

0.9.2002 PM 0357

In the event of a destruction or casualty loss to any of the improvements, all insurance proceeds payable under the Association's policies shall be collected by the Association. If the proceeds are in excess of an amount equal to the total annual budget, they shall be immediately paid over by the Association to a banking corporation having trust powers selected by the Association board of directors. The proceeds shall be held by the bank in trust and used for the immediate repair and reconstruction of the damaged improvements under the supervision and control of the board of directors. The insurance carrier shall not be responsible to assure that the proceeds are paid over to the trustee or are properly applied as provided herein. The bank shall disburse the proceeds held by it upon written draw requests signed by the president or vice president of the Association as reconstruction progresses. Any surplus of insurance proceeds shall be returned to the Association and added to the common surplus. In the event the proceeds are not sufficient to pay the cost of the reconstruction and the trustee's costs and reasonable fees, the Association shall supply sufficient additional funds as a part of the common expenses of the Association. The Association's insurance carrier shall not have a right of subrogation against any unit owner, but if it is determined by the board of directors that the damage was proximately caused by the gross negligence or willful and wanton misconduct or intentional acts of a unit owner, such unit owner may be assessed a sum sufficient to reimburse the Association for any deficiency in insurance proceeds, which sum shall be payable by such unit owner within 30 days after delivery of written notice of the assessment. In the event the insurance proceeds are less than the amount of the total budget, they need not be placed in trust but shall be held by the Association and applied directly by the board of directors for the above purposes.

In the event of a total or substantial destruction of all of the condominium improvements, the improvements shall be restored as above provided unless the owners of two-thirds of the units in

0.8.2002 PM 0358

this condominium and two-thirds of the units in all other condominiums, if any, operated by the Association vote to terminate this condominium. Except for the consent of institutional first mortgagees and Developer pursuant to paragraphs 19 and 20, no further consent from any other person or entity shall be necessary to effectuate a termination of the condominium in the manner above described. In the event the condominium is to be terminated, then all owners of units shall immediately convey all their right, title, and interest to their respective units to the bank trustee selected by the board of directors, to be held by such trustee in trust. The recording of each such conveyance to the trustee in the Public Records of Sarasota County will have the immediate effect of releasing all liens upon the respective unit and shall cause their instantaneous transfer to that unit owner's share of the funds to be subsequently distributed by the trustee as provided herein. Upon recording an instrument evidencing the termination of the condominium, the proportional share of each unit owner in the condominium property and, to the extent allowed by law, in all funds distributed by the trustee as herein provided shall be established in accordance with the respective values of the units prior to the destruction as such values are determined by three experienced real estate appraisers selected by the board of directors.

The trustee shall collect all insurance proceeds payable as a result of such destruction, shall collect all assets of the Association which are allocable to the units in this condominium and which may remain after the Association pays its liabilities, and shall effect a public or private sale of the condominium property, by whatever means the Association board of directors shall deem best, for the highest and best price, for cash or terms, as soon as practicable consistent with local real estate market conditions. The trustee may make partial distributions of each unit's share of the funds collected by the trustee at such times and in such aggregate amounts as the trustee and the

Association board of directors may deem appropriate. In determining the amount of any partial distribution, the trustee and the Association board of directors shall ensure that sufficient funds are retained by the trustee to cover unpaid or anticipated costs, fees, or other liabilities of the Association. When the trustee has collected all insurance proceeds and all proceeds from the sale of the condominium property and, to the extent applicable, the assets of the Association and has paid all applicable Association liabilities and reasonable trustee's fees, appraiser's fees, and other costs reasonably incurred, the trustee shall make a final distribution of each unit's share of the remaining funds held by the trustee.

Any distribution, whether partial or final, of a unit's share of the funds held by the trustee shall be made jointly to the record title owner of the unit and the record owners of any mortgages or other liens encumbering the unit at the time of the recording of the conveyance to the trustee by the unit owner. All mortgages and other liens upon the respective units shall be fully released and discharged as provided herein even though the share of a particular unit in the funds distributed by the trustee is insufficient to pay all liens in full; in such event the lienholders who had priority against the title to the unit shall have priority of payment of the unit's share of such funds. Nothing herein provided shall in any way relieve the unit owner of his personal liability for any deficiency which may remain upon any liens which encumbered his unit at the time of his conveyance to the trustee.

Mortgagees and other lienholders will evidence their acceptance and consent to the foregoing provisions by the acceptance of their mortgages or perfection of their liens. The provisions of this paragraph 11 may be enforced by injunction, by suit for specific performance, or by other appropriate remedy upon suit filed by the Association in a court of competent jurisdiction.

U.S. 2002 Pg 0359

12. LIABILITY INSURANCE. The Association shall obtain and maintain public liability insurance covering all of the common elements and insuring the Association and the unit owners as their interest may appear in such amount as the Board of Directors may deem appropriate. The premiums for such insurance coverage shall be a part of the common expenses. The Board of Directors shall have authority to compromise and settle all claims against the Association or upon insurance policies held liability upon any such claims and nothing herein contained shall in any way be construed as imposing upon the Association a duty to assess unit owners for the purpose of raising sufficient funds to discharge any liability in excess of insurance coverage. Each unit owner will be responsible for procuring and maintaining public liability insurance covering losses which may occur in and about his particular unit, as he may deem appropriate.

13. RESTRICTIONS UPON USE. No owner, tenant or other occupant of a condominium unit shall:

(a) use the unit for other than single family residence purposes;

(b) paint or otherwise change the appearance of any exterior wall, door, window, patio, balcony, entry court or any exterior surface; place any sunscreen, blind or awning on any balcony or exterior stairway or opening; remove any awning installed by Developer or Association; place any draperies or curtains at the windows of any unit without a solid, light color liner acceptable to the Board of Directors facing the exterior of the unit; tint, color or otherwise treat or apply anything to any window which will adversely affect the uniform exterior appearance of the building in the opinion of the Board of Directors; plant any planting outside of a unit except upon written approval of the landscaping plan by the Board of Directors of the Association; erect any exterior lights or signs; place any signs or symbols in windows or on any balcony or exterior surface; erect or attach any structures or fixtures within the common elements;

0.8.2002 PM 0360

O.R. 2002 PA 0361

(c) make any structural additions or alterations (except the erection or removal of nonsupport carrying interior partitions located wholly within the unit) to any unit or to the common elements; fasten light fixtures, shelving, pictures, mirrors, objects d'art, curtain rods and similar household items to the walls or ceiling of a unit unless they can be removed without substantial damage to the wall or ceiling structure; fasten any fixtures or make any addition to the balcony without approval of the Board of Directors;

(d) permit loud and objectionable noises or obnoxious odors to emanate from the unit or play any organ or electronically amplified musical instrument or device which may cause a nuisance to the occupants of other units as determined in the sole opinion of the Board, nor install or maintain within his unit any flooring material which might create or allow the transmission of excessive noises between units unless such installation is done using appropriate noise insulating materials as is deemed proper by the Board of Directors;

(e) make any use of a unit which violates any law, ordinance or regulation of any governmental body;

(f) fail to conform to and abide by the Bylaws and the uniform rules and regulations in regard to the use of the units and the common elements which may be adopted from time to time by the Board of Directors, or fail to allow the Board of Directors or its designated agent to enter the condominium unit at any reasonable time to determine compliance with the Condominium Act, this Declaration, or the Bylaws and regulations of the Association.

(g) erect, construct, install or maintain any wire, antennas, garbage or refuse receptacles, or other equipment or structures, on the exterior of the building or on or in any of the common elements, except with the written consent of the Association Board of Directors;

O.R. 2002 Pg 0362

(h) permit or suffer anything to be done or kept in his condominium unit which will increase insurance rates on any unit or on the common elements;

(i) commit or permit any nuisance, immoral or illegal act in his unit or in or on the common elements;

(j) divide or subdivide a unit for purpose of sale or lease except to the owner of an adjacent unit (provided, however, that a unit may be combined with an adjacent unit and occupied as one unit);

(k) obstruct the common way of ingress or egress to the other units or the common elements;

(l) hang any laundry, garments or other unsightly objects from the balcony or any other area which is easily visible outside of the unit;

(m) allow anything to remain in the hallways, stairways or other common areas of travel which would be unsightly or hazardous;

(n) allow any rubbish, refuse, garbage or trash to accumulate in places other than the receptacles provided therefor. Each unit and the adjacent common elements shall at all times be kept in a clean and sanitary condition. Garbage shall be disposed of through the kitchen garbage disposal so far as possible and the remainder, along with bottles, cans and other trash shall be placed in water-proof bags or similar containers before being placed in the appropriate receptacles.

(o) allow any fire or health hazard to exist;

(p) make use of the common elements in such a manner as to abridge the equal rights of the other unit owners to their use and enjoyment;

(q) lease less than an entire unit or lease an entire unit for a period of less than one month (so that the high quality of this condominium will be maintained and will not become a lodging facility for transients). During the time a

0.1. 2002 PM 0363

unit is leased, rented or occupied by others, the unit owner shall not have the right to use the common elements and facilities except as a guest of a unit owner or lessee;

(r) allow any animals to be kept in his unit other than in conformity with rules and regulations promulgated from time to time by the Board of Directors; provided, that in the event any pet becomes a nuisance to other unit owners, in the sole opinion of the Board of Directors, such pet shall be removed from the premises immediately upon notice from the Board of Directors; nor shall any unit owner allow any pet to use the common areas except when on a leash and accompanied by the owner and then only so long as the pet does not make a mess or otherwise disturb the common areas;

(s) discharge saline or other regenerating solution from water softening equipment or any other chemicals or toxic waste, into any driveway, easement or common area so as to harmfully affect any lawn or plants or adversely impact the drainage system;

(t) park any commercial vehicle, truck, boat, camper, trailer, mobile home or similar vehicle in any carport or other parking area overnight;

(u) store a golf cart any place other than in a carport or garage.

14. SALE, TRANSFER, LEASE OR OCCUPATION OF UNIT. In recognition of the close proximity of the units and the compact living conditions which will exist in this condominium, the mutual utilization and sharing of the common elements and common recreational facilities, and the compatibility and congeniality which must exist between the unit owners and occupants in order to make an undertaking of this nature satisfactory and enjoyable for all parties in interest, it shall be necessary for the Board of Directors of the Association, or its duly authorized officers, agent or committee, to approve in writing all sales, transfers, leases or occupation of a unit before such sale, transfer, lease or occupation shall be lawful, valid and effective. Written

application for such approval shall contain such information as may be required by application forms promulgated by the Board and shall be accompanied by a transfer fee as required by regulation of the Board. When considering such application, consideration shall be given to good moral character, social compatibility, personal habits and financial responsibility of the proposed purchaser, transferee, lessee or occupant. A waiver of this provision or the failure to enforce it in any particular instance shall not constitute a waiver nor estop the Association from enforcing this provision in any other instance.

In the event a sale or transfer is disapproved or no action is taken by the Board or its duly authorized officers, agent or committee within 15 days after receipt of said application, and the unit owner intends to close notwithstanding such disapproval or inaction, the unit owner shall give the Board an additional 30 days written notice of such intent prior to closing and shall furnish the Board with a copy of the contract of sale. In such event, the Association or any other unit owner shall have a right of first refusal to purchase said unit for the identical price, terms and conditions as set forth in said contract of sale, which right shall be exercised by written notice delivered to the proposed seller or mailed to his address as shown on the Association records. In the event the Association is of the opinion that the price is not a bona fide sales price, then the sales price for purposes of the right of first refusal shall be the fair market value of the unit determined by the average of the values assigned by the written appraisals of three recognized real estate appraisers, one of whom shall be selected by the Association, one by the proposed seller and the third by the first two appraisers. The cost of such appraisals shall be equally divided between the Association and the proposed seller. If such right of first refusal is exercised by more than one party, priority shall be given first to the Association and then to the unit owner who delivers his notice of acceptance before any other unit owner or whose notice

0.1.2002 PM 0364

O.R. 2002 PG 0365

bears the earliest postmark. If no one exercises his right of first refusal by delivering or mailing his acceptance prior to three days before the proposed closing date or within 10 days after the sales price is determined by appraisal, whichever is later, the transfer may be closed pursuant to the price and terms stated in the notice. Failure of a transferor to comply with these provisions for sale or transfer shall give the Association or any other unit owner a right to redeem the unit involved from the transferee at any time before the closing of such transfer and for a period of six months after the recording of such conveyance in the Public Records of Sarasota County, or 60 days after the Board of Directors is given formal written notice of such transfer, whichever period is shorter. The only condition to the exercise of such right of redemption shall be that the transferee be reimbursed for that portion of the purchase price he has paid to that date (which sum shall then be deducted from the payment to the transferor). Immediately upon the tender of such sums the transferee shall convey all his right, title and interest to the party making the redemption. In addition to all other available remedies, the right of redemption may be enforced by suit for specific performance. In the event legal proceedings are commenced by the Association or any unit owner to enforce the provisions of this paragraph against a unit owner or transferee who fails to comply therewith, the party bringing such proceedings shall be entitled to his costs and reasonable attorneys' fees as determined by the Court, including appellate proceedings, if such party prevails. The foregoing provisions shall not be applicable to purchasers at foreclosure sales of mortgages held by savings and loan associations, banks and insurance companies, or their subsidiaries or affiliates, or to conveyances or leases to or from such institutional first mortgagees or the Developer.

In the event a lease, sublease or other occupation of a unit is disapproved or if no action is taken by the Board or its duly authorized officers, agent or committee within fifteen (15)

O.R. 2002 PG 0366

days after receipt of said application, and the unit owner intends to lease such unit notwithstanding such disapproval or inaction, the unit owner shall give the Board an additional fifteen (15) days written notice of such intent prior to execution of the lease and shall furnish the Board with a copy of such lease. In such event, the Association shall have the right of first refusal to lease said unit for the same rental, terms and conditions as set forth in said lease, which right shall be exercised in the manner hereinabove set forth for sales.

15. ASSESSMENTS AND LIENS. The Board of Directors of the Association shall approve annual budgets reflecting projected anticipated income and estimated expenses for each fiscal year, and the assessment to be made against each unit in the condominium. Each unit owner will be responsible for his unit's share of such annual assessment based upon its proportionate share of the common expenses as provided herein. One-fourth (1/4) of each unit's annual assessment shall be due and payable in advance to the Association on the first day of the first, fourth, seventh and tenth months of each fiscal year. In addition, the Board of Directors shall have the power to levy special assessments against the unit owners in proportion to each unit's share of the common expenses, if necessary to cover unanticipated expenditures which may be incurred during the fiscal year. Any assessments or other indebtedness owing by unit owners to the Association which are not paid when due shall bear interest from the due date until paid at the maximum rate allowed by law and shall be subject to such late charge as may be established by uniform rules and regulations of the Board; a late charge shall not exceed the maximum amount, if any, set forth by statute or regulation from time to time. The Association shall have the remedies and liens provided by the Florida Condominium Act with respect to unpaid assessments, and all other rights permitted under Florida law, which shall include the right to any late charges, accrued interest and reasonable attorneys' fees incurred by the Association incident to the collection of such

0.1.2002 PM 0367

assessment or court enforcement of such lien, including appellate proceedings. If any special assessment is payable in installments, and a unit owner defaults in the payment of an installment, the remaining installments of such special assessment may be accelerated to maturity by the Association by giving the defaulting unit owner 10 days notice of intent to accelerate unless all delinquent sums are paid within that time. The Board of Directors may require each unit owner to maintain a minimum balance on deposit with the Association (not to exceed one-fourth of the current annual assessment) to provide working capital and to cover contingent expenses from time to time. Each unit shall commence paying its share of the annual assessment on the first day of the month following the issuance of the temporary certificate of occupancy for the building in which the unit is located.

16. RIGHTS OF DEVELOPER. Developer hereby reserves unto itself, its successors and assigns, the exclusive right to elect and to remove and replace from time to time the Directors of the Association (who need not be unit owners) as provided in the Articles of Incorporation of the Association. Developer may terminate such right earlier than provided in the Articles of Incorporation by relinquishing control of the election of the Board of Directors to the unit owners at any time.

It is recognized that at the date hereof, construction of all of the improvements and the units contemplated by the condominium plat described in Exhibit "A" may not be completed. Developer expressly reserves every right, necessary or desirable, relative to the common elements and the condominium property generally, for the purpose of constructing and completing said improvements and units and effecting the sale or lease of all of the condominium units. Until all units in Fairway Bay III are sold, Developer shall have the right to maintain one or more model units to be used for display to prospective purchasers of units in this condominium or in other housing areas adjacent thereto and may exhibit such signs and sales paraphernalia in

such units and on the common elements as may be desirable to effect such sales. With respect to all initial purchases from Developer, Developer shall have the rights of the Association to approve all purchasers as provided in Paragraph 14 herein. Developer shall not have the right to expand or add recreational facilities to the condominium without the approval of unit owners or the Association except that Developer reserves the right to construct at Developer expense a second tennis court adjacent to the court located in Phase 1, as reflected on the plat attached as Exhibit "A" hereto. Developer also reserves the right to use the name "Fairway Bay" or any similar name in connection with future developments within Bay Isles.

O.N. 2002 PG 0368

17. REMEDIES FOR DEFAULT. In addition to the remedies provided by statute and common law and the remedies elsewhere provided herein, a default in the compliance and fulfillment of the provisions of the Florida Condominium Act, this Declaration, Articles of Incorporation, Bylaws and the regulations and rules promulgated by the Association or its Board of Directors, shall entitle the Association or individual unit owners to injunctive relief or money damages or both. In any such legal or equitable action or proceeding the prevailing party shall be entitled to recover his costs and expenses, including reasonable attorneys' fees to be determined by the Court, including fees and costs incurred in appellate proceedings.

18. PHASED DEVELOPMENT. Developer intends to develop this condominium in two phases pursuant to the provisions of Section 718.403, Florida Statutes (1985). The lands which may become part of the condominium and upon which each phase is to be built and the number and general size of the units included in each phase are shown on Exhibit "A" attached hereto and by this reference made a part hereof. Phase 1 constitutes the initial phase of the condominium which is hereby submitted to condominium ownership. Phase 2 will not become part of the condominium unless and until such phase is submitted to condominium ownership by Developer's execution of an amendment to this Declaration of

Condominium and to the condominium plat attached as Exhibit "A", which amendment shall be recorded in the Public Records of Sarasota County. Such amendment shall not require the execution, joinder or consent of individual unit owners or holders of recorded liens thereon (including institutional first mortgagees) or the condominium association. Such amendment shall take effect at the time of its recording in the Public Records of Sarasota County. If the second phase is added to the condominium, the common elements of the second phase shall merge with the common elements of the prior existing phase and will become part of one condominium. If the second phase is added to this condominium, the share of the common expenses, common elements and common surplus of each unit will be adjusted as provided in Paragraph 4, above. In addition, when the second phase is added, each added unit shall have one vote in the affairs of the Association which will result in the diluting of the voting rights of the prior existing units. Although Developer presently contemplates developing the second phase as shown on Exhibit "A", in the event such phase is not developed and added as a part of the condominium by a date seven years after the date of recording of this declaration, the units shown in such phase will not become part of the condominium and will not share in the common elements, common surplus, common expenses or in the voting rights of the Association. Developer reserves the right to modify the configuration, location and design (interior and exterior) of units in the second phase prior to recording the amendment in the Public Records which submits such units to condominium ownership. Time share estates will not be created in any phase.

19. **AMENDMENTS.** This Declaration may be amended at any time by affirmative vote of two-thirds (2/3) of all voting rights of all unit owners, except that provisions relating to percentage of ownership and sharing of common expenses, rights of Developer, termination of the condominium, and the voting rights of members may be amended only with the written consent of all persons adversely affected thereby. The Articles of Incorporation and

0.1. 2002 PM 0369

0.4.2002 PM 0370

Bylaws may be amended by a simple majority vote of all voting rights of all members of the Association and to that extent this Declaration may be amended without two thirds (2/3) vote. No amendment shall be effective unless it be in writing, executed by the president or vice-president and attested by the secretary of the Association with the formalities required for a conveyance of real property in the State of Florida, and recorded in the Public Records of Sarasota County. It shall not be necessary for the individual unit owners or holders of recorded liens thereon (except institutional first mortgage holders as herein provided) to join in the execution of any amendment, and the execution of any amendment by the president or vice-president and attested by the secretary of the Association as provided herein shall be prima facie evidence that the amendment was duly adopted in accordance with the requirements of this Declaration, the Articles of Incorporation and the Bylaws. Until such time as Developer shall have conveyed title to all units in this condominium, no amendments to the Declaration of Condominium, Articles or Bylaws which might be adverse to the Developer's sales program shall be effective without its written consent. By acceptance of a deed to a condominium unit, the grantee agrees for himself, his heirs, successors and assigns, and the holders of any mortgages, liens or other interests in or to any unit, that Developer shall have the right and irrevocable power to amend this Declaration and the exhibits recorded herewith as may be deemed necessary or desirable by Developer from time to time prior to the conveyance of all units by Developer in order to (a) identify, locate and dimension any units which are not completed at the date of this Declaration; (b) to correct any errors or omissions in this Declaration or any exhibits hereto; (c) to make the documents comply with the requirements of any statutory provisions of any state or federal rules or regulations or county or municipal ordinances; or (d) to gain acceptance or approval of any institutional mortgage lender or title insurer. Such amendments may be executed by the Developer without the written

consent of the unit owners, institutional first mortgagees, or other holders of recorded liens or other interests therein. All amendments shall take effect immediately upon recordation in the Public Records of Sarasota County.

20. RIGHTS OF INSTITUTIONAL FIRST MORTGAGEES. Except as otherwise provided herein, the written consent of all savings and loan associations, banks and insurance companies (or their subsidiaries or affiliates) holding first mortgages upon any of the condominium units (herein referred to as "institutional first mortgagees") shall be first obtained prior to recording any amendment to this Declaration (except amendments by the Developer under Paragraph 18, above, or to identity, locate or dimension units under Paragraph 3, above); prior to the termination of the condominium; prior to the partition or subdivision of any unit; or prior to the abandonment, partition, subdivision, encumbrance, sale or transfer of the common elements; which consent shall not be unreasonably withheld. Any institutional first mortgagees which obtain title to a unit through mortgage foreclosure or acceptance of a deed in lieu of foreclosure shall not be liable for the share of common expenses assessed to such unit prior to the acquisition of such title unless such share is secured by a claim of lien for assessments recorded prior to the recording of the mortgage. Such mortgagee shall pay all common expenses assessed to such unit which shall come due during the period the unit is owned by the mortgagee.

21. EASEMENTS FOR ACCESS AND ENCROACHMENTS. Each unit owner shall have a nonexclusive perpetual easement for ingress and egress to and from his respective unit through the common elements and a perpetual easement for encroachments which may exist now or in the future by reason of inaccuracies in construction, settlement or movement of the buildings, which encroachments shall be allowed to remain undisturbed until they no longer exist.

O.R. 2002 PG 0371

22. UTILITY EASEMENTS. Developer hereby reserves for itself, its successors and assigns, perpetual easements for ingress and egress and for the installation, construction, repair, maintenance and replacement of private and public utility lines and services of all kinds, including, without limitation, water, sewer, drainage, fire protection, wells, irrigation, electricity, telephone, cable television, garbage and trash disposal, under, over and across the common areas of the condominium lands which are not occupied by buildings or other structures, including, but not limited to, the easements reflected on the plat of this condominium. The utility easements herein reserved may serve this condominium, including subsequent phases, and other adjacent properties in Bay Isles, including Fairway Bay and Fairway Bay II condominiums located southerly of this condominium. Developer has heretofore granted certain easements and rights to Fairway Bay Association, Inc., and Fairway Bay II Association, Inc., by agreement recorded in Official Records Book 1673, Page 1740, and amendment(s) thereto. Utility easements may be granted by the Developer in its sole discretion to Bay Isles Association, Inc. and to any public or private utility company as Developer may deem necessary or desirable for the provision of utility services to any section of Bay Isles. All public and private utility companies rendering utility services to this condominium shall have a perpetual, nonexclusive easement over, across, under and through all of the common land areas of the condominium for the purposes of construction, installation, maintenance, repair and replacement of the utilities servicing this condominium, and for the purpose of reading meters in connection therewith. In the event it is necessary to disturb the surface of the land area for such purposes, then any pavement, roadway, grass, landscaping or other improvements which are so disturbed shall be restored by the utility company as soon as practicable to their prior condition as nearly as possible. Developer further reserves for itself, its successors and assigns, perpetual easements along the

O.R. 2002 PM 0372

southwesterly property line of this condominium adjacent to Harbourside Drive as more particularly shown on the condominium plat. This easement shall be for the installation, maintenance and repair of utilities and bicycle pathway, and for any other lawful purpose.

23. BAY ISLES COVENANTS AND REQUIRED MEMBERSHIP IN PROPERTY OWNERS' ASSOCIATION. This condominium is an integral part of a larger development known as "Bay Isles". All of Bay Isles is being developed by Developer as a planned unit development in accordance with an Outline Development Plan heretofore approved by the Town of Longboat Key in accordance with the Town's planned unit development ordinances, as such plan may be changed or modified by Developer from time to time hereafter. This land is subject to the Declaration of Maintenance Covenants and Restrictions on The Commons for Bay Isles which is recorded in Official Records Book 1116, Page 1858, as amended in Official Records Book 1554, Page 1222, Public Records of Sarasota County, Florida. In connection with such development, certain land areas, referred to as "Common Areas", will from time to time hereafter be set aside by Developer or deeded to Bay Isles Association, Inc., a Florida corporation not for profit (hereinafter referred to as "Bay Isles Association"), as a portion of the required open space of said development and will thereupon become available for the common use, enjoyment or benefit of all property owners in Bay Isles. Said Common Areas may include, by way of illustration and not by way of limitation, private roads, waterways, lakes, ponds, bicycle and other paths, walkways, parks and other open areas. The Common Areas will be designated as such either on plats or in other documents which will be recorded from time to time by Developer. Ownership of other open space areas such as the golf course, tennis courts and marina may be retained by Developer. In addition, certain land areas, referred to as "Neighborhood Common Areas", may be set aside by Developer in some subdivision or condominium areas or deeded to subdivision or condominium associations as a portion of

0.8.2002 PM 0373

O.R. 2002 PG 0374

the required PUD open space and, in such event, will be available for the common use and enjoyment only of the owners of property in such designated subdivision or condominium areas. These Neighborhood Common Areas will be designated as such either on plats or in other documents which will be recorded by Developer from time to time.

This condominium is located within Bay Isles, Unit No. 3, and is subject to the Declaration of Restrictions recorded in Official Records Book 1530, Page 271, Public Records of Sarasota County, Florida.

In order to establish, protect and preserve the quality of this condominium, all prospective Purchasers and Owners of units in this condominium shall be required to become members of Fairway Bay III Association and to maintain such membership in good standing. Furthermore, membership of each and every property owner in this condominium in the Bay Isles Association is hereby stated and recognized to be a necessary and essential part of the orderly development of Bay Isles as a planned unit development. Therefore, all prospective purchasers and Owners of units in this condominium shall be required to become members of Bay Isles Association and to maintain such membership in good standing.

Accordingly, no unit or land area except Common Areas or Neighborhood Common Areas, shall be sold, conveyed, leased, rented, given, or in any other manner transferred to anyone other than a member in good standing in Bay Isles Association and in Fairway Bay III Association. It is an express condition of the estate or title conveyed to any property that the holder of any interest therein shall not transfer the title to said property to any person not at the time of such transfer a member in good standing in each of the aforementioned associations. Any deed, lease or other conveyance of any interest in said property, directly or indirectly (other than by Will or judicial proceedings) in violation of this covenant shall be voidable by Bay Isles Association, Fairway Bay III Association or Developer.

The purpose and objective of each of said associations is as follows:

A. Fairway Bay III Association, Inc. This corporation will be responsible for the operation of the condominium as hereinabove set forth in Paragraph 7.

B. Bay Isles Association, Inc. The purpose of this association is to own, improve, maintain and manage the common areas of Bay Isles and to conduct the affairs of this Planned Unit Development in accordance with said corporation's Charter and Bylaws, and the Declaration of Maintenance Covenants recorded in Official Records Book 1116, page 1858, Public Records of Sarasota County, Florida, as the same may be amended from time to time hereafter, and in accordance with any and all applicable ordinances of the Town of Longboat Key regulating planned unit developments.

C. Right of Assessment. Each of the aforesaid associations shall have the right to levy assessments for maintenance purposes and other lawful purposes and to enforce collection thereof by placing liens against the units in this condominium. The Declaration of Maintenance Covenants for Bay Isles permits Bay Isles Association to enter into an arrangement with condominium associations in Bay Isles for the collection of the annual assessment levied by Bay Isles Association. In the event of such request, Fairway Bay III Association will undertake such collection duties.

D. Transfer Fee. Fairway Bay III Association shall have the right to charge a reasonable fee to any unit owner as a prospective seller for processing an application for approval of a prospective purchaser.

E. Compliance By Unit Owners. Each unit owner in this condominium shall comply with and abide by the terms and provisions of the documents hereinabove referred to.

O.R. 2002 PA 0375