called, shall be given by the President or Secretary. Such notice shall be in writing (unless waived by the Unit Owner in writing) to each member at his address or electronic mailing address (to those members who consent to receive notice by electronic transmission) last furnished to the Association and shall be given not less than fourteen (14) days prior to the date of the meeting. An Officer of the Association shall provide an Affidavit, to be included in the official records of the Association, affirming that a Notice of the Association meeting was mailed, hand delivered or electronically transmitted (to those members who consent to receive notice by electronic transmission), in accordance with this provision, to each unit owner at the addresses last furnished to the Association. Notice of a meeting may be waived in writing before or after the meeting. If it is an annual meeting, the Notice shall also be posted in a conspicuous place on the condominium property at least fourteen (14) continuous days in advance of the meeting and if not an annual meeting, forty-eight (48) continuous hours in advance of the meeting, except in emergency.

Notice of any meeting in which assessments against unit owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of such assessments.

2.4 Quorum. A quorum at a members meeting shall consist of a majority of the voting interests entitled to cast votes of the entire membership. The acts approved by a majority of the votes present at a meeting of which a quorum is present shall constitute the acts of the members, except when approval by a greater number of members is required by the Declaration of Condominium, the Articles of Incorporation, these Bylaws, or Chapter 718, Florida Statutes (the "Condominium Act").

2.5 Voting.

(a) In any meeting of members, the Owners of Units shall be entitled to cast one vote for each Unit owned.

(b) If a Unit is owned by one person, that person's right to vote shall be established by the record title to the Unit. If any Unit is owned by more than one person, or is under lease, the person entitled to cast one vote for the Unit shall be designated by a certificate signed by all of the record Owners of the Unit and filed with the Secretary of the Association. If a Unit is owned by a corporation, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by the President or duly authorized officer and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Unit concerned. If such certificate is not on file, the vote of such Owner shall not be considered in determining the requirement for a quorum nor for any other purpose.

2.6 Proxies. Votes may be cast in person or by proxy as defined and limited by Section 718.112(2)(b), Florida Statutes. A proxy may be made by any person entitled to vote and shall be effective only for the specific meeting for which originally given and any lawfully adjourned meeting thereof and in no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. The proxy shall be revocable at any time at the pleasure of the Unit Owner executing it, and must be filed with the Secretary before the appointed time of the meeting or any adjournment of the meeting.

2.7 Adjourned Meetings. If any meeting of the members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

2.8 Order of Business. The order of business at annual members' meetings, and as far as practical at other members' meetings, shall be:

- (a) Collection of election ballots;
- (b) Calling of the roll and certifying of proxies;
- (c) Proof of notice of meeting or waiver of notice;
- (d) Reading and disposal of any unapproved minutes;
- (e) Reports of committees;
- (f) Appointment of inspectors of election;
- (g) Election of directors;
- (h) Determination of less than adequate reserves or no reserves;
- (i) Unfinished business;

- (j) New business; and
- (k) Adjournment.

3. DIRECTORS

The affairs of the Association shall be determined by a Board of Directors. The first Board of Directors and all Board of Directors prior to turnover shall consist of three (3) directors who need not be members of the Association. The Board of Directors may from time to time increase or decrease the number of persons to serve on the Board, provided, however, that the Board must always consist of an odd number of members, and provided, further, that there shall never be less than three (3) Directors on the Board. The Board shall remain at three (3) Directors after such time as the Developer transfers control of the Association to Unit Owners other than the Developer, all of whom shall be members of the Association. The term of the first Board of Directors or their replacements, shall continue until the Developer is required by statute to relinquish control or voluntarily relinquishes control of the Association. There shall be an annual meeting of the Unit Owners. Unless the bylaws provide otherwise, a vacancy on the Board of Directors caused by the expiration of a director's term shall be filled by electing a new board member, and the election shall be by secret ballot; however, if the number of vacancies equals or exceeds the number of candidates, no election is required. If there is no provision in the bylaws for term of the members of the Board of Directors, the terms of all members of the Board of Directors shall expire upon the election of their successors at the annual meeting. A person who has been convicted of any felony by any court of record in the United States and who has not had his or her right to vote restored pursuant to law in the jurisdiction of his or her residence is not eligible for Board membership. The validity of an action by the Board is not affected if it is later determined that a Director is ineligible for Board membership due to having been convicted of a felony.

3.1 Election. Election of Directors shall be conducted in the following manner:

(a) Election of Directors shall be held at the annual members' meeting, with the first election being at the first member meeting required to be called pursuant to Section 718.301, Florida Statutes, to elect a Board member, or members, to provide for the percentage of Unit Owners other than the Developer on the Board of Directors as required by Section 718.301, Florida Statutes. Said election of Unit Owners other than the Developer shall take place in accordance with the procedures as set forth in the Condominium Act and the Florida Administrative Code effective as of the date of adoption of these Bylaws. Election of Directors thereafter shall be at each year's annual meeting.

(b) Except as to vacancies created by removal of directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining directors.

(c) Subsequent to delivery of control of the Board to the Unit Owners other than the Developer, pursuant to Section 718.301, Florida Statutes, any member of the board of directors may be recalled and removed from office with or without cause, by the vote or agreement in writing by a majority of all Unit Owners. A special meeting of the Unit Owners to recall a member or members of the board of directors may be called by ten percent (10%) of the Unit Owners giving notice of the meeting as required for a meeting of Unit Owners, and the notice shall state the purpose of the meeting. Recall of Board members shall operate in accordance with Section 718.112(2)(j), Florida Statutes.

(d) Provided, however, that until the Developer has relinquished control of the Association, the first directors of the Association shall serve, and in the event of vacancies, the remaining directors shall fill the vacancies, and if there are no remaining directors, the vacancies shall be filled by the Developer, and directors serving during the Developer's control cannot be removed by a vote pursuant to subparagraph (c) above. This shall not be interpreted or be construed so as to preclude annual meetings of the membership.

(e) Until such time as Developer transfers control of the Association to the Unit Owners, Developer shall have the right to appoint one member to the Board of Directors of the Deerwood Place Master Association, Inc. ("Master Association"). Thereafter, the Board of Directors of the Association shall have the right to appoint one member of this Association to the Board of Directors of the Master Association.

3.2 Directors' Term. The term of each director's service, subject to the provisions of Section 3.1(d) above, shall be as follows: The first Board elected subsequent to the transfer of control to the Unit Owners shall elect one (1) Board member for two (2) years, one (1) Board member for three (3) years, and the remaining Board member for one (1) year. At the end of the initial term, they shall thereafter be elected for two year terms, thereby staggering the Board members. In the event of a change in the number of members on the Board of Directors, the majority number of Directors shall be elected every two (2) years.

3.3 Organization Meeting. The organization meeting of a newly-elected Board of Directors shall be held within ten (10) days after their election at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and a notice of such meeting shall be posted conspicuously on the condominium property at least forty-eight (48) continuous hours preceding the meeting.

3.4 Regular Meeting. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of regular meetings shall be given to each director, personally or by mail, telephone or telegraph, at least forty-eight (48) continuous hours prior to the day named for such meeting. Notice to members of Directors' meetings shall be given by posting such notice in a conspicuous place forty-eight (48) continuous hours in advance of the meeting. The meeting shall be open to all Unit Owners who shall have the right to speak at such meetings with reference to all designated agenda items. The Board of Directors may adopt written reasonable rules governing the frequency, duration and manner of Unit Owner statements.

3.5 Special Meetings. Special meetings of the Board of Directors may be called by the President and must be called by the Secretary at the written request of one-third of the Directors. Not less than forty-eight (48) hours notice of the meeting shall be given personally, by mail or telegraph, which notice shall state the time, place and purpose of the meeting. Notice to members of Directors' meetings shall be given by posting such notice in a conspicuous place forty-eight (48) continuous hours in advance of the meeting. The meeting shall be open to all Unit Owners who shall have the right to speak at such meetings with reference to all designated agenda items. The Board of Directors may adopt written reasonable rules governing the frequency, duration and manner of Unit Owner statements.

3.6 Waiver of Notice. Any director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

3.7 Quorum. A quorum at directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a

quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of directors is required by the Declaration of Condominium, the Articles of Incorporation or these Bylaws.

3.8 Adjourned Meeting. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. No further notice need be given of an adjourned meeting.

3.9 Joinder by Director. A director who is present at a meeting is presumed to have assented to an action unless he votes otherwise. A member of the Board may submit in writing his or her agreement or disagreement with any action taken at a meeting that the member did not attend. This agreement or disagreement may not be used as a vote for or against the action taken and may not be used for the purposes of creating a quorum.

3.10 Presiding Officer. The presiding officer of Directors' meetings shall be the Chairman of the Board if such an officer has been elected; and if none, the President shall preside. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

3.11 Order of Business. The order of business at directors' meetings shall be:

- (a) Calling of roll;
- (b) Proof of due notice of meeting;
- (c) Reading and disposal of any unapproved minutes;
- (d) Reports of officers and committees;
- (e) Election of officers;
- (f) Unfinished business;
- (g) New business; and
- (h) Adjournment.

3.12 No Fee for Service. A Director shall not be entitled to, nor paid any fee for his services as a Director.

3.13 Telephone or Other Attendance. A Director shall be considered as present for a regular or special meeting if he is in simultaneous communication by telephone or other media with all other Directors, as well as with any Unit Owners present at the meeting. A telephone speaker must be used so that the conversation of those Directors attending by telephone or other media may be heard by the other Directors as well as by any Unit Owners present at the meeting.

4. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

4.1 Powers and Duties of Association. All of the powers and duties of the Association existing under the Condominium Act, Declaration of Condominium, Articles of Incorporation and these Bylaws, shall be exercised exclusively by the Board of Directors, subject only to the approval by Unit Owners where such approval is specifically required. Without limiting the powers and duties of the Board of Directors, it shall have the following express powers, in addition to all others herein granted, and provided for by the Declaration of Condominium and the Condominium Act:

- (a) To enter into a long-term management contract, providing for the management of the Condominium Property and of the Association Property.

- (b) To charge, assess and collect fees, charges, assessments, including reserves for the Condominium (if approved by the Owners), not less frequently than quarterly, and to enforce the collection according to the Declaration of Condominium and the exhibits and as allowed by law.
- (c) To lease, maintain, repair and replace the Common Elements and Association Property.
- (d) To purchase or lease real and personal property in the Association's name.
- (e) To maintain minutes of all meetings of the Unit Owners and the Board of Directors. (The minutes, together with current copies of the Declaration, Articles of Incorporation, Bylaws, Rules and Regulations, books, records and audited financial statements shall be kept in a book available for inspection by Unit Owners, or their authorized representatives, any holder, insurer or guarantor of any first mortgage that is secured by a Unit, any prospective purchaser of a Unit, or any agency or corporation which has an interest or prospective interest in the Condominium, and Board members at any reasonable time. All accounting records and all minutes shall be retained for a period of time not less than seven years).
- (f) To create and promulgate reasonable rules and regulations for the operation of the Condominium.
- (g) To adopt a budget for the Association.
- (h) To enter into contracts for the purpose of making available to the Owners and residents of the Units such services as, but not limited to, doorman and automobile parking; maid service, security and security alarm system, contracts for maintenance, repair, replacement of common elements and the like, provided, however that (i) the term of period of such contracts shall not exceed three (3) years (ii) the contracts may provide for additional extensions of the original term in the absence of written notice of termination by either party and (iii) the Board shall have no obligation to provide such services.
- (i) To assist in the enforcement of the terms of the Deerwood Place Master Association Declaration of Covenants, which relate to the Stormwater Management System.
- (j) To convey a portion of the Common Elements to a condemning authority for the purpose of providing utility easements, right-of-way expansion or other public purposes, whether negotiated or as a result of eminent domain proceedings.
- (k) To enter into easement agreements with the Master Association for the uniform maintenance of all the grounds and improvements constituting a part of the Deerwood Place Community.

4.2 Right of Access. The Association has the irrevocable right of access to each unit, during reasonable hours, when necessary for the maintenance, repair, or replacement of any Common Elements or of any portion of a Unit to be maintained by the Association pursuant to the Declaration or as necessary to prevent damage to the Common Elements or to a Unit or Units.

5. OFFICERS

5.1 Officers. The officers of the Association shall be a President and Vice President, each of whom shall be a Director and a Secretary and a Treasurer, all of whom shall be elected annually by the Board of Directors, and such other officers as the Board of Directors may, from time to time, designate. Any officer may be removed peremptorily, without cause, by a vote of two-thirds (2/3) of the directors present at any duly constituted meeting.

5.2 President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties usually vested in the office of president of an association, including, but not limited to, the power to appoint committees from among the members from time to time, as he, in his discretion, may determine appropriate to assist in the conduct of the affairs of the Association. Following turnover by Beazer Homes Corp. to the members of Deerwood Place Master Association, Inc. (the "Master Association"), the President shall serve *ex officio* as a member of the Board of Directors of the Master Association.

5.3 Vice President. The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board.

5.4 Secretary. The Secretary shall keep the minutes of all proceedings of the directors and the members meetings; shall tend to the giving and serving of all notices to the members and directors and other notices required by law; shall have custody of the seal and affix it to instruments requiring a seal when duly signed; shall keep the records of the Association, and shall perform all duties incident to the office and as may be required by the directors or the President.

5.5 Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness; shall keep the books of the Association in accordance with good accounting practices; and shall perform all other duties incident to the office.

5.6 No Compensation. No compensation shall be paid to any officer of the Association. No officer who is a designee of the Developer shall receive any compensation for his services as an officer.

6. FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth in the Declaration of Condominium, Articles of Incorporation of the Association, and the Condominium Acts shall be supplemented by the following provisions.

6.1 Accounts. The receipts and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:

(a) Current Expenses. Current expenses shall include all receipts and expenditures within the year for which the budget is made, including, if applicable, but not limited to those expenses listed in Section 718.504(21), Florida Statutes, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves, to additional improvements or to operations.

The balance in this fund at the end of each year shall be applied to reduce the assessments for operating expenses for the succeeding year, or may be distributed to the membership, as the Directors shall determine.

(b) Reserve Accounts. Reserve accounts for capital expenditures and deferred maintenance. Each of these accounts shall include, but not be limited to roof replacement, building painting, and pavement resurfacing. The establishment and funding of these reserve accounts shall be subject to the conditions and exceptions set forth in Section 718.112(2)(f), Florida Statutes.

(c) Operations. Operations, which shall include gross revenues from the use of Common Elements and from other sources. Only the additional direct expense required by any revenue producing operation will be charged to this account, and any surplus from any operation shall be used to reduce the assessments for current expense for the year during which the surplus is realized.

6.2 Budget. The Board of Directors shall adopt a Budget for each fiscal year that shall include the estimated funds required to defray the common expense and to provide and maintain funds for reserves. The form of the annual budget shall be in conformance with Sections 718.111, 718.112 and 718.504(21), Florida Statutes. A copy of the Budget shall be delivered by mail or hand delivery at the address of the Unit Owner last furnished to the Association not less than fourteen (14) days prior to the meeting of the Unit Owners or the Board of Directors at which it is to be considered, together with a notice of that meeting. If an adopted budget requires assessment against the Unit Owners in any fiscal or calendar year exceeding one hundred fifteen percent (115%) of the assessments for the preceding year, the Board, upon written application of ten percent (10%) of the Unit Owners to the Board shall call a special meeting of the Unit Owners within twenty-one (21) days after adoption of the annual budget, upon not less than fourteen (14) days written notice to each Unit Owner. The special meeting shall be conducted within sixty (60) days after adoption of the annual budget. At the special meeting, the Unit Owners shall consider and enact a budget. The adoption of the budget requires a vote of not less than a majority of the vote of all Unit Owners. The budget shall be considered adopted if approved by a majority of the Unit Owners at the meeting or in writing. If a meeting of the Unit Owners has been called and a quorum is not attained or a substitute budget is not adopted by the Unit Owners, then the budget adopted by the Board of Directors goes into effect as scheduled. In determining whether assessments exceed one hundred fifteen percent (115%) of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the Condominium property, anticipated expenses by the Condominium Association which are not anticipated to be incurred on a regular annual basis, or assessments for betterments to the Condominium property must be excluded from the computation. However, as long as the Developer is in control of the Board of Directors, the Board may not impose an assessment for any year greater than one hundred fifteen percent (115%) of the prior fiscal or calendar year's assessment without approval of the majority of all of the Unit Owners.

6.3 Assessments. Assessments against the Unit Owners for their share of the items of the budget shall be made for the fiscal year annually, in advance, thirty (30) days preceding the fiscal year for which the assessments are made. Such assessments shall be due and payable as determined by the Board of Directors, but not less frequently than quarterly. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment, and payments on such assessment shall be due and payable in the same manner as the prior assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors. Unpaid assessments for the remaining portion of the

fiscal year for which an amended assessment is made shall be payable as determined by the Board of Directors. Provided, nothing herein shall serve to prohibit or prevent the Board of Directors from imposing a lump sum assessment in case of any immediate need or emergency.

6.4 Acceleration of Assessment Installments Upon Default. If a Unit Owner shall be in default in the payment of an assessment, the Board of Directors may accelerate the remaining quarterly balance of the assessment upon notice to the Unit Owner, and the then unpaid quarterly balance of the assessment shall be due upon the date stated in the notice, but not less than five (5) days after delivery of the notice to the Unit Owner, or not less than ten (10) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.

6.5 Depository. The depository of the Association shall be such bank or savings and loan association as shall be designated from time to time by the directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by such persons as are authorized by the directors, provided that a Management Agreement may include in its provisions authority in a designated agent to sign checks on behalf of the Association for payment of the obligations of the Association.

6.6 Fidelity Bonds. Fidelity bonds shall be required by the Board of Directors for all persons including officers and Directors controlling or disbursing funds of the Association in accordance with Section 718.111(11)(d), Florida Statutes. The premiums on such bonds shall be paid by the Association.

6.7 Audit. An audit of the accounts of the Association shall be made within ninety (90) days of the Association's fiscal year end. A copy of any audit report received as a result of an audit shall be made available to each member of the Association, any holder, insurer or guarantor of any first mortgage that is secured by a Unit, and any prospective purchaser of a Unit at the office of the Association at reasonable hours, and furnished to any agency or corporation which has an interest or prospective interest in the Condominium, upon written request. Additionally, within twenty-one (21) days after the financial report is received by the Association, the Association will mail to each Unit Owner at the address last furnished to the Association by the Unit Owner, a notice that a copy of the financial report will be mailed to the Unit Owner, upon receipt of a written request from the Unit Owner. The audit, as used herein, is not intended to be a certified audit, but need only be a summation of the year's transactions.

7. PARLIAMENTARY RULES

Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Declaration of Condominium, Articles of Incorporation, or these Bylaws.

8. AMENDMENTS

A resolution for the adoption of a proposed amendment of these Bylaws may be proposed by either the Board of Directors of the Association or by the members of the Association. Members may propose such an amendment by instrument in writing directed to the President or Secretary of the Board signed by not less than twenty percent (20%) of the membership. Amendments may be proposed by the Board of Directors by action of a majority of the Board at any regularly constituted meeting thereof. Upon an amendment being proposed as herein provided for, the President or, in the event of his refusal or failure to act, the Board of Directors, shall call a meeting of the membership to

be held within sixty (60) days for the purpose of considering said amendment. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing such approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be by not less than sixty-six and two-thirds percent (66 2/3%) of the votes of the entire membership of the Association.

8.1 Proviso. Provided, however, that no amendment shall discriminate against any condominium Unit Owner nor against any Condominium Unit or class or group of Units unless the Condominium Unit Owners so affected shall consent. No amendment shall be made that is in conflict with the Articles of Incorporation or the Declaration of Condominium. For so long as the Developer has the right to appoint the majority of the members of the Board of Directors, any amendment to these Bylaws shall require the prior written approval of the Department of Housing and Urban Development ("HUD"), the Federal Home Administration ("FHA") or the Veterans Administration ("VA") in accordance with the regulations of the U.S. Department of Housing and Urban Development. Each amendment shall, on the first page, identify the book and page of the public records where the declaration of each condominium operated by the Association is recorded.

8.2 Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment of the Declaration and Bylaws, which certificate shall be executed by The President or duly qualified officer of the Association with the formalities of a deed. The amendment shall be effective when such certificate shall be annexed to and recorded with an amendment to the Declaration of Condominium where the Condominium is located.

8.3 Format of Amendment. No Bylaws shall be revised or amended by reference to its title or number only. Proposals to amend existing Bylaws shall contain the full text of the Bylaws to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. Non-material errors or omissions in the Bylaw process shall not invalidate and otherwise properly promulgate an amendment. Extensive changes to the Bylaws may be changed in accordance with Section 718.112(2)(h), Florida Statutes.

8.4 Approval of Amendments by Veterans' Administration ("VA") and Federal Housing Administration ("FHA"). For so long as the Developer is in control of the Association, all amendments to the bylaws shall be subject to the approval of the VA/FHA.

9. FINES, LEVY AND FORECLOSURE

9.1 Power to Levy Fines. The Board of Directors of the Association shall have the power and authority to levy and assess fines in accordance with the Declaration of Condominium, Articles of Incorporation, Bylaws and Rules and Regulations periodically created from time to time by the Board of Directors and/or the Association for the operation and management of the Condominium property.

9.2 Procedures. In the event a fine is to be levied, the following procedure shall be followed:

(a) The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing before a committee of other Unit Owners after reasonable notice of not less than fourteen (14) days, and said notice shall include:

(1) A statement of the date, time and place of the hearing;

(2) A statement of the provisions of the Declaration, Association Bylaws, or Association rules which have allegedly been violated; and

(3) A short and plain statement of the matters asserted by the Association.

(b) The party against whom the fine may be levied shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge and respond to any material considered by the Association.

(c) The hearing shall be conducted before a committee of other Unit Owners. If the committee does not agree with the fine, the fine may not be levied.

(d) The fine may not become a lien against the Unit. The amount of the fine must be in compliance with Section 718.303(3), Florida Statutes.

10. CERTIFICATE OF COMPLIANCE

A certificate of compliance from a licensed electrical contractor or electrician may be accepted by the Board of Directors as evidence of the Units' compliance with applicable fire and life safety codes.

11. ARBITRATION

In the event of a dispute between the Association and one or more Unit Owners, each party shall submit to mandatory, non-binding arbitration in accordance with Section 718.1255(4), Florida Statutes.

12. RESPONSE TO INQUIRY

When a Unit Owner files a written inquiry by certified mail with the Board of Directors, the Board will respond in writing to the Unit Owner within thirty (30) days of the inquiry. The Board's response will either: (i) give a substantive response, (ii) notify the Unit Owner that legal advice has been requested, or (iii) notify the Unit Owner that advice has been requested from the Division of Florida Land Sales, Condominiums and Mobile Homes of the Department of Business and Professional Regulation.

The foregoing were adopted as the Bylaws of the Association at the first meeting of the Board of Directors on the 29th day of January, 2005.