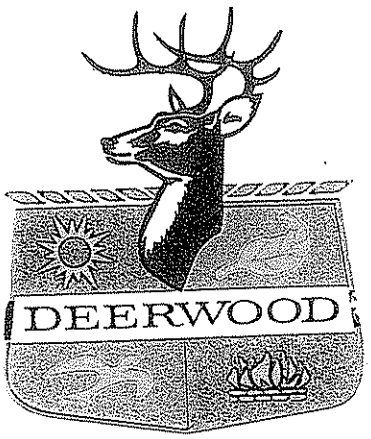
DEERWOOD VILLAS I, A CONDOMINIUM



Informational Summary
and
Rules and Regulations

A Development
of
STOCKTON, WHATLEY, DAVIN & COMPANY
Jacksonville, Florida

2/15/06

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DEERWOOD VILLAS I, A CONDOMINIUM

PREFACE

The following summarizes some of the highlights of various features of and documents creating and relating to Deerwood Villas I, a Condominium. These documents govern the operation of the condominium and fix the rights and responsibilities of the parties involved. Except for the Rules and Regulations, which begin on page 11[1] and which are set forth in full, these highlights do not purport to be complete and detailed. Reference to the detailed provisions of the various documents referred to should be had by each purchaser.

THE PARTIES INVOLVED

OWNER -- Each dwelling unit is sold to and purchased by a person or other legal entity, designated in the documents as Owner. Each Owner owns his dwelling unit outright and is entitled to the exclusive use and possession of one carport and annexed storage area. Each Owner also owns an undivided interest in all of the common elements of the condominium.

DEERWOOD VILLAS I CONDOMINIUM ASSOCIATION, INC. -- This corporation (the "Condominium Association") is a non-profit corporation organized under the laws of Florida. The Condominium Association has no members other than Owners of dwelling units in the condominium and no function except to administer the operation and management of the condominium. Membership in and voting on matters coming before the Condominium Association are the means by which each Owner may express his wishes concerning the operation and management of the condominium. The powers and duties of the Condominium Association and the rights and responsibilities of the Owners as its members are controlled by its Articles of Incorporation and By-Laws.

THE DEERWOOD IMPROVEMENT ASSOCIATION, INC. -- This corporation (the "Improvement Association") also is a non-profit corporation organized under the laws of Florida. The Improvement Association is an entirely separate organization and is charged with duties and responsibilities which extend throughout the entire Deerwood community. Under covenants and restrictions relating to the entire Deerwood community, each individual lot owner, each home owner and each Owner of a condominium dwelling unit, upon acquiring title, automatically becomes a Resident Member of the Improvement Association. Each year an annual maintenance assessment payable to the Improvement Association is assessed against each property owner in the entire Deerwood community, including the Owner of each dwelling unit in the condominium. The funds realized from these annual assessments are not expended on

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[1] Rules and Regulations begin at page B-1, Tab B.

the condominium property as such, but are expended for the maintenance and beautification of the streets, parks, lakes and ponds and for street lighting, traffic control, drainage and security services for the entire Deerwood community. The annual maintenance assessment made by the Improvement Association is in addition to the assessment which the Owners of the condominium dwelling units make against themselves for the operation of the Condominium Association.

STOCKTON, WHATLEY, DAVIN & COMPANY -- This Florida corporation is the Developer of the entire Deerwood community including the condominium. The Condominium Association has entered into a Management Agreement with the Developer, under which the Developer has agreed to render certain services in the management of the condominium. The Management Agreement is on a year-to-year basis and may be terminated by either party at the expiration of any annual term. Termination of the Management Agreement will not affect any of the Developer's rights or responsibilities under the other documents applicable to the Deerwood community, including the condominium.[2]

SOUTHSIDE UTILITIES, INC. -- This Florida corporation is the organization which is responsible for furnishing water and sewage service to the entire Deerwood community, including the condominium.[3]

DOCUMENTS REGULATING DEERWOOD VILLAS I, A CONDOMINIUM

The documents and instruments, some of whose provisions are summarized in the following pages, are of importance to every Owner of a dwelling unit in the condominium. It is emphasized that each Owner and prospective Owner should become familiar with all of the provisions of each document since these summaries are intended only to highlight various areas of interest.

DECLARATION OF CONDOMINIUM

This is the basic document setting forth the respective rights and responsibilities of the Owners of dwelling units in the condominium with each other and with the Condominium Association as well as with the Developer.

The condominium is located on land comprising all of Block 34 of Deerwood, Unit Five, Plat Book 34, pages 41 and 41A of the public records of Duval County, Florida.

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[2] Since May 16, 1994, Banning Management, Inc. has been the manager of the condominium.

[3] JEA is currently the Florida corporation with the responsibility for furnishing water and sewage services to the entire Deerwood community, including the condominium.

The entire condominium consists of dwellings, limited common elements and common elements. The dwellings generally constitute the interior of each Owner's apartment. The limited common elements are the carports and the storage spaces annexed to each carport. All of the condominium property except the part constituting dwellings, are common elements. Thus, all porches, patios, walkways, support walls, ponds and common areas, as well as the carports are included in and constitute the common elements. Each Owner is entitled to the exclusive use and possession of the carport and annexed storage area assigned to that owner at the time he completes his purchase (Article III).

Each dwelling unit is an individual parcel of property, separately and independently owned. Each Owner, incident to the ownership of his dwelling unit, owns an undivided interest in the common elements and in the common surplus, if any, of the Condominium Association, in the percentage assigned to his dwelling on Exhibit B to the Declaration of Condominium. Each Owner likewise is liable for a proportionate share of the common expenses of the condominium in exactly the same percentage as his percentage in the common elements set forth on Exhibit B (Articles IV and V).

No dwelling may be subdivided into a smaller unit or units. No dwelling may be added to or incorporated into another dwelling unit except as specifically provided for in Article XVI of the Declaration of Condominium. An Owner's undivided interest in the common elements may not be conveyed or mortgaged separately from his dwelling unit (Article VI).

The entire condominium, including the use and ownership of the dwellings, common elements and limited common elements, is subject to the provisions of the Declaration of Condominium, the Articles of Incorporation and By-Laws of the Condominium Association, the Covenants and Restrictions applicable to Deerwood, Unit Five and the Water and Sewage Agreement applicable to Deerwood, Unit Five. By accepting title to a dwelling, each Owner agrees to observe, comply with and be bound by the provisions of all of these documents, as amended from time to time. Because of the importance of these documents, it is suggested that each of them be read in its entirety (Article VII).

The use of the common elements and limited common elements are subject to such reasonable rules and regulations as may be established from time to time by the Condominium Association (Article XIII). See page 11 of this booklet for the currently effective Rules and Regulations.[4]

In the event of emergency, a representative of the Condominium Association may enter any dwelling unit. To facilitate such entry, each Owner is required to deposit a key to his dwelling with the Association. That Association's representatives may also enter

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[4] See Tab B, page B-1.

any dwelling for the purpose of maintaining, altering or repairing any part of the common elements (Article XIV).

The Board of Directors of the Condominium Association is given the right to make alterations and improvements to the common elements and to assess the costs against the Owners (Article XV).

Limitations on the right of each Owner to modify his dwelling unit are set forth in Article XVI of the declaration. Article XVII places upon the Owners of dwelling units certain affirmative obligations with respect to maintenance and repair work. Article XVIII amplifies these provisions. These three articles also reserve certain rights to the Condominium Association and to the Developer and should be read carefully by each Owner and prospective Owner. Reference to these three articles must be made before any modifications, repairs or alterations are considered.

Except for the maintenance and repairs which are the obligations of the Owners of dwelling units under Article XVII, the Condominium Association is responsible for the maintenance, repair and replacement of all of the common elements and limited common elements. Such expenses incurred by the Association are common expenses, assessed to and collected proportionately from each of the Owners (Article XIX).

Articles XXI and XXII relate to insurance coverages which the Condominium Association is required to maintain. Coverages include casualty insurance covering all of the dwellings, common elements and limited common elements to afford protection against loss or damage by fire or other hazards covered by the standard extended coverage or other perils endorsement, and liability and property damage insurance in such amounts and in such forms as shall be required by the Condominium Association. The premiums and other costs for such insurance coverages are common expenses. In addition to the insurance to be purchased by the Condominium Association, each Owner may, at his own expense, obtain insurance for loss of or damage to his own personal property and coverage against personal liability for injury to the person or property of another while within the condominium. In certain events, Owners of dwelling units may be assessed for portions of the cost of repairs where such costs are in excess of the available insurance proceeds.

The condominium is not designed for use as transient accommodations. Accordingly, no Owner of a dwelling may rent his dwelling unit for any period of time less than 90 days without the prior written consent and approval of the Condominium Association and of the Developer.[5] Further, should the Owner of any dwelling desire to lease or sell his dwelling, the Condominium Association is granted the right of first

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[5] Upon completion of the Deerwood community, Developer responsibilities were transferred to the Deerwood Improvement Association, Inc.

refusal to lease or purchase the dwelling, on the terms and conditions set forth in Article XXIV. It is through the exercise of this right of first refusal by the Condominium Association, consisting of all of the dwelling unit Owners, that the members may maintain a residential community of the highest standards.

As indicated above, the only members of the Condominium Association consist of Owners of dwelling units in the condominium and that the Association has no function except to manage and operate the condominium. The operating funds of the Condominium Association are derived solely through assessments made against each Owner and each Owner is liable to the Condominium Association for his proportionate share of the common expenses of operation and management. The amounts of all assessments are determined by the Board of Directors of the Condominium Association and are payable by the Owners in annual, quarterly, monthly or such periodic installments as the Board of Directors may determine. If any Owner defaults in making payment of his pro rata share of any assessment, the Condominium Association is given a lien on his dwelling and is entitled to foreclose that lien in appropriate proceedings. No Owner may exempt himself from liability for any assessment levied against him or his dwelling, by waiver of the use or enjoyment of a common element, or by abandonment of his dwelling, or in any other manner (Article XXVI).

Provisions for voluntary and involuntary termination of the condominium are provided for in Article XXVII.

ARTICLES OF INCORPORATION AND BY-LAWS OF DEERWOOD VILLAS I CONDOMINIUM ASSOCIATION, INC.

The Articles of Incorporation (sometimes referred to as the charter) of the Condominium Association were filed with the Secretary of State of the State of Florida on October 17, 1972 and the By-Laws were adopted at the first meeting of the Board of Directors held on November 1, 1972. While the two documents are separate instruments, their provisions are interrelated. In the summary which follows no attempt is made to distinguish between the two.

The Condominium Association is granted all of the powers necessary to implement and effectuate its purposes.

The Owner of each dwelling in the condominium is automatically a member of the Condominium Association and no other persons or entities are entitled to membership. Membership is established by the acquisition of title to a dwelling and membership automatically terminates when title is divested.

On all matters before the Association, there shall be only one vote for each dwelling in the condominium. Should any member own more than one dwelling, he is entitled to one vote for each dwelling owned.

The annual meeting of the members is to be held, unless otherwise determined by the Board of Directors, on the third Thursday in March, commencing at 5:00 in the afternoon. At each annual meeting the members shall elect the directors and transact such other business as properly may come before the meeting. Provisions are made for the calling of special meetings, for the giving of written notice of all members' meetings whether regular or special, and for the order of business at the meetings of the members.

The organizational meeting of each newly selected Board of Directors is to be held within ten (10) days of their election. At this annual meeting of the Board of Directors, they are to elect the following officers of the Association: a President, who shall be a Director, one or more Vice Presidents, a Treasurer, a Secretary and an Assistant Secretary.

Provisions authorizing the employment of a managing agent and other managerial and supervisory personnel to administer or assist in the administration and operation of the condominium and the affairs of the Association are included.

Specific provisions are made with respect to the exercise by the Board of Directors and the officers of the powers and duties of the Condominium Association. The provisions for the fiscal management of the Condominium Association as set forth in the Declaration of Condominium are supplemented by additional provisions requiring the maintenance of an assessment roll and a set of accounting books, in which there shall be an account for each dwelling, the adoption by the Board of Directors annually of a budget showing the estimated costs of performing the functions of the Association, requiring an audit of the accounts of the Association annually by a certified public accountant and requiring fidelity bonds from all officers and employees of the Condominium Association and from any contractor handling or responsible for its funds.

These governing instruments of the Condominium Association specifically recognize that the assessments to be levied and collected by the Condominium Association from its members are in addition to the annual maintenance assessment payable to The Deerwood Improvement Association, Inc. by each Owner of a dwelling in the condominium.

Provisions are included in both the Articles of Incorporation and in the By-Laws of the Condominium Association for the amendment of these instruments.

COVENANTS AND RESTRICTIONS APPLICABLE TO DEERWOOD, UNIT FIVE

As indicated above, the condominium is located on land included within the lands platted as Deerwood, Unit Five. Accordingly, the property included within the condominium and all Owners of dwelling units comprising a part of the condominium are subject to the Covenants and Restrictions affecting Deerwood, Unit Five, which are recorded in Official Records Volume 3165, beginning at page 592 of the public records of

Duval County, Florida, as amended by the Amendatory Instrument recorded in Official Records Volume 3440, beginning at page 843 of said public records.

The lands in Deerwood, Unit Five (including the condominium property) are restricted to residential uses only. Prohibitions and restrictions apply with respect to billboards and other signs including "for rent" and "for sale." The Developer[6] has the right to remove any such signs which do not meet the requirements of the Covenants and Restrictions. Dwelling units may not be rented as transient accommodation except upon the prior written consent of the Developer.[7]

All access ways, including the streets which encircle the condominium property, remain the private property of the Developer.[8] Owners, their guests and servants, necessary services and utilities and mortgage holders have perpetual rights of ingress and egress.

The Developer[9] has reserved the right to control and regulate all types of traffic on the access ways (streets). No motor cycles, motor bikes, motor scooters, motor carts, powered midget cars or other motorized passenger vehicles except passenger automobiles, may be operated on any of the access ways or on any part of the lands within any part of the Deerwood community.

Private automobiles of the Owners and their guests bearing no commercial signs may be kept or parked only in carports or in designated parking areas. No other wheeled vehicles of any kind (other than unmotorized bicycles which must be kept only within a carport when not in use) and no boats or boat trailers may be parked on any part of the condominium property.

Restrictions are placed on the keeping, raising and maintenance of pets and in no event may any of these be kept for any commercial or breeding purposes. The keeping of pets is also covered in the Rules and Regulations.

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6 Upon completion of the Deerwood community, this responsibility was transferred to the Deerwood Improvement Association, Inc.

7 Upon completion of the Deerwood community, this responsibility was transferred to the Deerwood Improvement Association, Inc.

8 Upon completion of the Deerwood community, the Developer transferred to the Deerwood Improvement Association, Inc.

9 Upon completion of the Deerwood community, this responsibility was transferred to the Deerwood Improvement Association, Inc.

MANAGEMENT AGREEMENT

A Management Agreement between the Condominium Association and the Developer[10] become effective on February 1, 1973 and runs for a period of one year from that date. It is automatically renewed for successive one year terms until one of the parties cancels it.

Under the terms of the agreement, the Manager is authorized to hire, supervise and discharge all personnel and service organizations necessary to maintain, operate and secure the condominium, to supervise repair and replacements of common elements and limited common elements.

The Manager is required to periodically inspect the condominium property and to collect all monthly maintenance assessments and other charges from time to time due from Owners of dwelling units to the Association. The Manager is responsible for placing and keeping in force such insurance as is required by the Declaration or as directed by the Association.

The Manager also is to maintain the records, books and accounts including those required by the Declaration of Condominium and is required to furnish to the Association quarterly a statement of receipts and disbursements and other financial records concerning the Manager's operations and the finances of the Association. Under the original Management Agreement, effective February 1, 1973, the management fee payable by the Association to the Manager is $645.00 per month. In addition, the Association is required to reimburse the Manager for all costs and expenses incurred by the Manager in connection with the operation of the condominium.

CONCLUSION

As indicated, the foregoing highlights are intended simply to point up some of the important features relating to the rights and responsibilities of each Owner in Deerwood Villas I, a Condominium. It is suggested that each purchaser, prior to entering into the purchase, obtain copies of the various documents relating to the condominium and review each of them in detail. All of the documents should be retained by each Owner so long as he owns the dwelling unit purchased, and should be passed along to his purchaser at the time of a subsequent sale.

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[10] Since May 16, 1994 Banning Management, Inc. has been the manager of the condominium.

RULES AND REGULATIONS
OF
DEERWOOD VILLAS I CONDOMINIUM ASSOCIATION, INC.
Jacksonville, Florida

These rules and regulations are based upon the thoughts of sponsors of a number of condominiums. They should be reviewed from time to time and appropriate amendments made in accordance with experience.

1. ENFORCEMENT: These rules and regulations will be enforced as follows:

A. Violations should be reported in writing to the Manager of the Villas at the Deerwood Office,[1] not to the Board of Directors or Officers of the Association.

B. Violations will be called to the attention of the violator and to the Owner of the unit involved (if the violator is not the owner) by the Manager of the Villas and he will also notify the appropriate committee of the Board of Directors.

C. Disagreements concerning violations will be presented to and judged by the Board of Directors, who will take appropriate action.

2. FACILITIES: The walkways, bridges and lakes are for the exclusive use of Association members, lessees, resident house guests, and guests accompanied by a member. Membership in the Association does not constitute membership in The Deerwood Club. No Owner, guest or relative of any member or lessee may use The Deerwood Club facilities (i.e., Golf, Tennis, Swimming, Riding[2]), except pursuant to individual club membership.

3. NOISE:

A. In order to insure your own comfort and that of your neighbor, radio, recording amplifiers, musical instruments and television receivers should be turned down to a minimum volume between 11 p.m. and 8 a.m.

B. All other unnecessary noises such as loud conversations on balcony or patio areas, and the slamming of any doors should be avoided.

C. The installation of hard surface floors in any apartment which creates objectionable noise is prohibited.

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1 Violations should be reported to Banning Management, Inc. at 6015 Morrow Street, Suite 107, Jacksonville, FL 32217.

2 Riding is no longer offered by The Deerwood Club.

4. PETS:

A. Pets are allowed on the premises only under the terms of a Special Agreement signed by each apartment Owner and a duly authorized representative of the Board of Directors. (See p. C-3 for copy of Agreement.)

B. Pets will be limited to small animals that can be carried in the owner's arms.

C. Pets may not be walked on any part of the Deerwood Villas grounds except in the area around the Children's Fishing Lake[3] which has been designated as the area to walk pets. All pets must be on a leash

D. If any pet creates a disturbance and in any way annoys other occupants of the Deerwood Villas, the owner may be required to dispose of the pet.

5. OBSTRUCTIONS: Sidewalks, driveways, carports, entrances must be kept open and shall not be obstructed in any manner.

6. CHILDREN: Reasonable supervision must be exercised when children are playing on the Deerwood Villas grounds.

7. DESTRUCTION OF PROPERTY: Neither members, their dependents, nor guests or other occupants shall mark, paint, mar, damage, destroy or deface any part of any building or structure. Members shall be responsible for any such damage.

8. EXTERIOR APPEARANCE: To maintain a uniform and pleasing appearance of the exterior of the buildings, the Declaration of Condominium provides that:

A. No Owner shall cause any changes to be made to the exterior of any buildings, including painting and decoration.

B. No awnings, screens, glass enclosures, or projection of any type shall be attached to the exterior of any building or to the balcony or patio enclosures.

C. Removal storm panels may be installed in windows in times of emergency only and only with the prior written approval of the Association.

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[3] The large lake on Hollyridge Road directly across from Deerwood Villas.

D. No exterior television antennas will be permitted[4]. Each building has been wired with a central antenna system.

E. No street numbers, street signs, personal name signs, etc. shall not be erected other than those installed permanently on the building at time of construction.

F. "For Sale" signs must be approved by the Manager.

There shall be no deviation from the foregoing provisions of the Declaration and each Owner shall adhere thereto.

9. CLEANLINESS: Neither members nor guests shall allow anything to fall or be thrown or dropped from windows, doors, patios or balconies. No sweepings or other substances shall be ejected from the interior of the buildings through windows, doors or balconies.

10. BALCONIES AND PATIOS:

A. No objects shall be hung from railings, balconies, patios or windowsills.

B. Charcoal Grills and other cooking devices must be used within the confines of the patios or balconies. No starting fuel may be used; only electric starters are permitted.

C. Members shall remove all loose objects or movable objects from balconies during threat of storms.

11. GARBAGE CANS:

A. Individual garbage cans are recessed[5] in the ground adjacent to the carports. All trash must be placed in plastic bags with plastic ties. Garbage and refuse may not be placed on the ground but shall be placed only within the recessed garbage cans.

B. Garbage which may be disposed in the garbage disposal in kitchen sink shall not be placed in the recessed garbage cans.

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[4] Except small satellite dishes as provided by law. Placement of the satellite dish, however, is subject to Board approval.

[5] Cans are not recessed in the ground.

C. Grease and similar substances shall be allowed to solidify in a suitable container, then secured in a plastic bag before placing recessed garbage cans.

D. All refuse, bottles, cans, newspapers and magazines, etc. shall be securely wrapped in plastic bags with ties before being placed in the recessed garbage cans.

E. Boxes, cartons and any other large item must be broken down and placed in plastic bags with ties before placing in recessed garbage cans.

12. DELIVERIES:

A. Please make arrangements in advance for deliveries if you plan to be away. Goods and packages delivered in the absence of the owner or occupant will not be accepted. (The Association will not be responsible for the loss of or damage to articles not properly handled by owner or delivery company.)

B. Laundry and dry cleaning must be handled in the same manner on an individual basis.

13. LAUNDRY FACILITIES: Each unit is wired and plumbed for a washer and dryer. No clothes lines or other clothes drying devices will be permitted on the exterior of any unit or any part of the common areas.

14. DOOR KEYS: In accordance with Article XIV of the Declaration of Condominium, the Owner of each dwelling must deposit a key to his Dwelling with the Association.

15. BICYCLES:

A. Bicycles may be operated in the Villas but must be placed in the assigned storage area adjacent to each carport when not in use.

B. Motorcycles, minibikes, motorscooters and the like are not permitted anywhere in the Deerwood community. Only private passenger automobiles and unmotorized bicycles are permitted.

16. ATTIRE: Members, their families and guests shall not appear on any part of the common areas except in appropriate attire. Persons in bathing suits are required to wear overgarments and footwear.

17. PLUMBING: Water closets and other plumbing shall not be used for any purpose other than those for which they are constructed, and no sweepings, rubbish, rags, or other foreign substances shall be disposed of therein. The cost of any damage resulting from misuse shall be borne by the member.

18. RESPONSIBILITY FOR DAMAGE: Members shall be liable for all damages to buildings caused by receiving deliveries or moving or removing furniture or other articles to or from the building or any other event caused by the member, his family, guests or tenants.

19. ROOF: Members are not permitted on any roof for any purpose.

20. SOLICITATION: There shall be no solicitation by any person anywhere in the Villas for any cause, charity, or any purpose whatsoever, unless specifically authorized by the Board of Directors.

21. SERVICE PEOPLE: Service and delivery people are required to check in and check out with the Security Guard at the entrance of the Deerwood community. Please notify the gate in advance when you are expecting service people.

22. STAFF PERSONNEL: Employees are under the supervision of the Manager. The maintenance men, guards, and gardener have full schedules each day prepared by the Manager and are instructed to carry out their duties in an orderly manner. Please do not request personal services of these employees. All requests for service must be made to and approved by the Manager. Members shall not reprimand any employee; complaints about employees shall be made to the Manager who will take proper action.

23. OPEN DOORS: No members or occupants shall allow doors to remain open for any purpose other than immediate ingress or egress.

24. PARKING:

A. **OWNERS' PARKING:** Owners will park only in the carport which is assigned to them in their deed. Others may occupy Owners' parking space with written permission of the Owner. Such permission must be given in writing to the resident[6] Manager. Second cars of owners will be parked in the area marked "Reserved Residents."

B. **GUEST PARKING:** Parking spaces located by the buildings and designated "Guest"[7] are reserved for guest parking only.

C. Owners, their families, lessees or guests will not be permitted to park in parking spaces assigned to others.

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[6] The Villas does not have a resident manager. Please contact Banning Management.

[7] Any spot not marked "Reserved" may be used by a guest.

D. Vehicles improperly parked will be towed away at the expense of the owner of the vehicle.

25. FOOD AND BEVERAGES: Food and beverages may not be consumed in the common areas unless specifically authorized in writing by the Manager.

26. COMMON AREAS:

No member may use any part of the common areas for parties or other organized activities without the prior consent of the Manager.

Members and occupants are requested to cooperate with the Manager in the use of common areas where more than one organized activity is scheduled for the same time.

27. HURRICANE PREPARATIONS: Each member who plans to be absent from his villa during the hurricane season must prepare his villa prior to departure by:

A. Removing all furniture and plants from his balcony or patio.

B. Designating a responsible firm or individual to care for his villa during his absence in the event the villa should suffer hurricane damage and furnish the Manager with the name of such firm or individual. The designated firm or individual shall contact the Manager for permission to install or to remove hurricane shutters.

28. BOATS AND BOAT TRAILERS, TRAILERS, CAMPERS: Boats, boat trailers, trailers, and campers are not permitted to be parked in the Villas area. A space has been set aside in another area of Deerwood for the storage of these vehicles.
See the Manager for location and monthly rental charges.

29. BABY CARRIAGES AND SHOPPING CARTS: Baby carriages and shopping carts must be stored either within the Owner's villa or in the storage area adjacent to the Owner's carport.

30. RULE CHANGES: The Board of Directors of the Association reserves the right to change or revoke existing rules and regulations and to make such additional rules and regulations from time to time as, in their opinion, shall be necessary or desirable for the safety and protection of the buildings and its occupants, to promote cleanliness and good order of the property and to assure the comfort and convenience of Owners.

DEERWOOD VILLAS I CONDOMINIUM ASSOCIATION, INC.
REQUEST FOR APPROVAL OF PROPOSED SALE OR LEASE

1. Name of party(ies) selling or leasing:

2. Address of Unit:

3. Name and address of buyer(s) or lessee(s):

4. Occupation and employer of buyer(s) or lessee(s):

5. Number of children and ages in household:

6. Pets in household. Buyer(s)/Lessee(s) also must enter into the attached Pet Agreement.

7. Two personal references and two financial references (names and addresses) of buyer(s) or lessee(s):

8. A copy of the sales contract or of the proposed lease is attached hereto. The undersigned hereby request approval of the sale or lease and also request waiver of the Association's right of first refusal. The undersigned buyer(s) or lessee(s) hereby affirms that he/she/they has read and will abide by the Declaration of Condominium and the Rules and Regulations of the Association.

9. The buyer(s) or lessee(s) does hereby acknowledge and accept full maintenance and repair obligations for any portion of said unit, which was not a physical/structural part of the original unit as constructed. Maintenance and repair obligations for any unit additions shall remain the obligation of the owner(s) of record and not that of the Association. In addition, buyer(s) or lessee(s) does hereby acknowledge that nothing

will be placed on the common area adjacent to the addition, including but not limited to, grills, chairs and other patio furniture, rocks, paving stones, concrete slabs, partitions, fences, or decorations of any kind.

10. For maintenance fee status - line current account status, please check with the Management Agent for an update.

11. Other Conditions for Approval of Sale:

APPROVED:

DEERWOOD VILLAS I CONDOMINIUM ASSOCIATION, INC.

_____
Buyer/Lessee

_____
Buyer/Lessee

By: _____
President

Date:_____

Date:_____

PET AGREEMENT

THIS AGREEMENT, made as of this ___ day of _____, 200__, between DEERWOOD VILLAS I CONDOMINIUM ASSOCIATION, INC., (a Florida corporation not for profit, hereinafter referred to as the "Association" or "Deerwood Villas") and _____, Owner(s) of Condominium Unit No. ____ located at _____ (hereinafter referred to as "Owner").

WHEREAS, the Owner wishes to allow a pet or pets to live permanently in the unit;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. Pets are limited to small animals which include domestic dogs and domestic cats (not more than 25 pounds), parakeets/canaries, tropical fish, small turtles, and hamsters. Snakes (and other reptiles), rats, squirrels and other rodents, rabbits, ferrets, and fowl (domestic or wild) are not permitted.

2. Owner will be allowed to have a _____ (type of pet, dog, cat, etc.), age _____ named _____ to live permanently ("permanently" as the term is used herein shall mean for a period of more than one week) in the Owner's unit subject to the following conditions:

A. The pet shall be no more than 25 pounds and can be carried in the Owner's arms.

B. The pet may not be walked on any part of the Deerwood Villas grounds. Pets may be walked in the around the Children's Fishing Lake (the large lake on Hollyridge Road directly across from Deerwood Villas). The pet must be on a leash at all times. Owner must clean up after the pet and dispose of the waste in an appropriate manner.

C. If the pet creates a disturbance and in any way annoys other occupants of the Deerwood Villas, the owner will be required to remove the pet.

3. The Owner may not allow more than two pets to permanently reside in the unit.

4. A separate agreement must be entered into for each pet the Owner wishes to permanently reside in the unit.

5. This Agreement shall terminate upon the death of the pet unless terminated by violation of one the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the _____ day of _____, 200__.

Signed and in the Presence of:

_____

_____

ASSOCIATION

By:_____
President

Signed in the presence of:

_____

_____

_____

_____

OWNER(S)

_____

_____

RELATIONSHIP BETWEEN DEERWOOD IMPROVEMENT ASSOCIATION, INC. and DEERWOOD VILLAS I CONDOMINIUM ASSOCIATION, INC.

Since Villas I is governed by two associations, it is important to understand the relationship between the homeowners association ("DIA") and the condominium association ("Villas I").

Below is a synopsis of a portion of the rich history of Deerwood which is followed by synopses of the DIA and Villas I responsibilities. Please refer to the DIA covenants for Unit 5 and the condominium documents for any questions you may have. You may also contact the Manager of DIA or the Manager of Villas I and they will try to answer your questions.

Hopefully this summary will be helpful to you, either as a new owner, current owner or a Board member.

I. HISTORY

The development of Deerwood began in 1960. By 1962 a nine-hole golf course had been completed, and Deerwood was on its way to becoming the first gated and most prestigious community in Jacksonville.

Horseback riding was popular then and the Club facilities included a riding club. The stables, practice ring, and jumps were located where the tennis courts are today. The area that now makes up Villas I and II was nothing but woods.

In addition to horse shows, horseback riding and riding competitions between clubs, a number of fox hunts were held. Members of the Deerwood riding club, in full hunting attire, were portrayed on the cover of the *Palm Beach Life* magazine, and Deerwood was featured in one of the articles. This picture was later used for the advertising brochure for Deerwood and a large mural which was created for the 1964-65 New York World's Fair.

One of the events of the hunt was the building of a huge bonfire. The bonfire was built on the small slope across from the tennis courts near the intersection of what is now Hollyridge Road and Summit Ridge. At 6:00 a.m. the morning of the hunt the riders would gather around the bonfire.

If you are concerned about the fox, do not worry. No harm came to him. At the end of the hunt, he was returned to his plush den, and patiently awaited the challenge of the next hunt. Whether this is fact or fiction is uncertain, but it appears that the fox and the hounds became great friends.

Wild boars were plentiful in Deerwood at that time. A resident, who was a teenager then, recalls jumping her horse and looking down and seeing a wild boar under the jump. Deer also roamed freely. It was not unusual to drive through Deerwood and encounter deer.

When the stables moved to Stables Road, the tack room remained and was used as the voting precinct for Deerwood.

In the 70's Deerwood Country Club was a stop on the PGA Tour. Homeowners will recall the famous Presidential visit by Gerald Ford when he accidentally hit a spectator with a golf ball.

Anwar Sadat and numerous other dignitaries and celebrities have also visited. *Worth Magazine* in its August 1996 edition ranked Deerwood 21 in its Top 50 Big City Neighborhoods.

The City has grown by leaps and bounds since the 60's, and still Deerwood is considered one of the most prestigious addresses in Jacksonville. Deerwood is close to major highways and is accessible to the entire city which makes it a desirable place to live.

Exciting things are happening in Deerwood. DIA is being proactive in updating the fifty-year-old infrastructure without the necessity of a special assessment. A state of the art playground and pavilion have been constructed to serve the needs of the community, as well as to compete with other communities. The Country Club has a new clubhouse, and the course and Club facilities have been updated.

If Deerwood is to capitalize on its advantages, all covenants and restrictions, large and small, must continue to be strictly adhered to. Being thoughtful of one's neighbors is essential to community and multi-family living. What would be considered non-offensive to one owner may be offensive to another. To quote John Galsworthy, author and Noble Peace Prize winner: "Idealism increases in direct proportion to one's distance from the problem."

II. DIA

The DIA Board has a fiduciary duty to the members of the entire Deerwood community. The Board's responsibilities as they relate to Villas I include, but are not limited to, the following:

1. Enforcement of the Covenants and Restrictions for Unit 5.

2. Streets/Curbing. Maintenance of streets/curbing, including DIA common areas.

3. Lakes and Drainage. Maintenance of drainage pipes, ditches and lakes at the water line.

4. DIA Architectural Review Committee. **No exterior changes may be made by an owner or Villas I without DIA approval.** The current DIA approvals for Villas I are:

(a) Buildings and Garages. Colors: (i) trim, brown and beige with coquina in its natural state; (ii) front doors, Copper Mine (Benjamin Moore); garage doors, brown; and (iii) address numbers: **homes**, gold; **garages**, black.

(b) Screen Doors - Optional. (i) Original wooden louver doors: Copper Mine (Benjamin Moore); and (ii) glass storm doors: full length glass or divided so the bottom glass can be raised and accommodates a screen enclosed in a bronze frame.

(c) Enclosed Patios. **Requests for approval must be submitted to DIA and Villas I prior to commencement of work to avoid expense to the owner for removal of the unapproved structure.** The general guidelines are: (i) full enclosure: wood with glass windows or sliding glass doors, trim to match existing trim and to be approved by DIA as appropriate. If a roof is required, it must be in a design approved by DIA and must match existing roofing material in color or material approved by DIA as appropriate; and (ii) screened patios: black screening, black framing and black panels, to be approved by DIA, as appropriate.

(d) Exterior Lighting. Black coach style for the common areas and front porches.

5. Tree Removal. Unit 5 Covenants, paragraph 27: "No living tree having a diameter greater than ten inches, breast high, may be cut on any of said lands without first obtaining the written consent of the Developer [DIA], except such trees as shall be growing within twenty feet of the main building and any attached utility yard to be erected on the building plot." In addition, Villas I is considered commercial property, and the City requires a tree permit. Please note that certain trees are protected and mitigation may be required. For example, Live Oaks are protected and must be replaced with Live Oaks somewhere on the property.

III. VILLAS I

The Villas I Board has a fiduciary duty to all members of the Association. The Board's responsibilities include, but are not limited to, the following:

1. Enforcement of the Villas I condominium documents.

2. Maintenance.

(a) Buildings, including, but not limited to: (i) repairs; (ii) maintenance of gutters, drain pipes and drains; (iii) pressure cleaning of sidewalks, curbing and buildings periodically to insure curb appeal; (iv) electrical rewiring; and (v) plumbing repairs and replumbing, which includes repairs and stoppages under the concrete slab and in between the walls. Interior repairs such as drain stoppages and other minor plumbing repairs, telephone wiring, cable and minor electrical repairs are the homeowner's responsibility.

(b) Landscaping: (i) maintenance of all common areas, keeping in mind that major changes to the current landscaping plan must be approved by DIA; and (ii) lakes: maintenance of the banks down to the water line.

(c) Driveways/Curbing/Sidewalks: (i) driveways: maintenance from the street (garage areas); and (ii) sidewalks/curbing: maintenance of sidewalks and curbing that are a part of Villas I's common area, including the owner second car spaces on the street.