

DEERWOOD COMMUNITY SOLUTIONS TASK FORCE

Recommended for DCC and DIA Board Approval

To: DCC Board of Directors; DIA Board of Directors

From: The Deerwood Community Solutions Task Force — Beth Jennison, Brennan Merrell, Ken Tomchin, Esq. (DIA appointees); Bill Boutwell IV, David Heaton II, Carla Miller, Esq. (DCC appointees)

Date: September 18, 2026

Re: Recommended Resolution of the Option Agreement Dispute

Since convening at the direction of the DCC and DIA Boards on June 25, 2026, the Task Force has spent in excess of a hundred hours and numerous meetings in order to make recommendations as to a solution to the dispute between DCC and DIA arising from the 2021 Option Agreement. On September 17, 2026, the Task Force unanimously agreed to recommend the following terms to both Boards for approval. This represents Phase 1 of the Task Force's work. As described in Sections 8 and 9 below, it is recommended that the Task Force continue as a standing body, including a Phase 2 to determine the specifics of a long-term CAM housing solution.

1. Termination of the Option Agreement; Mutual Release; No Further Litigation

- The 2021 Option Agreement is terminated in full, resolving that matter completely, including mutual releases between DCC and DIA as to the Option Agreement. **This will save both the DCC and DIA legal fees and costs that could easily exceed hundreds of thousands of dollars and deepen animosity in the community. This must be avoided.**
- Neither DIA nor DCC may initiate litigation in connection with the Option Agreement and related matters, nor become a party to any such litigation except as a named defendant. "Related matters" means claims arising from or connected to the negotiation, execution, or termination of the Option Agreement.
- If this provision is breached, the party initiating the prohibited litigation will be responsible for all attorneys' fees of both parties in that action, regardless of which party prevails.
- The parties acknowledge that this release and fee-shifting provision applies to matters connected to the negotiation, execution, or termination of the Option Agreement; it does not extend to the meeting-space and CAM housing matters addressed in Sections 3 and 9 below, which are governed by this Agreement and any Phase 2 resolution on their own terms.

2. Gum Swamp

- Gum Swamp (approximately 21.5 acres, including water rights) will be conveyed to DIA. (Legal Description: 19-3S-28E 21.276 PT SEC 19 RECD O/R 14470-2092)
- **There is no current intent to sell or further develop Gum Swamp. It is the intent that the property be used solely for the benefit of the community. The property remains subject to**

DIA's regular covenants and restrictions. In the event of any future sale, which is not anticipated, net proceeds will be divided equally (50/50) between DIA and DCC.

3. Meeting Space Access and Easement

- Free, perpetual use of the large meeting room for DIA's Annual Meeting.
- Free use of the large meeting room for up to two additional major community events or issues per year, for a **7-year term** with scheduling coordinated in advance. The Task Force will reassess these terms **at the 6-year mark of this agreement.**
- Free use of the small meeting room (near the DCC front entrance, left side) on Mondays for DIA Board or Committee meetings, for the same **7-year term**; specific scheduling exceptions to be confirmed during contract drafting.
- Free use of a medium meeting room on a Monday evening once per month for the monthly DIA Board meeting, with seating for 20 guests and a table for the full Board, for the same **7-year term**; specific room, timing, and setup details to be confirmed during contract drafting.
- **DCC will release its existing restrictions and grant DIA an access easement — entered from outside the community's security gate — to access the former JEA/water-tower parcel, to permit DIA, at DIA's own cost and discretion, to construct a facility for meetings and related community purposes. Access to this parcel and any structure built on it must be physically separated (e.g., by fencing) from, and must not pass through, the DIA playground.**

4. Lake Dredging Contribution; Gate Access Fee

- DCC's will contribute \$8,333 towards current lake dredging, which is the DIA responsibility under prior contracts.
- **DCC will also fund the one-time \$2,600 setup fee for the community's QR-code gate-access system.**

5. Acknowledgment of the 1999 Easement Agreement

Both parties acknowledge the 1999 Easement Agreement (recorded in Duval County Official Records, Book 9400, Pages 1548–1613), under which DIA granted DCC a perpetual, non-exclusive easement over the Common Areas, including the right to use all roads within the Common Areas for ingress and egress to the Club Property for DCC's members, guests, employees, and contractors, at no charge.

6. Boat Yard Structure

- DIA may have structure(s) at the boat yard for the benefit of DIA and the community.
- **DCC currently restricts boat-yard use to recreational RV and boat storage; DCC will waive this restriction to permit DIA's use of the existing two structure(s).**

7. Legal Fees for Drafting

- DCC will pay the legal fees to draft the formal contract reflecting these terms, once approved by both Boards.
- DIA has the option to have its own attorney review the drafted contract.

8. Task Force Continuation

The Task Force will continue as a standing body to develop a sound foundation for future cooperation between DIA and DCC, serving as an ongoing liaison between the two organizations to identify and resolve points of friction at an early stage, before they escalate into formal disputes. The Task Force will also work to identify synergies between the two organizations that build community and reduce costs where possible, including convening a committee to organize events for children in Deerwood at the Club, beginning with a holiday party in 2027.

9. CAM Housing — Phase 2

- The current CAM office trailer will remain in place consistent with the existing 2025 Annual Agreement for Space Utilization (December 2027, maximum time).
- The parties acknowledge that the long-term DIA CAM solution is currently unsettled, and that DCC has recently onboarded new Club management.
- DCC agrees to work with DIA in good faith to develop a long-term CAM housing solution.
- As part of its continuing work under Section 8 above, the Task Force will determine the specifics of that long-term solution (“Phase 2”), with the goal of reaching a recommendation well ahead of the December 30, 2027 trailer deadline.

Unanimous Task Force Approval

The following Task Force members unanimously agreed to the above terms.

- Beth Jennison — DIA
- Brennan Merrell — DIA
- Ken Tomchin, Esq. — DIA
- Bill Boutwell IV — DCC
- David Heaton II — DCC
- Carla Miller, Esq. — DCC, Facilitator