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DECLARATION OF CONDOMINIUM

OF

DEERWOOD VILLAS II

STOCKTON, WHATLEY, DAVIN & COMPANY, a Florida corporation, (the "Declaror") does hereby make, declare and establish this Declaration of Condominium ("the Declaration") as and for the Plan of Dwelling Ownership and Condominium for DEERWOOD VILLAS II, a Condominium, (the "condominium") being the property and improvements hereinafter described.

1. ESTABLISHMENT OF CONDOMINIUM

The Declaror is the owner of the fee simple title to the real property located in Duval County, Florida which is more particularly described on the Schedule of Real Property of Deerwood Villas II, a Condominium, which is attached hereto and by this reference made a part hereof on which property there has been constructed certain improvements comprising a housing project containing thirty-six (36) dwelling units and other appurtenant improvements. The Declaror does hereby submit all of said property and improvements to condominium ownership, and hereby declares such to be a condominium to be known and identified as Deerwood Villas II, a Condominium.

2. SURVEY AND DESCRIPTION OF IMPROVEMENTS

There is attached hereto, marked Exhibit A and consisting of 23 pages, a map of survey of said real property and graphic descriptions and plot plans of the improvements constituting Deerwood Villas II, a Condominium, identifying the Dwellings, Common Elements and Limited Common Elements, as those terms are herein defined, and their respective locations and approximate dimensions. Each Dwelling is designated by a specific number as set forth on Exhibit A and no Dwelling bears the same designation as any other Dwelling. Similarly, each carport and the storage space annexed to and constituting a part of each carport, each together constituting a Limited Common Element, is identified by a specific number on Exhibit A and no such carport and annexed storage area bears the same designation as any other carport and annexed storage area.

3. DWELLINGS, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

The condominium consists of Dwellings, Common Elements and Limited Common Elements, as those terms are herein defined.

Dwellings, as the term is used herein, shall mean and comprise the 36 separate and numbered dwelling units which are designated on Exhibit A to this Declaration, excluding however, each and all of the following:

A. All spaces and improvements lying behind the undecorated, unfinished interior surfaces of the perimeter walls of each Dwelling.

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B. All spaces and improvements lying below the undecorated, unfinished surface of the lowest floor of each Dwelling.

C. All spaces and improvements lying above the undecorated, unfinished surface of the highest ceiling of each Dwelling.

D. All spaces and improvements lying between the undecorated, unfinished surfaces of all interior bearing walls and all vertical partitions in each Dwelling.

E. All spaces and improvements lying between the undecorated, unfinished surfaces of the horizontal partitions, if any, located between the lowest floor and highest ceiling in multi-storied Dwellings.

Common Elements, as the term is used herein, shall mean and comprise all of the real property, improvements, rights and facilities of the condominium other than the Dwellings, and shall include easements through Dwellings for conduits, pipes, ducts, plumbing, wiring and other facilities for the furnishing of utility services to Dwellings and to Common Elements and easements of support in every portion of a Dwelling which contribute to the support of the improvements, and shall further include all personal property held and maintained for the common use and enjoyment of all owners of Dwellings.

Limited Common Elements, as the term is used herein, shall mean and comprise those portions of the Common Elements consisting of 36 separately designated carports and the separate storage areas annexed to and constituting a part of each carport, all as specifically identified on Exhibit A, as to each of which carports and annexed storage areas a right of exclusive use may be assigned as an appurtenance to a particular Dwelling, as hereinafter provided. Such rights of exclusive use of any carport and the storage area annexed to and constituting a part of that carport may not be separated, one from the other.

4. OWNERSHIP OF DWELLINGS AND APPURTENANT INTEREST IN COMMON ELEMENTS

Each Dwelling shall be an individual parcel of property capable of independent use and fee simple ownership, and the owner of each such Dwelling shall own, as an appurtenance to the ownership of such Dwelling, that undivided interest in the Common Elements hereinafter specifically assigned thereto. The percentage of undivided interest in the Common Elements assigned to each Dwelling shall not be changed except with the unanimous consent of all owners of all Dwellings and of their mortgages then holding of record any mortgages upon any part of the condominium property.

5. PERCENTAGES OF INTEREST IN COMMON ELEMENTS AND SURPLUS AND LIABILITY FOR COMMON EXPENSES

The undivided interest in Common Elements appurtenant to each Dwelling and in the common surplus is that percentage of undivided interest set forth and assigned to each Dwelling on the schedule attached hereto, marked Exhibit B and by this reference made a part hereof. Likewise each Dwelling shall have appurtenant thereto an undivided interest in the Limited Common

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Elements in the same percentage as there is appurtenant thereto an undivided interest in the Common Elements, subject, however, to the exclusive right of use in Limited Common Elements which may be assigned as an appurtenance to a particular Dwelling. Each Dwelling and the owner or owners thereof shall be liable for a proportionate share of the common expenses, such proportion being the same as the undivided interest in Common Elements appurtenant to such Dwelling.

6. RESTRICTIONS AGAINST SUBDIVIDING DWELLINGS AND CONVEYING COMMON ELEMENTS

No Dwelling may be divided or subdivided into a smaller dwelling unit or smaller dwelling units than as shown on Exhibit A, nor shall any Dwelling or any portion thereof be added to or incorporated into any other dwelling unit except as provided for in paragraphs 16 and 35 hereof.

The undivided interest in the Common Elements declared to be appurtenant to each Dwelling shall not be conveyed, devised, encumbered or otherwise dealt with separate from such Dwelling and the undivided interest in the Common Elements appurtenant to each Dwelling shall be deemed conveyed, devised, encumbered or otherwise included with the Dwelling even though such undivided interest is not expressly mentioned or described in the instrument conveying, devising, encumbering or otherwise dealing with such Dwelling. Any instrument conveying, devising, encumbering or otherwise dealing with any Dwelling which describes such Dwelling by the dwelling unit number assigned thereon on Exhibit A without limitation or exception shall be deemed and construed to affect the entire Dwelling and its appurtenant undivided interest in the Common Elements. Nothing herein contained shall be construed as limiting or preventing ownership of any Dwelling and its appurtenant undivided interest in the Common Elements by more than one person or entity as tenants in common, joint tenants or as tenants by the entirety, or otherwise.

7. CONDOMINIUM SUBJECT TO COVENANTS AND RESTRICTIONS AND OTHER INSTRUMENTS

The Dwellings, Common Elements and Limited Common Elements are hereby declared to be and made subject to the restrictions, easements, conditions and covenants described and established herein. The Dwellings, Common Elements and Limited Common Elements are further declared to be subject to (i) the Deerwood, Unit Five and Contiguous Cottage Colony Land Covenants and Restrictions recorded in Official Records Volume 3165 beginning at page 592 of the public records of Duval County, Florida, (ii) the Water and Sewage Agreement, Deerwood, Unit Five and Contiguous Cottage Colony Land recorded in Official Records Volume 3173 beginning at page 650 of said public records, (iii) the Amending Instrument recorded in Official Records Volume 3440 beginning at page 843 of said public records, (iv) the Covenants and Restrictions (Acreage adjacent to Deerwood, Unit Five) recorded in Official Records Volume 3758 beginning at page 416 of said public records, (v) the Water and Sewage Agreement (Acreage adjacent to Deerwood, Unit Five) recorded in Official Records Volume 3758 beginning at page 421 of said public records and (vi) any instrument heretofore or hereafter amending any of said instruments in

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accordance with provisions therein contained, and to all other instruments heretofore recorded in said public records affecting said real property described on said Schedule of Real Property and hereby subjected to condominium ownership. All owners of any of the Dwellings, by the acceptance of the conveyance of title thereto, agree to observe, comply with and be bound by the provisions contained herein and in said Covenants and Restrictions, said Water and Sewage Agreements and said other instruments as now constituted or as they may be amended from time to time.

8. PERPETUAL NON-EXCLUSIVE EASEMENTS IN COMMON ELEMENTS

The Common Elements are hereby declared to be subject to a perpetual non-exclusive easement in favor of all of the owners of Dwellings in the condominium for their use and the use of their immediate families, guests, licenses and invitees, for all proper and normal purposes and for the furnishing of services and facilities upon and to the property of the condominium and the occupants therein. Notwithstanding anything hereinabove provided, the condominium Association hereinafter identified shall have the right to establish the rules and regulations pursuant to which the owner of any Dwelling may be entitled to the exclusive use of any parking space or spaces (other than the carports and annexed storage areas constituting Limited Common Elements).

9. EASEMENT FOR UNINTENTIONAL ENCROACHMENTS

In the event any Dwelling shall encroach upon any Common Element for any reason not caused by the purposeful or neglectful act of the Dwelling owner, then an easement appurtenant to each such Dwelling shall exist for the continuance of such encroachment upon the Common Elements for so long as such encroachment naturally shall exist. In the event any portion of the Common Elements shall encroach upon any Dwelling, then an easement shall exist for the continuance of such encroachment of the Common Elements into or upon the Dwelling for so long as such encroachment naturally shall exist.

10. RESTRAINT UPON SEPARATION AND PARTITION

Recognizing that the proper use of a Dwelling by an owner is dependent upon the use and enjoyment of the Common Elements in common with the owners of all other Dwellings and that it is in the interest of all owners of all Dwellings that ownership of the Common Elements be retained in common by the owners of all Dwellings, it is declared that the percentage of the undivided interest in the Common Elements appurtenant to each Dwelling shall remain undivided and no owner of any Dwelling shall bring or have any right to bring any action for partition or division.

11. EASEMENT FOR AIR SPACE

The owner of each Dwelling shall have an exclusive easement for the use of the air space occupied by his Dwelling

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as it exists at any particular time and as such Dwelling may lawfully be altered or reconstructed from time to time, which easement shall be terminated automatically in any air space which is vacated.

12. ADMINISTRATION BY DEERWOOD VILLAS II CONDOMINIUM ASSOCIATION, INC.

To efficiently and effectively provide for the administration of the condominium by the owners of the Dwellings, a Florida corporation not-for-profit, known and designated as Deerwood Villas II Condominium Association, Inc., has been organized and that corporation shall administer the operation and management of the Condominium and shall undertake and perform all acts and duties incident thereto in accordance with the terms, provisions and conditions of this Declaration and the Articles of Incorporation and By-Laws of Deerwood Villas II Condominium Association, Inc. (the "Association"). A true copy of the Articles of Incorporation and By-Laws of the Association are annexed hereto, marked Exhibit C and Exhibit D, respectively, and are by this reference made parts hereof.

The owner of each Dwelling shall automatically become a Member of the Association upon acquisition of an ownership interest in title to any Dwelling and the membership of such owner automatically shall terminate upon such owner being divested of such ownership interest, regardless of the means by which ownership may be divested. No person, firm or corporation holding any lien, mortgage or other encumbrance upon any Dwelling shall be entitled, by virtue of such encumbrance, to membership in the Association.

The voting rights of owners of Dwellings as Members of the Association shall be as set forth in the Articles of Incorporation and By-Laws of the Association.

In administering the operation and management of the condominium, the Association shall have and is hereby granted the authority and power to enforce the provisions of this Declaration, levy and collect assessments in the manner herein provided, and to adopt, promulgate and enforce such rules and regulations, governing the use of the Dwellings, Common Elements and Limited Common Elements as the Board of Directors of the Association may deem to be in the best interests of the condominium.

✓ 13. USE OF COMMON ELEMENTS SUBJECT TO RULES

The use of Common Elements by the owners of Dwellings and all other parties entitled to such use and the use of Limited Common Elements by the owners entitled to such use at all times shall be subject to such reasonable rules and regulations as may be prescribed and established from time to time by the Association.

✓ 14. ENTRY IN EMERGENCIES AND FOR MAINTENANCE

In case of any emergency originating in or threatening any Dwelling, whether or not the owner is present, the Board of Directors of the Association or any person authorized by it shall have the right to enter such Dwelling for the purpose of remedying

or abating the cause of such emergency and such right of entry shall be immediate. To facilitate entry in the event of any such emergency, the owner of each Dwelling, if required by the Association, shall deposit a key to such Dwelling with the Association.

Whenever it is necessary to enter any Dwelling for the purpose of performing any maintenance, alteration or repair to any portion of the Common Elements or to go upon any Limited Common Element for any such purpose, the owner of each Dwelling shall permit the duly authorized agents or employees of the Association to enter such Dwelling or to go upon the Limited Common Element for such purpose. However, such entry shall be made only at reasonable times and with reasonable advance notice.

15. RIGHT OF ASSOCIATION TO ALTER AND IMPROVE
COMMON ELEMENTS AND ASSESSMENT THEREFOR

The Association shall have the right to make such alterations or improvements to the Common Elements as are approved by its Board of Directors. When any such alterations or improvements are requested by the owner or owners of a Dwelling or Dwellings and will exclusively or substantially exclusively benefit such Dwelling or Dwellings or the owner or owners thereof, the cost of such alterations and improvements shall be assessed against and collected solely from the owner or owners of the Dwelling or Dwellings benefited, the assessment to be levied in such proportion as may be determined by the Board of Directors of the Association. In all other cases, the cost of such alterations and improvements shall be included in the common expenses to be assessed and collected from all of the owners of the Dwellings. Where any proposed alteration or improvement to the Common Elements would prejudice the rights of the owner or owners of any Dwelling or Dwellings, such alterations and improvements shall not be made without the prior written consent of such owner or owners.

16. LIMITATION ON RIGHT TO MODIFY DWELLING

No owner of a Dwelling, without first obtaining the written consent of the Association and the Declaror, shall:

A. Make any structural modifications to or in any part of his Dwelling.

B. Cause any patio, porch or balcony abutting his Dwelling to be wholly or partially enclosed, glassed-in, shuttered or screened.

C. Affix any blinds, awnings, shutters, storm windows or panels upon the exterior of his Dwelling or upon any Common Element.

D. Permit or do any exterior painting, decorating or landscaping with respect to his Dwelling or the Common Elements.

E. Install or permit the installation of any water softener, plumbing, electrical wiring, radio or television aerial or antenna, air conditioning or heating units or other equipment or devices of any kind upon any part of the Common

Elements or which may protrude through the walls, windows or roofs of any building.

F. In any manner change the appearance of any portion of the exterior of any building or improvement, including but not limited to the owner's Dwelling and any carport and annexed storage area constituting a Limited Common Element.

As a condition precedent to any such consent and prior to the undertaking or making of any of the modifications or work referred to in subparagraphs A. through F. above, the Dwelling owner first shall submit to the Association and to the Declaror plans and specifications for such modifications or work meeting the requirements of paragraph 18 hereof, and shall obtain the written approval of such plans and specifications by the Association and the Declaror. In the event either the Association or the Declaror fails to approve or disapprove such plans and specifications within thirty (30) days after such plans and specifications have been submitted, such failure shall constitute approval of such plans and specifications by the party so failing to approve or disapprove such plans and specifications.

If the proposed modifications involve structural modifications to or in any part of a Dwelling, consents and approvals shall not be granted unless the Association and Declaror affirmatively determine that the proposed structural modifications would not adversely affect or endanger the building in which the Dwelling is located and that the plans and specifications for such modifications adequately provide for the construction thereof in a reasonable and good and workmanlike manner. Further, if the proposed modifications are intended to connect two Dwellings, such consents and approvals shall not be granted unless the Dwellings are adjacent to each other, are both owned by the same owner and the manner of holding title to each Dwelling is identical. Further, if the modification desired involves the proposed removal of any permanent interior partition, such consents and approvals shall be granted only if the partition to be removed is not a load bearing partition and only if the removal thereof would not interfere with easements for support or for providing utility services through such partition.

All costs and expenses in connection with any such modifications or work contemplated hereinabove in this paragraph 16 shall be paid and discharged by the owner of the Dwelling or Dwellings affected. The Association, as a condition precedent to giving its written consent and approval, may require the owner of the Dwelling or Dwellings affected to deposit in escrow, with an Escrow Agent designated by the Association, the entire amount of estimated costs to be incurred in connection with such proposed modifications or work or may require such other security as may be deemed advisable.

17. MAINTENANCE AND REPAIRS BY OWNERS

Every owner shall perform promptly all maintenance and repair work within his Dwelling which, if omitted, would affect any part of the condominium and shall be responsible for all damages and liability which his failure so to do may cause. Further, the owner of each Dwelling shall be liable and responsible for the maintenance, repair and replacement of:

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A. All air conditioning and heating equipment serving his Dwelling.

B. All windows, window frames and glass, doors, doorways, door frames, awnings, screens and screening serving his Dwelling.

C. All parts of any patio, porch or balcony abutting or serving his Dwelling, including but not limited to all floors, walls, ceilings, partitions, supports and any items referred to in subparagraph B of this paragraph 17.

D. The paved portion of the carport and the interior of the annexed storage area, where a right of exclusive use of the carport and annexed storage area, constituting a Limited Common Element, has been assigned as an appurtenance to the owner's Dwelling.

E. All stoves, ovens, refrigerators, hot water heaters, dishwashers, laundry equipment, garbage and waste disposal units and systems, fans and other appliances or equipment, including fixtures and their connections required to provide water, light, power, electricity, telephone, sewage, sanitary services or other utilities to his Dwelling.

F. All finished interior surfaces of the walls, floors and ceilings, all wall, floor and ceiling coverings, all interior steps, stairs and railings, all interior painting, decorating and furnishings and all other accessories which such owner may desire to place or maintain in his Dwelling.

When any such maintenance, repair or replacement is occasioned by any loss or damage which may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association or by the Insurance Trustee herein designated shall be used for the purpose and applied on the costs of making such maintenance, repair or replacement, except that the owner of such Dwelling shall be required to pay such portion of such costs as shall exceed the amount of the applicable insurance proceeds.

Prior to undertaking or making any maintenance, repair or replacement of any equipment, materials or parts of the improvements described in subparagraphs A., B., C. or D. of this paragraph 17, the Dwelling owner first shall submit to the Association and to the Declaror plans and specifications for such work meeting the requirements of paragraph 18 hereof and shall obtain the written approval of such plans and specifications by the Association and the Declaror.

18. REQUIREMENTS OF PLANS AND SPECIFICATIONS

For the purpose of insuring the development and continuance of the condominium as a residential area of the highest quality and standards, and in order that all improvements shall present an attractive and pleasing appearance from all sides and from all points of view, including contiguous lands of the Declaror not included in this Declaration, the Declaror reserves the final exclusive power and discretion to control and approve proposed modifications and work under paragraph 16 hereof and required maintenance, repairs and replacements under subparagraphs

A., B., C. and D. of paragraph 17 hereof.

The plans and specifications referred to in paragraphs 16 and 17 hereof shall describe in detail the modifications or work proposed to be done, the equipment and materials to be used, and shapes, heights, sizes, floor plans and locations where appropriate, any proposed additions to or alterations in exterior appearances (including but not limited to changes in exterior materials, color schemes or finishes) and shall be accompanied by paint samples and samples of such other materials and information as the Declarator may require in order to disclose the nature and ultimate appearance of the modifications or work proposed.

Regardless of the action of the Association with respect to any such proposed modifications or work and the plans and specifications relating thereto, the Declarator reserves the absolute, final and exclusive right to refuse to approve any such plans and specifications and to refuse to consent to the modifications or work contemplated thereby. In passing upon such plans and specifications and the proposed modifications or work, the Declarator may take into account purely aesthetic reasons, reasons connected with future development plans of the Declarator with respect to its lands contiguous to or nearby the condominium property, the suitability and desirability of the proposed modifications or work, the quality of the proposed workmanship, the harmony of external design and color schemes with the surrounding neighborhood and existing structures therein, and the effect and appearance of such modifications or work as viewed from neighboring properties within or without the condominium property.

Should a Dwelling owner fail or refuse to submit plans and specifications with respect to any maintenance, repair or replacements required to be accomplished by such owner pursuant to subparagraphs A., B., C. or D. of paragraph 17 hereof, and such failure or refusal continues for 60 days following written notice to the owner from either the Association or the Declarator, then either the Association or the Declarator, or both, shall have the right at any time thereafter to institute appropriate proceedings against the owner to require him to undertake the needed maintenance, repair or replacement in accordance with plans, specifications and directions therefor prepared or approved by the Declarator. In any such proceedings against the owner of a Dwelling, the Association and the Declarator shall be entitled to recover from the owner all costs and expenses incurred by them and each of them in and about such proceedings, including reasonable attorneys' fees.

19. MAINTENANCE AND REPAIR OF COMMON ELEMENTS

Except as provided in paragraph 17 hereof, the Association, at its expense, shall be responsible for the maintenance, repair and replacement of all of the Common Elements including the Limited Common Elements including but not limited to those portions thereof which contribute to the support of the buildings and all conduits, pipes, ducts, plumbing, wiring and other facilities located in or on the Common Elements and Limited Common Elements for the furnishing of utility services. Any incidental damage caused to any Dwelling by virtue of any work done by the Association in the maintenance, repair or replacement of any Common Element, shall be repaired at the expense of the Associa-

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tion. All such expenses shall be common expenses to be assessed and collected from all the owners of the Dwellings.

20. LIMITED COMMON ELEMENTS: RIGHTS AND LIMITATIONS

The Declaror shall have the right to assign particular carports and annexed storage areas constituting Limited Common Elements to the owner or owners of particular Dwellings, which assignment shall be made by instrument in writing executed with the formalities of a deed and recorded in the public records of Duval County, Florida. Such assignment may be made by separate instrument or by inclusion in any instrument of conveyance of a Dwelling. Upon the assignment of any carport and annexed storage area constituting a Limited Common Element to the owner of a Dwelling, such owner shall have the exclusive right to the use thereof. Upon such assignment, the exclusive right of the owner of the Dwelling to which such assignment is made shall become appurtenant to such Dwelling and shall be encumbered by and be subject to any mortgage then or thereafter encumbering that Dwelling. Upon the conveyance or passing of title to the Dwelling to which such assignment is made, such exclusive right shall pass as an appurtenance thereto in the same manner as the undivided interest in the Common Elements appurtenant to such Dwelling.

No conveyance or encumbrance of or any passing of title to any exclusive right to use a carport and annexed storage area constituting a Limited Common Element may be made separately from the title to the Dwelling to which it is appurtenant, except that such exclusive right may be separately conveyed, assigned or transferred to the Association by an instrument in writing executed with the formalities of a deed. However, as a condition precedent to the conveyance, assignment or transfer to the Association of such an exclusive right, such right shall be released from any mortgage, lien or encumbrance encumbering the appurtenant Dwelling. Whenever the Association shall become the owner of the exclusive right to use any Limited Common Element, such exclusive right thereafter may be assigned by the Association to the owner of any Dwelling with the same force and effect as if originally assigned thereto by the Declaror. However, while the Association shall be the owner of the exclusive right to use any Limited Common Element, it shall be treated by the Association just as though it were a part of the Common Elements instead of a Limited Common Element.

21. PERSONAL LIABILITY AND RISK OF LOSS.
SEPARATE INSURANCE COVERAGE

The owner of each Dwelling may, at his expense, obtain insurance coverage for loss of or damage to any furniture, furnishings, personal effects and other personal property belonging to such owner and may, at his expense, obtain insurance coverage against personal liability for injury to the person or property of another while within such owner's Dwelling or upon the Common Elements or Limited Common Elements. All such insurance shall provide (whenever such provisions shall be available) that the insurer waives its right of subrogation as to any claims against other owners of Dwellings, the Association and the respective servants, agents, guests, licensees and invitees of such other owners and the Association, and such insurance coverage shall be obtained from the same insurance car-

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rier from which the Association obtains coverage against the same risk, liability or peril, if the Association has such coverage and if the Association's insurance carrier is willing to provide such coverage to the Dwelling owner. Risk of loss of or damage to any furniture, furnishings, personal effects and other personal property belonging to or carried on the person of the owner of a Dwelling, or which may be stored in any Dwelling or in or upon Common Elements or Limited Common Elements, shall be borne by the owner of such Dwelling. All furniture, furnishings and other personal property constituting a portion of the Common Elements shall be covered by such insurance as shall be maintained in force and effect by the Association as herein provided. The owner of a Dwelling shall have no personal liability for any damages caused by the Association or caused by others in connection with the use of the Common Elements or Limited Common Elements. The owner of a Dwelling shall be liable for injuries or damage resulting from an accident in his own Dwelling to the same extent and degree that the owner of a house would be liable for an accident occurring within his house.

22. INSURANCE COVERAGE: INSURANCE TRUSTEE:
INSURANCE PROCEEDS

The following insurance coverages shall be maintained by the Association covering the condominium and its operation and management:

A. Casualty insurance covering all of the Dwellings, Common Elements and Limited Common Elements in an amount equal to the maximum insurance replacement value thereof, exclusive of excavation and foundation costs, such coverage to afford protection against (i) loss or damage by fire or other hazards covered by the standard extended coverage or other perils endorsement, and (ii) such other risks of a similar or dissimilar nature as are customarily covered with respect to buildings similar in construction, location and use to the condominium, including but not limited to vandalism, malicious mischief, windstorm, water damage and war risk insurance, if available.

B. Liability and property damage insurance in such amounts and in such forms as shall be required by the Association to protect the Association and the owners of all Dwellings, including but not limited to water damage, legal liability, hired automobile, non-owned automobile and off premises employee coverage.

C. Workmen's compensation insurance to meet the requirements of law.

D. Such other insurance coverages, other than title insurance, as the Board of Directors of the Association may determine from time to time to be in the best interests of the Association and the owners of the Dwellings, or as an institutional lender may reasonably require so long as it is the owner of a mortgage on any Dwelling.

All liability insurance maintained by the Association shall contain cross liability endorsements to cover liability of all owners of Dwellings as a group to each Dwelling owner.

All such insurance coverages shall be purchased by the

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Association for itself and for the benefit of all owners of all Dwellings. The cost of obtaining such insurance coverages is declared to be a common expense, as are any other fees and expenses incurred in carrying out the provisions hereof.

All policies of casualty insurance covering the condominium shall provide that the insurance proceeds shall be payable to the Insurance Trustee herein provided for, or to its successor. The insurance proceeds from any casualty loss shall be held for the use and benefit of the Association and the owners of all Dwellings and their respective mortgagees, as their interests may appear, and such insurance proceeds shall be applied or distributed in the manner herein provided. The Association is hereby declared to be and appointed as Authorized Agent for all owners of all Dwellings for the purpose of negotiating and agreeing to a settlement as to the amount and extent of any loss which may be covered under any policy of insurance, and is granted full right and authority to execute in favor of any insurer a release of liability arising out of any occurrence covered by any policy of insurance.

The Insurance Trustee shall be a banking institution having trust powers and doing business in the State of Florida. The Insurance Trustee shall not be liable for the payment of premiums, nor for the renewal of any policy or policies of casualty insurance, nor for the sufficiency of coverage, nor for the form or content of the policies, nor for the failure to collect any insurance proceeds. The sole duty of the Insurance Trustee shall be to receive such proceeds of casualty insurance as are paid and to hold and disburse them as herein provided, for the benefit of the Association and the owners of all Dwellings and their respective mortgagees. The Association, as a common expense, shall pay a reasonable fee to the Insurance Trustee for its services and shall pay such reasonable costs and expenses as the Insurance Trustee may incur in the performance of its duties and obligations hereunder. The Insurance Trustee shall be liable only for its wilful misconduct, bad faith or gross negligence, and then only to the extent of monies which may come into its possession. Whenever the Insurance Trustee may be required to make distribution of insurance proceeds to owners of Dwellings and their mortgagees, the Insurance Trustee may rely upon a certificate of the President and Secretary of the Association, executed under oath, such certificate to specify the names of the owners of the Dwellings, the names of the mortgagees who may hold mortgages encumbering the Dwellings, and the respective percentages of any distribution which are to be made to the owners of the Dwellings and their respective mortgagees. When any insurance proceeds are paid to the Insurance Trustee, the holders of mortgages encumbering the Dwellings shall not have any right to participate in the determination of repair, replacement or reconstruction of any loss or damage, nor any right to elect to apply insurance proceeds to the reduction of any mortgage or mortgages, unless (i) such insurance proceeds represent a distribution to the owners of Dwellings and their respective mortgagees, after such insurance proceeds have been first applied to repair, replacement or reconstruction of any loss or damage, or (ii) such insurance proceeds are authorized to be distributed to the owners of Dwellings and their respective mortgagees, by reason of loss of or damage to personal property constituting a part of Common Elements and as to which a determination is made by the Association not to repair, replace or restore such personal property.

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In the event of loss of or damage only to Common Elements, real or personal, or to Limited Common Elements, any insurance proceeds paid to the Insurance Trustee to cover such loss or damage shall be applied to the repair, replacement or reconstruction of such loss or damage. If the insurance proceeds are in excess of the cost of such repair, replacement or reconstruction then the Insurance Trustee shall pay and distribute such excess proceeds to the Association for the benefit of the owners of all of the Dwellings. If it appears that the insurance proceeds are not or will not be sufficient to pay for the repair, replacement or reconstruction of such loss or damage, then the Association shall deposit with the Insurance Trustee a sum which, together with the insurance proceeds received or to be received, will place in the hands of the Insurance Trustee funds which will completely pay for the repair, replacement or reconstruction of such loss or damage. Such monies to be deposited by the Association with the Insurance Trustee may be paid by the Association out of its Reserve Fund for Replacements, and if the amount in such Reserve Fund for Replacements is not sufficient, then the Association shall levy and collect an assessment against all of the Dwellings and the owners thereof in an amount which shall provide the funds required to completely pay for such repair, replacement or reconstruction.

In the event of loss of or damage to Common Elements, Limited Common Elements and any Dwelling or Dwellings, the insurance proceeds paid to the Insurance Trustee to cover such loss or damage first shall be applied to the repair, replacement or reconstruction of Common Elements, real or personal, and Limited Common Elements, and then any remaining insurance proceeds shall be applied to the repair, replacement or reconstruction of any Dwelling or Dwellings which may have sustained any loss or damage so covered. If the insurance proceeds are in excess of the cost of repair, replacement or reconstruction of the Common Elements and Limited Common Elements and the Dwellings, then such excess shall be paid and distributed by the Insurance Trustee to the Association for the benefit of the owners of all of the Dwellings. If it appears that the insurance proceeds covering the casualty loss or damage are not or will not be sufficient to pay for the repair, replacement or reconstruction of the entire loss or damage, then the Board of Directors of the Association, based upon reliable and detailed estimates obtained by it, shall determine and allocate the cost of repair, replacement or reconstruction between the Common Elements, Limited Common Elements and the Dwelling or Dwellings sustaining loss or damage. If the proceeds of the casualty insurance are sufficient to pay for the repair, replacement or reconstruction of any loss of or damage to Common Elements and Limited Common Elements but are not sufficient to repair, replace or reconstruct any loss of or damage to any Dwelling or Dwellings, then the Association shall levy and collect an assessment from the owner or owners of the Dwelling or Dwellings sustaining loss or damage, and the total of the assessments so collected from such owner or owners shall be deposited with the Insurance Trustee so that the funds on deposit with the Insurance Trustee will be sufficient to completely pay for the repair, replacement or reconstruction of all Common Elements, Limited Common Elements and Dwellings. In the latter event, the assessment to be levied and collected from the owner of each Dwelling sustaining loss or damage shall bear the same proportion to the total assessments levied against all owners of all Dwellings sustaining loss or damage as the cost of repair, replacement or reconstruction of each Dwelling sustaining loss or damage

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bears to the total costs applicable to all of the Dwellings sustaining loss or damage.

If the casualty insurance proceeds payable to the Insurance Trustee in the event of the loss of or damage to Common Elements, Limited Common Elements and a Dwelling or Dwellings are not sufficient to pay for the complete repair, replacement or reconstruction of the Common Elements and Limited Common Elements, then the cost to repair, replace or reconstruct the Common Elements and Limited Common Elements in excess of the available insurance proceeds shall be provided by the Association, through the levy and collection of an assessment in like manner as if the loss or damage sustained had been solely to the Common Elements. In that event, the cost of repair, replacement or reconstruction of the Dwellings sustaining loss or damage shall be levied and collected by assessment against the owners of the Dwellings sustaining loss or damage in like manner as provided above for the apportionment of an assessment between the owners of Dwellings sustaining loss or damage.

In the event of an assessment with respect to Dwellings sustaining loss or damage, such assessment shall be made without regard to the existence of any exclusive rights to use Limited Common Elements which may be appurtenant to any Dwelling.

In the event of loss of or damage to property covered by such casualty insurance, the Association, within sixty (60) days after any such occurrence, shall obtain reliable and detailed estimates of the cost of repair, replacement or reconstruction, such estimates to include any professional fees and premiums for such bonds as the Board of Directors of the Association may deem advisable. Whenever it appears that insurance proceeds will not be sufficient to completely pay the cost of the repair, replacement or reconstruction, the additional monies required to completely pay for such repair, replacement or reconstruction, whether to be paid by the owners of all Dwellings or only by the owners of Dwellings sustaining loss or damage, or both, shall be deposited with the Insurance Trustee not later than thirty (30) days after demand therefor made by the Association.

In the event of the loss of or damage to personal property belonging to the Association, the insurance proceeds shall be paid by the Insurance Trustee to the Association. In the event of loss of or damage to personal property constituting a portion of the Common Elements, and should the Board of Directors of the Association determine not to repair or replace such personal property, then the insurance proceeds shall be paid by the Insurance Trustee to the Association for the benefit of the owners of all Dwellings.

23. APPORTIONMENT OF ASSESSMENTS AGAINST THE CONDOMINIUM

If any taxing authority shall levy any tax or special assessment against the condominium as a whole as opposed to levying such tax or special assessment against each Dwelling and its appurtenant undivided interest in Common Elements, then such tax or special assessment so levied shall be paid as a common expense by the Association and any such tax or special

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assessment shall be included, wherever possible, in the estimated Annual Budget of the Association, or shall be separately levied and collected as an assessment by the Association against all of the Dwellings and the owners thereof if not included in said Annual Budget. The amount of any such tax or special assessment paid or to be paid by the Association shall be apportioned among all Dwellings and the owners thereof so that the amount of such tax or special assessment to be paid by the owner of each Dwelling shall bear the same ratio to the total tax or special assessment as the undivided interest in Common Elements appurtenant to each Dwelling bears to the total undivided interests in Common Elements appurtenant to all Dwellings.

If any tax or special assessment shall be levied against the condominium in its entirety, then the assessment by the Association shall separately specify that part of such assessment which is attributable to such tax or special assessment, and the amount of such tax or special assessment so specified shall constitute a lien prior to all mortgages and encumbrances upon any Dwelling and its appurtenant undivided interest in Common Elements, regardless of the date of the attachment or recording of such mortgage or encumbrance, to the same extent as though such proportion of such tax or special assessment had been separately levied by the taxing authority upon each Dwelling and its appurtenant undivided interest in Common Elements.

All personal property taxes levied against personal property owned by the Association shall be paid by the Association and shall be included as a common expense in the Annual Budget of the Association.

In the apportionment of any tax or special assessment in accordance with the provisions of this paragraph such apportionment shall be made without regard to the existence of any exclusive right to use Limited Common Elements which may be appurtenant to any Dwelling.

24. FIRST REFUSAL ON SALE OR LEASE OF DWELLING

No owner of a Dwelling may rent or let his Dwelling to any person, firm, corporation or other entity for any period or periods of time of less than ninety (90) days without the prior written consent of the Association as to the terms and conditions of such renting or letting and the approval, by the Association, of the person, firm, corporation or other entity to which said Dwelling is to be rented or let. No Dwelling may be rented as transient accommodations without the prior written consent of the Association, and further, the Association shall have no right, power or authority to give such prior written consent to the use of a Dwelling as transient accommodations unless and until said Association first obtains the prior written consent of the Declaror (as Developer under the Deerwood, Unit Five and Contiguous Cottage Colony Land Covenants and Restrictions and the Covenants and Restrictions (Acreage adjacent to Deerwood, Unit Five), both referred to above). Any renting or letting of any Dwelling hereafter permitted under the foregoing provisions of this paragraph, including any agreement of occupancy, whether written or verbal, shall be considered to be a lease or leasing of a Dwelling which is subject to the following provisions of this paragraph 24.

Should the owner of any Dwelling desire to lease or sell such Dwelling, the Association is hereby given and granted the right of first refusal to lease or purchase such Dwelling, as the case may be, on the terms and conditions herein stated. No owner of a Dwelling shall lease or sell a Dwelling to any party without first giving the Association notice in writing as herein provided, thereby giving the Association the opportunity to determine whether it will exercise its right of first refusal to lease or purchase such Dwelling on the same terms and conditions as those contained in any bona fide offer which the owner of such Dwelling may have received for the lease or purchase of his Dwelling.

Whenever the owner of any Dwelling has received a bona fide offer to lease or purchase his Dwelling and desires to accept such bona fide offer (a bona fide offer being defined as an offer in writing, binding upon the offeror and containing all of the pertinent terms and conditions of such lease or sale, and accompanied by an earnest money deposit in an amount equal to at least 5% of the purchase price if it is an offer for the purchase of such Dwelling), the owner of such Dwelling shall notify the Association in writing by registered or certified mail sent to the office of the Association, of his desire to accept such offer, stating the name, address, and business, occupation or employment, if any, of the offeror, and shall enclose with such notice an executed copy of the offer. If the Association desires to exercise its option to lease or purchase the Dwelling on the same terms and conditions as are contained in such offer, then the Association shall notify the owner of the Dwelling of the exercise of its election to lease or purchase the Dwelling, such notice to be in writing and mailed by registered or certified mail to the owner within thirty (30) days from receipt by the Association of the owner's notice to the Association as required above. If the Association has elected to lease or purchase such Dwelling, then, upon notifying the owner of such Dwelling of its election to lease or purchase the Dwelling, the Association shall execute a lease or contract to purchase, and shall consummate any such contract to purchase, all on the same terms and conditions as those contained in such bona fide offer.

Unless the Association, within thirty (30) days after the owner has mailed his required notice to the Association, has notified the owner of its intention to exercise its right of first refusal and to lease or purchase such Dwelling, such owner shall be free to consummate such lease or sale of his Dwelling. However, in that event, the owner of the Dwelling shall not lease or sell the Dwelling to any party other than the party designated in the owner's required notice to the Association nor for any lower rental or purchase price, nor on any more favorable terms and conditions than those originally contained in such bona fide offer presented to the Association, without again giving the Association the right of first refusal to lease or purchase such Dwelling in the manner above provided.

If the Board of Directors of the Association shall so elect, it may cause its right of first refusal to lease or purchase any Dwelling to be exercised in its name for itself or for a party approved by the Board of Directors, or the Board of Directors of the Association may elect to cause such Dwelling to be leased or purchased directly in the name of a party approved by it, which party shall execute a lease or contract to purchase, and shall consummate any such contract to purchase,

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in the same manner as required of the Association upon its exercise of its right of first refusal. Whenever such right of first refusal is to be exercised in the name of a party approved by the Association, notice of the exercise of such election as required herein shall be executed both by the Association and by the party approved by the Board of Directors of the Association.

✓ If an owner of a Dwelling shall lease or sell such Dwelling without giving written notice to the Association as herein provided, then the Association shall have the right to redeem such Dwelling from such lease or sale transaction, as the case may be, by reimbursing the lessee for the amount of any rent paid in advance, in which event the lessee of such Dwelling shall execute an assignment of such lease to the Association or to a party designated and approved by the Association, or by refunding to the purchaser of such Dwelling the purchase price paid therefor, in which latter event, the purchaser of such Dwelling shall convey the Dwelling to the Association or to a party designated and approved by the Association. ✓ The right of redemption granted herein shall exist for a period of six (6) months from the date on which such lease or sale may be consummated without prior notice to the Association as required herein, but such Dwelling may not be redeemed by the Association from such lease or sale transaction after the expiration of that six (6) months period. If a sale or lease of a Dwelling has been accomplished without prior notice to the Association as required herein, then the lessee or purchaser in such transaction may shorten the redemption period stated above by notifying the Association of his lease or purchase of such Dwelling, such notice to be in writing and to state the name, address, and business, occupation or employment, if any, of such lessee or purchaser, and the terms and conditions of the lease or purchase transaction, such notice to be given to the Association in the same manner as notice is required to be given prior to consummation of a lease or sale transaction. Thereafter, the Association shall have only sixty (60) days from receipt of such notice within which to exercise the right of redemption granted to the Association and to accomplish such redemption. In the event of a failure to exercise the right of redemption and to accomplish the redemption of such lease or purchase transaction within that sixty (60) day period of time, the right of redemption granted to the Association shall terminate and expire as to such lease or purchase transaction.

Notwithstanding the foregoing, no Dwelling lease shall be entered into unless such lease shall provide that such Dwelling may not be sublet without the prior written approval of the Association, and that the lessee shall comply with and abide by all of the provisions pertaining to the use of Dwellings and Common Elements contained in this Declaration and with the rules and regulations hereafter established by the Association governing the use of Dwellings and Common Elements. Should any lease not contain such provisions or should the lessee not comply therewith, then the Association shall have the right to cancel and terminate such lease, all without any obligation to the lessee or the owner of the Dwelling, and in that respect, the Association shall be regarded as the owner's agent, fully authorized to take such steps as may be necessary to effect the cancellation and termination of such lease.

The right of first refusal granted to the Association

shall not be operative with respect to any transfer of ownership of any Dwelling by bona fide gift or by devise or inheritance, although the title of the person who shall acquire title by gift, devise or inheritance shall thereafter be subject to the right of first refusal granted to the Association pertaining to the lease or sale of such Dwelling.

The right of first refusal granted to the Association shall not be operative with respect to any foreclosure or other judicial sale of a Dwelling, although the title of the purchaser at any foreclosure or judicial sale shall thereafter be subject to the right of first refusal granted to the Association pertaining to the lease or sale of such Dwelling.

Notwithstanding the foregoing, the successful purchaser at a foreclosure or other judicial sale shall notify the Association of the total cost to the successful purchaser of acquiring title to the Dwelling at such foreclosure or judicial sale and the Association shall have the first right to purchase the Dwelling within thirty (30) days after such notification for a purchase price equal to such total acquisition cost to the successful purchaser.

If a mortgagee acquires title to a Dwelling by deed in lieu of foreclosure, then the mortgagee, following its acquisition of title, shall notify the Association advising it of the balance due under such mortgage, and the Association shall have the first right to purchase the Dwelling within thirty (30) days after such notification for a purchase price equal to the balance due under the mortgage plus interest at the mortgage rate to the date of acquisition by the Association, plus any advances made by the mortgagee and including any attorneys' or recording fees or other miscellaneous charges involved in the mortgagee's taking title by deed in lieu of foreclosure.

In the event any person acquires title to a Dwelling through foreclosure or other judicial sale or through a deed in lieu of foreclosure and the Association does not exercise its right to acquire such Dwelling within the prescribed time, then such person may sell or lease such Dwelling free of the right to acquire granted to the Association, but the grantee or lessee from such person shall be subject to the right of first refusal granted to the Association pertaining to the lease or sale of a Dwelling.

Upon written request, the Association shall furnish an owner, a proposed lessee or purchaser or any mortgagee of a Dwelling a statement certifying, if such be the case, that the Association has waived, only with respect to a specific transaction and a specific lessee or purchaser who shall be named in such statement, its right of first refusal to lease or purchase such Dwelling. Such statement shall be in form and substance satisfactory to the Association and shall be executed by any officer of the Association. Any owner, proposed lessee or purchaser or mortgagee may rely upon such statement in concluding the specific proposed lease, purchase or mortgage transaction referred to therein and the Association shall be bound by such statement.

25. REGISTRY OF OWNERS AND MORTGAGEES

The Association at all times shall maintain a Register

setting forth the names and mailing addresses of the owners of all of the Dwellings. In the event of the sale or transfer of any Dwelling to a third party, the purchaser or transferee shall notify the Association in writing of his interest in such Dwelling together with such recording information as shall be pertinent to identify the instrument by which such purchaser or transferee has acquired his interest. Further, the owner of each Dwelling shall at all times keep the Association currently advised of the names and mailing addresses of the parties holding any mortgage or mortgages on any Dwelling, the amount of such mortgage or mortgages, and the recording information which shall be pertinent to identify the mortgage or mortgages involved. The holder of any mortgage upon any Dwelling may notify the Association of the existence of any such mortgage on any Dwelling, and upon receipt of such notice, the Association shall register in its records all pertinent information pertaining to such mortgage.

26. ASSESSMENTS: LIABILITY, LIEN AND ENFORCEMENT

The Association is given the authority to administer the operation and management of the Condominium, it being recognized that the delegation of such duties to one entity is in the best interests of the owners of all Dwellings. To properly administer the operation and management of the Condominium, the Association will incur, for the mutual benefit of all of the owners of Dwellings, costs and expenses which will be continuing or non-recurring, as the case may be, which costs and expenses are sometimes herein referred to as "common expenses". To provide the funds necessary for such proper operation and management, the Association is hereby granted the right to make, levy and collect assessments against the Dwellings and owners thereof. In furtherance of that grant of authority, the following provisions shall be operative and binding upon the owners of all Dwellings:

A. All assessments levied against Dwellings and the respective owners thereof shall, unless specifically otherwise provided for in this Declaration, bear the same ratio to the total assessment made against all Dwellings as the undivided interest in Common Elements appurtenant to each Dwelling bears to the total undivided interests in Common Elements appurtenant to all Dwellings, without increase or diminution for the existence or lack of existence of any exclusive right to use Limited Common Elements which may be appurtenant to any Dwelling. Should the Association be the owner of any Dwelling or Dwellings, the assessment which would otherwise be due and payable to the Association by the owner of such Dwelling or Dwellings, reduced by any income which may be derived from the leasing of such Dwelling or Dwellings by the Association, shall be apportioned and the assessment therefor levied ratably among the owners of all Dwellings which are not owned by the Association, based upon their proportionate interests in the Common Elements exclusive of the interests therein appurtenant to any Dwelling or Dwellings owned by the Association.

B. The assessment levied against each Dwelling and the owner thereof shall be payable in annual, quarterly or monthly installments, or in such other installments and at such times as may be determined by the Board of Directors of the Association.

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C. The Board of Directors of the Association shall establish an Annual Budget in advance for each fiscal year which shall correspond to the calendar year. Such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the condominium, including a reasonable allowance for contingencies and reserves. Such budget shall take into account projected anticipated income which is to be applied in reduction of the amount required to be collected as an assessment each year. Upon adoption of such Annual Budget by the Board of Directors of the Association, copies of such budget shall be mailed to each owner of a Dwelling and the assessment for such year shall be established based upon such budget. However, the receipt or nonreceipt of a copy of such budget by any owner shall not affect the liability of such owner for such assessment. Should the Board of Directors at any time determine that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the condominium, or in the event of emergencies, the Board of Directors shall have the authority to levy such additional assessment or assessments as it shall deem to be necessary.

D. The Board of Directors of the Association, in establishing such Annual Budget, shall include therein a sum to be collected and maintained as a Reserve Fund for Replacements of Common Elements and Limited Common Elements, which reserve fund shall be for the purpose of enabling the Association to replace structural elements and mechanical equipment constituting parts of the Common Elements and Limited Common Elements as well as the replacement of personal property which may constitute a portion of the Common Elements. The amount to be allocated to such Reserve Fund for Replacements shall be established by the Board of Directors so as to accrue and maintain at all times a sum reasonably necessary to anticipate the need for replacements for the Common Elements and Limited Common Elements. The amounts collected and allocated to the Reserve Fund for Replacements from time to time shall be maintained in a separate bank account by the Association, although nothing herein contained shall limit the Association from applying any monies in such Reserve Fund for Replacements to meet other needs or requirements of the Association in the event of emergencies, or in the event the other sums collected from the owners of Dwellings are insufficient to meet the then financial requirements of the Association.

E. The Board of Directors of the Association, in establishing the Annual Budget, shall include therein a sum to be collected and maintained as a general Operating Reserve which shall be used to provide a measure of financial stability as a result of emergencies or other reasons placing financial stress upon the Association. The annual amount allocated to such Operating Reserve and collected therefor shall not exceed 5% of the current annual assessment otherwise levied or to be levied against the Dwellings and the owners thereof. Upon accrual in such Operating Reserve of an amount equal to 25% of the then current annual assessment, no further payments shall be collected from the owners of Dwellings as a contribution to such Operating Reserve, unless such Operating Reserve shall be reduced below such 25% level, in which event, contributions to such Operating Reserve may be included in the annual assessments so as to restore the Operating Reserve to an amount which will not exceed 25% of the then current annual assessment.

F. All monies collected by the Association shall be treated as the separate property of the Association, and such monies may be applied by the Association to the payment of any expense of operating and managing the condominium, or to the proper undertaking of all acts and duties imposed upon the Association by virtue of this Declaration or the Articles of Incorporation or By-Laws of the Association. The monies for any assessment paid to the Association by any owner of a Dwelling may be commingled with the monies received by the Association from the other owners of Dwellings and from other sources. Although all funds and other assets of the Association, and any increments thereto or profits derived therefrom, or from the leasing or use of Dwellings or Common Elements, shall be held for the benefit of the Members of the Association, no Member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest or any rights therein, except as an appurtenance to his Dwelling.

G. The payment of any assessment or installment thereof due to the Association shall be in default if such assessment, or any installment thereof, is not paid on or before the due date for such payment. When in default, the delinquent assessment or delinquent installment thereof shall bear interest at the rate of 10% per annum until such delinquent assessment or delinquent installment thereof, and all interest due thereon, has been paid in full to the Association.

H. The owner of each Dwelling shall be personally liable to the Association for the payment of all assessments, regular or special, which may be levied by the Association while such owner holds any interest in a Dwelling, together with interest on any delinquent assessments or installments thereof as above provided, and for all costs of collecting such assessment or installment and interest thereon, including reasonable attorneys' fees, whether suit be brought or not.

I. No owner of a Dwelling may exempt himself from liability for any assessment levied against such owner and his Dwelling by waiver of the use or enjoyment of any of the Common Elements, or by abandonment of the Dwelling, or in any other manner.

J. Recognizing that the necessity for providing proper operation and management of the condominium entails the continuing payment of costs and expenses therefor, and that the payment of common expenses represented by the assessments levied and collected by the Association is necessary in order to preserve and protect the investment of the owners of each Dwelling, the Association is hereby granted a lien upon each such Dwelling and its appurtenant undivided interest in the Common Elements and, if applicable, upon any exclusive right to use any Limited Common Element which may be appurtenant to any such Dwelling, which lien shall secure the monies due for all assessments levied against such Dwelling and the owner thereof. Such lien also shall secure interest which may become due on the amount of any delinquent assessment or any installment thereof and all costs and expenses, including reasonable attorneys' fees, which may be incurred by the Association in enforcing this lien upon such Dwelling and its appurtenant undivided interest in the Common Elements and Limited Common Elements. The lien granted to the Association may be foreclosed in any proper court and, in any suit for the foreclosure of such lien, the Association shall be en-

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titled to rental from the owner of any Dwelling from the date on which the payment of any assessment or installment thereof became delinquent and shall be entitled to the appointment of a Receiver for such Dwelling. The rental required to be paid shall be equal to the rental charged on comparable types of dwelling units in Duval County, Florida. The lien granted to the Association shall further secure such advances for taxes and payments on account of mortgages, liens or encumbrances which may be required to be advanced by the Association in order to preserve and protect its lien, and the Association shall further be entitled to interest at the rate of 10% per annum on any such advances. All persons, firms or corporations who shall acquire, by whatever means, any interest in the ownership of any Dwelling, or who may be given or acquire any mortgage, lien or other encumbrance thereon, are hereby placed on notice of the lien granted to the Association, and shall acquire such interest in any Dwelling expressly subject to such lien.

K. The lien herein granted to the Association shall be effective from and after the date on which such monies were to have been paid and shall take priority as of the recording in the public records of Duval County, Florida of a Claim of Lien stating the description of the Dwelling encumbered thereby, the name of the record owner according to the Association's Registry of Owners, the amount due and the date when due. Such Lien shall continue in effect until all sums secured by such Lien shall have been fully paid. All such Claims of Lien shall include only assessments which are due and payable when the Claim of Lien is recorded. Interest, costs, attorneys' fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided, shall be included in such lien whether or not separately set forth. Any such Claim of Lien shall be executed by an officer or agent of the Association. Upon full payment of all sums secured and evidenced by such Claim of Lien, it shall be satisfied of record by the Association. Any Claim of Lien filed by the Association shall be subordinate to the lien of any mortgage or any other lien recorded prior to the time of recording of the Association's Claim of Lien, except that the lien of the Association for tax or special assessment advances made by the Association, including those where any taxing authority levies any tax or special assessment against the condominium as an entirety, shall be prior in lien, right and dignity to the lien of all mortgages, liens and encumbrances, whether or not recorded prior to the Association's Claim of Lien therefor. The Association's Claim of Lien for collection of a portion of any tax or special assessment levied against the condominium as an entirety shall specify that such claim secures an assessment levied pursuant to paragraph 23 of this Declaration. If any person, firm or corporation shall acquire title to any Dwelling and its appurtenant undivided interest in Common Elements by virtue of any foreclosure or judicial sale, such person, firm or corporation so acquiring title shall be liable and obligated only for such assessments as shall accrue and become due and payable with respect to such Dwelling and its appurtenant undivided interest in Common Elements subsequent to the date of acquisition of such title, and shall not be liable for the payment of any assessments which were in default and delinquent at the time such title was acquired, except that such person, firm or corporation shall acquire such title subject to the lien of any assessment by the Association representing an apportionment of taxes or special assessment levied by taxing authorities against the

condominium in its entirety. In the event of the acquisition of title to a Dwelling by foreclosure or judicial sale, any assessment as to which the party so acquiring title shall not be liable shall be absorbed and paid by all owners of all Dwellings as a part of the common expenses although nothing herein contained shall be construed as releasing the party liable for such delinquent assessment from the payment thereof or the enforcement or collection of such payment by means other than foreclosure.

L. Whenever any Dwelling is leased, sold or mortgaged by the owner thereof, the Association, upon written request of the owner of such Dwelling, shall furnish to the proposed lessee, purchaser or mortgagee a statement verifying the status of payment of all assessments due and payable to the Association by the owner of such Dwelling. Such statement shall be executed by an officer of the Association and any lessee, purchaser or mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction, and the Association shall be bound by such statement. If a Dwelling is to be leased, sold or mortgaged at a time when payment of any assessment against such Dwelling is in default (whether or not a Claim of Lien has been recorded by the Association) then the rent, proceeds of such sale or mortgage proceeds, as the case may be, shall be applied by the lessee, purchaser or mortgagee first to payment of any then delinquent assessment or installment thereof due to the Association before the payment of any part thereof to the owner of any Dwelling. In any voluntary conveyance of a Dwelling, including a voluntary conveyance in lieu of foreclosure, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor made prior to the time of such voluntary conveyance, without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee therefor. Prosecution of a suit at law for collection of the payment of any delinquent assessment shall not be deemed an election by the Association to prevent its thereafter seeking enforcement by foreclosure, nor shall proceeding by foreclosure be deemed an election precluding the prosecution of a suit at law for collection of any sum then remaining owing to the Association.

27. TERMINATION

Notwithstanding anything to the contrary contained in paragraph 22 hereof, in the event of fire or other casualty which shall so damage or destroy the improvements so as to render 24 or more of the Dwellings uninhabitable, as determined solely by the Board of Directors of the Association, then this Declaration of Condominium and the plan of condominium ownership established herein shall terminate on the 90th day following such event, unless within such 90-day period the owners of at least 29 of the Dwellings agree in writing that the improvements shall be reconstructed, or unless any policy or policies of casualty insurance which may cover the damage or destruction of such improvements requires the reconstruction thereof as a condition precedent to the payment of insurance proceeds under such policy or policies. However, notwithstanding the fact that the owners of at least 29 of the Dwellings agree to reconstruct such improvements, or that such policy or policies of casualty insurance require the reconstruction thereof, this Declaration of Condominium and the plan of condominium ownership established herein shall still terminate if any regulation or

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order of any governmental authority or any action or nonaction of a governmental authority may then prevent the reconstruction of such improvements, although nothing herein contained shall be construed as releasing or in any manner changing any obligation which may be owed to the Association, for itself and for the benefit of the owners of Dwellings, under any insurance policy or policies then existing.

If, as above provided, this Declaration of Condominium and the plan of condominium ownership established herein shall be terminated, then a Certificate to that effect may be executed by any two officers of the Association in recordable form and such instrument may be recorded in the public records of Duval County, Florida.

Upon termination of this Declaration of Condominium and the plan of condominium ownership established herein, all of the owners of Dwellings shall become tenants in common as to the ownership of the real property covered hereby and any then remaining improvements thereon. In that event, the undivided interest in such real property and remaining improvements to be thereafter held by the owner of each Dwelling as a tenant in common shall be the same as the undivided interest in Common Elements formerly appurtenant to such Dwelling and the lien of any mortgage or other encumbrance upon each Dwelling shall attach, in the same order of priority, to the undivided interest of the owner of a Dwelling in the property and the then remaining improvements. Upon termination of this Declaration of Condominium and the plan of condominium ownership established herein, the Insurance Trustee shall distribute any insurance proceeds which may be due under any policy or policies of casualty insurance to the owners of the Dwellings and their mortgagees, as their respective interests may appear, such distribution to be made to the owners of the Dwellings in accordance with their then undivided interests in the real property and remaining improvements. The assets of the Association, including any Reserve Fund for Replacements, any Operating Reserve and any common surplus, upon termination of the Declaration of Condominium and the plan of condominium ownership established herein, shall then be distributed to the owners of the Dwellings and to their respective mortgagees, as their respective interests may appear, in the same manner as provided above for the distribution of any insurance proceeds.

This Declaration of Condominium and plan of condominium ownership may also be terminated by the unanimous consent of all of the owners of all Dwellings and all of the parties then holding recorded mortgages encumbering any of the Dwellings, in which event the termination of the condominium shall be by such plan as may be then adopted by such owners and parties holding such mortgages. Such election to terminate this Declaration of Condominium and the plan of condominium ownership established herein shall be evidenced by instrument executed by all of such parties, and such instrument shall be recorded in the public records of Duval County, Florida.

In the event of the termination of the condominium as above provided, any exclusive right to use Limited Common Elements and which may be appurtenant to any Dwelling automatically shall stand cancelled and terminated, and all Limited Common Elements thereafter shall be treated in the same manner as though they constituted a portion of Common Elements as to which no exclusive rights to use ever existed.

28. USE OR ACQUISITION SUBJECT TO PROVISIONS
OF DECLARATION AND OTHER INSTRUMENTS

All present and future owners, tenants and any other person who might use the facilities of the condominium in any capacity or manner, are subject to and shall comply with the provisions of this Declaration of Condominium, the Articles of Incorporation and By-Laws of the Association, the rules and regulations governing the use of the Dwellings, Common Elements and Limited Common Elements in force from time to time as adopted by the Association, and all instruments of record as now constituted or as they may be amended from time to time affecting the condominium or the lands described in the Schedule of Real Property referred to in paragraph 1 hereof and the mere acquisition or rental or act of occupancy of any Dwelling shall signify that the provisions of this Declaration of Condominium and the other instruments and documents referred to herein are accepted, agreed to and ratified in all respects.

29. DECLAROR NOT SUBJECT TO RIGHT OF FIRST REFUSAL:
REPRESENTATION ON BOARD OF DIRECTORS

So long as Stockton, Whatley, Davin & Company, the Declaror herein, shall own any Dwelling, it shall have the absolute right to lease or sell any such Dwelling to any person, firm or corporation, upon any terms and conditions as it shall deem to be in its own best interests. With respect to any lease or sale of any Dwelling by the Declaror, the rights of first refusal and redemption herein granted to the Association shall not be operative or effective in any manner. Further, so long as the Declaror is the owner of nine (9) or more Dwellings in the condominium, the Declaror shall have, subject to the rights of the owners of Dwellings other than the Declaror as set forth in the Articles of Incorporation of the Association, the right to designate and select a majority of the persons who shall serve as members of each Board of Directors of the Association, and so long as the Declaror is the owner of at least one (1) Dwelling, the Declaror shall have the right to designate and select one (1) of the persons who shall serve as a member of each Board of Directors of the Association. Whenever the Declaror shall be entitled to designate and select any person or persons to serve on any Board of Directors of the Association, the manner in which such person or persons shall be designated shall be as provided in said Articles of Incorporation. The Declaror from time to time shall have the right to remove any person or persons selected by it to act and serve on such Board of Directors and to replace such person or persons with another person or other persons to act and serve in the place of any Director or Directors so removed for the remainder of the unexpired term of any Director or Directors so removed. Any Director designated and selected by the Declaror need not be a resident in the condominium or the owner of any Dwelling. The Declaror shall be responsible for the payment of any assessments which may be levied by the Association against any Dwelling owned by the Declaror and for complying with the terms and provisions hereof in the same manner as any other owner of a Dwelling in the condominium.

Any representative of the Declaror serving on the Board of Directors of the Association shall not be required to disqualify himself upon any vote upon any management contract or other matter between the Declaror or any of its subsidiaries

or affiliates and the Association where the Declaror or any of its subsidiaries or affiliates may have a pecuniary or other interest. Similarly, the Declaror as a Member of the Association shall not be required to disqualify itself in any vote which may come before the membership of the Association upon any management contract or other matter between the Declaror or any of its subsidiaries or affiliates and the Association where the Declaror or any of its subsidiaries or affiliates may have a pecuniary or other interest.

30. RESTRICTIONS ON USE OF ARTIFICIAL LAKE

An artificial lake is located on a portion of the Common Elements. Neither the Association nor any Dwelling owner shall have any right whatsoever to fill, change the size of or eliminate said lake. Except with the prior written approval of the Declaror, which approval may be revoked at any time without cause, no Dwelling owner or any other persons shall have any right to wade or swim in or sail or boat upon or to make any other use whatsoever of said lake or to place any object or structure therein or thereon or to pump or otherwise remove any water from said lake for any purpose whatsoever. No rocks, stones, trash, garbage, sewage, water discharged from swimming pools or heating or air conditioning systems, waste water (other than surface drainage), rubbish, debris, ashes or other refuse or material of any kind shall be placed or deposited in said lake. The Declaror shall have the sole and absolute right, but no obligation, to control the flow of water through and the water level from time to time of said lake and to control the growth and eradication of plants, fowl, reptiles, animals, fish and fungi in said lake. The reasonable expenses incurred by the Declaror in such control activities shall be paid by the Association to the Declaror on demand, and such payments by the Association shall constitute a part of the common expenses.

31. COMMON ELEMENTS TO BE KEPT NEAT AND ATTRACTIVE

The Association at all times shall keep the Common Elements free of tall grass, undergrowth, dead trees, dead tree limbs, weeds, trash, rubbish and litter and shall keep the Common Elements at all times in a neat and attractive condition. In the event the Association fails to comply with the preceding sentence of this paragraph, the Declaror shall have the right, but no obligation, to go upon the Common Elements and Limited Common Elements and to cut and remove tall grass, undergrowth and weeds and to remove rubbish and any unsightly or undesirable things and objects therefrom regardless of the ownership thereof and to do any other thing and perform and furnish any labor necessary or desirable in its judgment to maintain the Common Elements in a neat and attractive condition, all at the expense of the Association. The reasonable expenses of the Declaror in undertaking and performing the actions contemplated by this paragraph shall be paid by the Association to the Declaror upon demand and such payments by the Association shall constitute a part of the common expense.

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32. LIMITATION ON RIGHT OF ACCESS

A portion of the boundaries of Parcel B and Parcel C of the real property described on the Schedule of Real Property referred to in paragraph 1 of this Declaration fronts on and is contiguous to the easterly right of way line of Southside Boulevard (Alternate U. S. Route No. 1). Notwithstanding any designation of Southside Boulevard as a limited or as an unlimited access right of way or otherwise, neither the Association nor any Dwelling owner or occupant of any Dwelling shall have any right of ingress or egress from the real property herein subjected to condominium ownership and said Southside Boulevard except over and across the Common Elements to and across the easterly boundary of Parcel A of said real property which easterly boundary fronts on and is contiguous to Parcel "AA" of Deerwood, Unit Five according to the plat thereof recorded in Plat Book 34 at pages 41 and 41A of the public records of Duval County, Florida and, thus, over and across the "access ways" in the Deerwood community. The provisions and easements set forth in the Covenants and Restrictions referred to in paragraph 7 above shall be the sole and exclusive method of ingress and egress between Southside Boulevard and the condominium.

33. LIBERAL CONSTRUCTION: CONDOMINIUM ACT

The provisions of this Declaration of Condominium shall be liberally construed to effectuate its purpose of creating a uniform plan of condominium ownership. The Florida Condominium Act, Chapter 711, Florida Statutes, as presently in force, is hereby adopted and made a part hereof. In the event of any conflict between the provisions of this Declaration of Condominium and said Condominium Act, as presently in force, the provisions of said Condominium Act as presently in force shall be controlling. If any future amendment to the Condominium Act shall be in conflict with the provisions of this Declaration, the provisions of this Declaration shall be controlling to the extent allowed by law.

34. EASEMENTS AND OTHER RIGHTS RESERVED TO DECLAROR

The Declaror, for itself and its successors and assigns, hereby reserves and is given a non-exclusive, perpetual, alienable and releasable easement for surface water drainage in, on, over, under and across that portion of the Common Elements which is more particularly described as follows:

The westerly fifteen (15) feet of Lot One (1) in Block Thirty-three (33) of Deerwood, Unit Five according to the plat thereof recorded in Plat Book 34 at pages 41 and 41A of the current public records of Duval County, Florida, TOGETHER WITH a strip of land in said Lot One (1) being fifteen (15) feet in width and lying seven and one-half (7 1/2) feet on each side of the following described centerline:

For Point of Reference, commence at the extreme north-westerly corner of said Lot One (1) and run South 2°2' 41" East, along the westerly boundary of said Lot One (1) a distance of 108.10 feet to a point; run thence North 87°57'19" East and at right angles to said

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westerly boundary, a distance of fifteen (15.0) feet to a point for Point of Beginning.

From the Point of Beginning thus described, continue North 87°57'19" East a distance of 119.76 feet to a point in the easterly boundary of said Lot One (1) and the westerly boundary of Tract 26 of said Deerwood, Unit Five, for Point of Termination of the centerline herein described.

The Declaror, for itself and its successors and assigns, also hereby reserves and is given an exclusive, perpetual, alienable and releasable easement, privilege and right in, on, over, under and through the Common Elements, including but not limited to those portions through Dwellings for conduits, pipes, ducts and other facilities for the furnishing of utility services, for the furnishing to the Dwellings and to the owners thereof of central antennae television rights and services (CATV) and any and all other kinds and types of communication, informational and entertainment rights and services, and for the installation and the furnishing of coin operated or self service machines of all kinds, including but not limited to the erection of structures to house laundry, clothes washing and drying machines and other vending machines, together with the exclusive, perpetual, alienable and releasable easement, privilege and right to install, maintain, repair, replace and service all equipment and transmission and other utility lines useful or necessary in connection therewith. The Declaror, for itself and its successors and assigns, further reserves the exclusive, perpetual, alienable and releasable privilege and right to make reasonable charges to the owners of the Dwellings for the furnishing of the services referred to or contemplated in this subparagraph.

All of the rights, privileges and easements reserved hereunder in favor of the Declaror shall survive any termination of this Declaration of Condominium and the plan of condominium ownership established herein, and shall remain in full force and effect thereafter.

35. AMENDMENT OF PLANS

The Declaror reserves the absolute and continuing right to change the interior design and arrangement of all Dwellings and to alter the boundaries between Dwellings so long as the Declaror owns the Dwellings so altered. If more than one Dwelling is concerned, the Declaror shall reapportion between the altered Dwellings the undivided interests in the Common Elements appurtenant to the Dwellings concerned. If the Declaror shall make any such changes in the Dwellings owned by the Declaror, such changes shall be reflected by an amendment of this Declaration. If any such change does not increase or decrease the number of Dwellings nor alter the boundaries of the Common Elements, then such amendment of this Declaration need be signed and acknowledged only by the Declaror and need not be approved by the Association or by the owners of other Dwellings or their respective mortgagees. However, if any such change shall increase or decrease the number of Dwellings or shall alter boundaries of the Common Elements, the amendment of this Declaration reflecting such change shall be valid and effective only with the consent of the owners of all other Dwellings and their respective mortgagees.

36. AMENDMENT OF DECLARATION OF CONDOMINIUM

Except for any alteration in the percentages of ownership in Common Elements appurtenant to each Dwelling or in the common surplus, or any alteration in the basis for apportionment of assessments which may be levied by the Association, in which instances the written consents of the owners of all Dwellings and their respective mortgagees shall be required, and except for any alterations for which the consent of all mortgagees then holding of record any mortgages upon any part of the condominium property shall be required, and except for any modifications of the rights, privileges, reservations and easements granted or reserved hereunder in favor of the Declaror, which rights, privileges, reservations and easements may be modified only with the consent of the Declaror, this Declaration of Condominium may be amended only in the following manner:

An amendment to this Declaration of Condominium may be proposed by the Board of Directors of the Association acting upon a vote of the majority of the Directors, or by the Members of the Association owning a majority of the Dwellings in the condominium, whether meeting as Members or by instrument in writing signed by them. Such proposed amendment shall then be transmitted to the President of the Association or other officer of the Association in the absence of the President, who thereupon shall call a special meeting of the Members of the Association for a date not sooner than twenty (20) days nor later than sixty (60) days from the receipt by such officer of the proposed amendment. It shall be the duty of the Secretary of the Association to give to each Member written notice of such meeting, stating the time and place thereof, and reciting the proposed amendment in reasonably detailed form, which notice shall be mailed to each Member not less than ten (10) days nor more than thirty (30) days prior to the date set for such meeting. Such notice shall be deemed to be properly given when deposited in the United States mail addressed to the Member at his post office address as it appears on the records of the Association with postage thereon prepaid. Any Member, by written waiver of notice, may waive such notice and such waiver, when filed in the records of the Association, whether before, at or after the meeting, shall be deemed equivalent to the giving of notice to such Member. At such meeting, the proposed amendment in order to become effective, must be approved by the affirmative vote of the Members owning not less than two-thirds of the Dwellings in the condominium. Thereupon, such amendment shall be transcribed and acknowledged by the President or Vice President and by the Secretary or Assistant Secretary of the Association as having been duly adopted, and the original thereof so acknowledged, executed with the same formalities as a deed, shall be recorded in the public records of Duval County, Florida within ten (10) days from the date on which such amendment shall have been affirmatively approved by the Members. Such amendment shall specifically refer to the recording data identifying this Declaration of Condominium. Thereafter, a copy of such amendment in the form in which placed of record shall be mailed to all of the owners of all Dwellings and to the mortgagees listed in the Registry required to be maintained pursuant to paragraph 25 hereof, but mailing a copy thereof shall not be a condition precedent to the effectiveness of such amendment.

37. REMEDIES IN EVENT OF DEFAULT

The owner of each Dwelling shall be governed by and

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shall comply with the provisions of this Declaration of Condominium and the Articles of Incorporation and By-Laws of the Association and all other instruments of record as now constituted or as they may be amended from time to time, affecting the condominium or the lands identified in the Schedule of Real Property identified in paragraph 1 hereof. A default by any owner of any Dwelling shall entitle the Association, the owners of other Dwellings and the Declaror to relief as follows:

A. Failure to comply with any of the terms of this Declaration of Condominium, or the Articles of Incorporation or By-Laws of the Association, or any rules and regulations which may be adopted pursuant thereto, or with any provisions in any other instrument now or hereafter of record affecting the condominium or the lands described in said Schedule of Real Property shall be grounds for relief which may include, without limitation, actions to recover sums due for damages, injunctive relief, foreclosure of lien or any combination thereof.

B. The owner of each Dwelling shall be liable for the costs and expenses of any maintenance, repair or replacement for which he is otherwise responsible hereunder, as well as any such rendered necessary by his act, neglect or carelessness, or by that of any member of his family or his tenants, guests, employees, agents, licensees, invitees or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a Dwelling or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

C. In any proceedings arising because of an alleged default by any owner of any Dwelling, the party instituting the proceedings, if successful, shall be entitled to recover the costs of the proceedings, and such reasonable attorneys' fees as may be determined by the Court, but in no event shall the party or parties against whom such proceedings were brought be entitled to recover attorneys' fees.

D. The failure of the Association or of the owner of a Dwelling or of the Declaror to enforce any right, provision, covenant or condition which may be granted in this Declaration of Condominium or in any of the instruments or other documents referred to above shall not constitute a waiver of the right of the Association or of the owner of a Dwelling or of the Declaror to enforce such right, provision, covenant or condition in the future.

E. All rights, remedies and privileges granted to the Association, the Declaror or the owners of Dwellings pursuant to any terms, provisions, covenants or conditions of this Declaration of Condominium or of any of the other instruments or documents referred to above shall be deemed to be cumulative and the exercise of any one or more thereof shall not constitute an election of remedies nor preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

38. MISCELLANEOUS

The restrictions, conditions and obligations imposed by

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the provisions of this Declaration of Condominium are intended to and shall constitute covenants running with the title to the land, and shall constitute an equitable servitude upon each Dwelling and its appurtenant undivided interest in Common Elements. This Declaration of Condominium shall be binding upon the Declaror, its successors and assigns, and upon all parties who may subsequently become owners of Dwellings in the condominium, and their respective heirs, legal representatives, successors and assigns.

The Declaror, Stockton, Whatley, Davin & Company, is the "Developer" named in the Deerwood, Unit Five and Contiguous Cottage Colony Land Covenants and Restrictions recorded in Official Records Volume 3165 beginning at page 592 and in the Covenants and Restrictions (Acreage adjacent to Deerwood, Unit Five) recorded in Official Records Volume 3758 beginning at page 416, both of the public records of Duval County, Florida. By executing this Declaration of Condominium as Declaror, the Developer does not waive or relinquish and shall not be deemed to have waived or relinquished in any respects any of the provisions of either of said Covenants and Restrictions, as heretofore or hereafter amended from time to time, except as specifically set forth herein.

References herein using the masculine gender include the feminine and neuter genders and references in the singular include the plural and vice versa.

39. SEVERABILITY

In the event any of the terms, provisions or covenants of this Declaration of Condominium are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or covenants hereof.

IN WITNESS WHEREOF, the Declaror has caused these presents to be executed in its name and its corporate seal to be affixed by its duly authorized officers this 16th day of August, 1974.

Signed, sealed and delivered in the presence of:

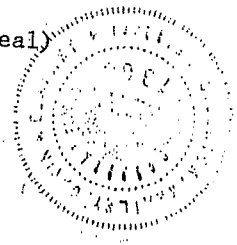
STOCKTON, WHATLEY, DAVIN & COMPANY

F. K. Brock
Margaret L. ...

By [Signature] Vice President

Attest: [Signature] Assistant Secretary

(Corporate Seal)



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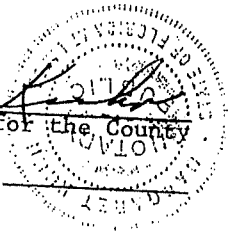
STATE OF FLORIDA

COUNTY OF DUVAL

I HEREBY CERTIFY that on this day before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Anne G. Kennedy and William F. Aberly and described in and who executed the foregoing Declaration of Condominium as Vice President and Assistant Secretary, respectively, of Stockton, Whatley, Davin & Company, the corporation named therein, and severally acknowledged to and before me that they executed the same as the act and deed of said corporation.

WITNESS my hand and official seal in said County and State this 16 day of August, 1974.

Margaret K. [Signature]
Notary Public in and for the County
and State aforesaid
My commission expires: _____



(Notarial Seal)