

EXHIBIT 2

DECLARATION OF CONDOMINIUM

OF

BAY VIEW VILLAS
A CONDOMINIUM

(PHASE I)

THIS DECLARATION OF CONDOMINIUM made this 11th day of September 1980, by BAY WAY ISLES, a joint venture under the Florida Uniform Partnership Act, having a principal place of business in Pinellas County, Florida, (hereinafter referred to as "Developer"), for itself, its successors, grantees and assigns.

W I T N E S S E T H:

WHEREAS, Developer is the owner in fee simple of certain real property situate, lying and being in Pinellas County, Florida, as more particularly described in Exhibit "A" attached hereto and made a part hereof (said real property hereinafter referred to as the "Land"); and

WHEREAS, Developer contemplates erecting upon portions of said Land from time to time multi-unit residential buildings housing up to but not exceeding twenty-eight (28) Condominium Units and related facilities in phases pursuant to the provisions set forth in Section 718.403 of the Florida Statutes. A copy of the plot plan and preliminary phase division being attached hereto as Exhibit "B"; and

WHEREAS, Developer from time to time desires to submit portions of said Land together with improvements constructed thereon to condominium ownership pursuant to Chapter 718 of the Florida Statutes, known as the Condominium Act.

NOW, THEREFORE, Developer makes the following declarations:

ARTICLE I

Name

The name by which this Condominium is to be identified is BAY VIEW VILLAS, a Condominium.

ARTICLE II

Definitions

For all purposes in this Declaration and for all purposes in the Articles of Incorporation and By-Laws of BAY VIEW VILLAS CONDOMINIUM ASSOCIATION, INC., a Florida non-profit corporation, the following words shall have the definitions as hereinafter stated, to wit:

(A) Assessments: A share of the funds required for the payment of common expenses which, from time to time is assessed against the Unit Owner.

(B) Association: A non-profit corporate entity responsible for the operation of the Condominium, known as BAY VIEW VILLAS CONDOMINIUM ASSOCIATION, INC.

(C) Board of Administration: The Board of Directors or any other representative body responsible for the administration of the Association.

(D) By-Laws: The By-Laws of the Association existing from time to time.

(E) Common Elements: That portion of the property submitted to condominium ownership not included in the Units or Limited Common Elements.

(F) Limited Common Elements: Those Common Elements which are reserved for the use of certain Condominium Units to the exclusion of all others as are specifically set out herein.

(G) Common Expenses: All expenses and assessments properly incurred by the Association for the Condominium.

(H) Common Surplus: The excess of all receipts of the Association, including, but not limited to, assessments, rents, profits, and revenues on account of the Common Elements, over the common expenses.

(I) Condominium: That form of ownership of real property created pursuant to the provisions of Chapter 718 of the Florida Statutes, known as the "Condominium Act", and which is comprised of units that may be owned by one or more persons, and there is, appurtenant to each Unit, an undivided share in the Common Elements.

(J) Condominium Parcel: A Unit, together with any Limited Common Elements appurtenant thereto and the undivided share in the Common Elements which is appurtenant to the Unit.

(K) Condominium Property: The lands, leaseholds, and personal property that are subjected to condominium ownership, whether or not contiguous, and all improvements thereon and all easements and rights appurtenant thereto intended for use in connection with the Condominium.

(L) Declaration or Declaration of Condominium: The instrument or instruments by which Condominium is created, as they are from time to time amended.

(M) Institutional Mortgagee: A bank, federal savings and loan association, state savings and loan association, institutional investor, mortgage banker, insurance company and/or a real estate investment trust, holding a mortgage on one or more Condominium Parcels.

(N) Member: An owner of a Condominium Parcel who is a member of BAY VIEW VILLAS CONDOMINIUM ASSOCIATION, INC., (hereinafter referred to as the "Association").

(O) Unit: That part of the Condominium Property which is subject to exclusive ownership. A Unit may be an improvement, land, or lands and improvements together, as specified in this Declaration.

(P) Unit Owner or Owner of Unit: The owner of a Condominium Parcel.

ARTICLE III

Property submitted to Condominium form of ownership

The following property is hereby submitted to condominium ownership:

(A) Phase I: That certain real property situate, lying and being in Pinellas County, Florida, as more particularly set forth and designated in Exhibit "B", attached hereto and made a part hereof, which Lands are hereinafter referred to as "Phase I", together with all improvements erected or installed thereon.

(B) Phase I shall include one (1) building containing a total of fourteen (14) Condominium Units, together with certain recreational facilities consisting of a swimming pool and pool deck area as set forth in the plot plan attached hereto as Exhibit "B" and made a part hereof. Each of the said fourteen (14) Condominium Units shall contain approximately 1,350 square feet, including the balcony abutting each Unit. In addition, there shall be one unit containing storage space of approximately 200 square feet and one unit containing a laundry room of approximately 200 square feet.

Laundry Storage

ARTICLE IV

Property which may be submitted to Condominium form of ownership

Developer, pursuant to the provisions of Section 718.403 of the Florida Statutes, hereby retains the right to submit to condominium ownership, by amendment to this Declaration, one additional phase which may be constructed on the real property described as Phase II, as more particularly set forth and designated in Exhibit "B" attached hereto and made a part hereof.

Phase II shall, if constructed, consist of one (1) building containing a total of fourteen (14) Condominium Units; the said fourteen (14) Condominium Units will contain approximately 1,350 square feet, including the balcony abutting each Unit.

There shall be no additional recreational facilities provided in Phase II, but the Unit Owners in Phase II shall use the recreational facilities provided in Phase I in common with the Unit Owners in Phase I. There shall be no time-share estates created with respect to Units in either Phase I or Phase II.

ARTICLE V

Amendment of Declaration adding Phases

Notwithstanding anything to the contrary contained herein or the provisions of Section 718.110 of the Florida Statutes, the Developer, pursuant to Article IV hereof, and Section 718.403 of the Florida Statutes, expressly reserves the right to amend this Declaration so as to submit to condominium ownership the additional phase set forth in Article IV hereof, together with improvements thereon as part of this Condominium without consent thereto by the Association or Unit Owners other than the Developer.

The Developer may amend this Declaration as aforescribed by filing an Amendment (or Amendments) of Declaration among the Public Records of Pinellas County, Florida, which amendment (or amendments) shall describe and submit the Land being submitted to condominium ownership, and which amendment (or amendments) shall have attached thereto such certificates, surveys, plans and sketches as are required by Chapter 718 of the Florida Statutes. Such amendment (or amendments) need be executed and acknowledged only by Developer and need not be approved by the Association, Unit Owners, or lienors or mortgagees of Units of the Condominium whether or not elsewhere required for amendments, save and except that so long as any recognized lending institution has any interim or permanent financing on the property of Developer being submitted to condominium ownership, then only in that event shall it be mandatory for the Developer to obtain a joinder from said

recognized lending institution to the amendments as provided for herein.

Nothing contained herein shall require the Developer to submit the additional phase to condominium ownership.

Notwithstanding the foregoing, the percentage of ownership of the Common Elements and the Common Surplus attributable to each Unit in the Condominium shall be completed in the manner set forth in Article VIII of this Declaration.

ARTICLE VI

Identification Of Each Unit

The Condominium Units and Condominium Property submitted to condominium ownership as Phase I are set forth in the plot plan attached hereto and made apart hereof as Exhibit "B". Each condominium unit is described in said plot plan in such a manner that there can be determined therefrom the identification, location, dimensions and size of each Unit as well as the Common Elements and Limited Common Elements appurtenant thereto. Each Condominium Unit is identified by a number as shown on the plot plan attached hereto as Exhibit "B", and made a part hereof, so that no Unit bears the same designation as does any other Unit.

The Condominium Units on the property which may be submitted to condominium ownership as Phase II, are set forth in the plot plan attached hereto and made a part hereof as Exhibit "B". Each Condominium Unit is described in said plot plan in such a manner that there can be determined therefrom the identification, location, dimensions and approximate size of each Unit. Each Condominium Unit of Phase II is identified by a number as shown on the plot plan attached hereto as Exhibit "B" and made a part hereof, so that no Unit bears the same designation as does any other Unit.

Each numbered Unit shall have as its boundary lines the interior unpainted finished surfaces of the ceiling, floor and perimeter walls. All load-bearing walls located within a Unit

constitute a part of the Common Elements up to the unpainted finished surface of said walls. All doors, be they glass or otherwise, which are in the perimeter walls of a Unit shall be a part of the Unit up to the exterior unfinished surface thereof.

ARTICLE VII

Common Elements and Limited Common Elements

(A) Common Elements: Common Elements, as hereinabove defined, shall include within its meaning, in addition to the items as listed in Section 718.108 of the Florida Statutes (1979), the following items:

1. An exclusive easement for the use for the air space occupied by the Condominium Unit as it exists in any particular time as the Unit may lawfully be allowed.
2. An undivided share in the Common Surplus;
3. Cross easements for ingress, egress, support, maintenance, repair, replacement and utilities;
4. Easements for encroachments by the perimeter walls, ceilings and floors surrounding each Condominium Unit caused by the settlement or movement of the buildings or by minor inaccuracies in building or re-building which may now exist or hereinafter exist and, such easements shall continue until such encroachment no longer exists.

(B) Limited Common Elements: Limited Common Elements, as hereinabove defined, shall include within its meaning those Common Elements which are reserved for the use of certain Units to the exclusion of other Units and, for all purposes herein, shall be treated as Common Elements as to the Unit or Units for which they are reserved. The balconies abutting each Unit and the parking garages located beneath each Unit, as set forth in the plot plan attached hereto and made a part hereof as Exhibit "B", are Limited Common Elements appurtenant to those Units to which

they abut, the use of which is restricted to the Units to which they are appurtenant.

(C) Amendments to the Common Elements and Limited Common Elements may be made as provided for in Section 718.10(5) and (6) of the Florida Statutes, as amended (1979).

ARTICLE VIII

Percentage of Ownership of Common Elements

The undivided interest in the Common Elements appurtenant to each Unit shall be as follows:

(A) Upon completion of Phase I and recordation of this Declaration, each Unit in Phase I shall have an undivided share in the ownership of the Common Elements as designated in Exhibit "C" attached hereto and made a part hereof.

(B) If the Developer submits Phase II to condominium ownership as provided in Article IV hereof, the undivided share in the ownership of the Common Elements appurtenant to each Unit shall be automatically adjusted to reflect the ownership interest of all Units in both Phase I and Phase II. The adjusted percentage of the undivided share in the ownership of the Common Elements appurtenant to each Unit shall automatically take effect upon the recordation of the amendment submitting Phase II to condominium ownership pursuant to this Declaration, and upon the recordation of such amendment the undivided interest in the Common Elements appurtenant to each Unit shall be as designated in Exhibit "D" attached hereto and made a part hereof. The adjusted percentage of the undivided interest in the Common Elements appurtenant to each Unit shall be binding upon the Unit Owners, their grantees, assigns, successors, executors, or heirs of each and every Unit previously submitted to condominium ownership pursuant to this Declaration.

(C) Each Unit shall have appurtenant thereto the same undivided interest in and to the Limited Common Elements as stated in paragraphs (A) and (B) of this Article, subject, however, to the exclusive right of use of the Limited Common Elements which are appurtenant to a particular Unit.

ARTICLE IX

Common Surplus

The Common Surplus shall be owned by Unit Owners in accordance with the provision set forth in Article VIII hereof as they relate to the undivided share in the ownership of the Common Elements and Limited Common Elements attributable to each Unit submitted to condominium ownership pursuant to this Declaration.

ARTICLE X

Restraint Upon Separation and Partition of Common Elements

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

ARTICLE XI

Administration of Condominium By Association

This Condominium shall be conducted by a corporation incorporated pursuant to the Florida Statutes governing corporations not for profit. The name of the corporation to conduct the affairs of the Condominium shall be BAY VIEW VILLAS CONDOMINIUM

ASSOCIATION, INC., hereinafter called the "Association". The Articles of Incorporation of which corporation are attached hereto as Exhibit "3" and made a part hereof as if set out in full. The By-Laws of the said corporation are attached hereto as Exhibit "4" and made a part hereof as if set out in full. The owner or owners of each Unit shall automatically become members of the Association upon his, their or its acquisition of any ownership interest to such Unit and its appurtenant undivided interest in Common Elements and Limited Common Elements. Such membership of each owner or owners shall terminate automatically upon such owner or owners being divested of such ownership interest in such Unit, regardless of the means by which such ownership may be divested. No person, firm or corporation holding any lien, mortgage or other encumbrance upon any Unit shall be entitled by virtue of such lien, mortgage or other encumbrance, to membership in the Association. In the Administration of the operation and management of the Condominium, the Association shall have and is hereby granted the authority to levy and collect assessments in the manner hereinafter provided, and to adopt, promulgate and enforce such rules and regulations governing the use of the Units, Common Elements and Limited Common Elements, as the Board of Directors of the Association may deem to be in the best interest of the Condominium.

Assessments
Rules
e.k.

ARTICLE XII

Amendment of Declaration

(A) Save and except for expressed provisions providing for a different percentage for approval of amendments, this Declaration may be amended by affirmative vote of seventy-five percent (75%) of the Condominium Parcel owners at a meeting duly called for such purpose pursuant to the By-Laws of the Association; provided, however, that no amendment shall be made which shall in any manner impair the security of an institutional mortgagee having a mortgage or other lien against any one or more Condominium

Amendments

Parcels, or any other record owners of liens thereon; save and except if such amendment is for the purpose to correct an error or omission of this Declaration of Condominium or in any other documentation required by law to establish the Condominium form of ownership, then such amendment shall nevertheless be effective when duly passed by an affirmative vote of fifty-one percent (51%) of the members of the Association present or represented by written proxy in accordance with the By-Laws of the Association, and recorded among the Public Records of Pinellas County, Florida; provided, however, that the property rights of the owners are not materially or adversely affected by such amendment.

(B) However, no such amendment shall change the configuration or size of any Condominium Unit in any material fashion, materially alter or modify the appurtenances to such Unit, nor change the proportion of percentage by which the owner of the Parcel shares the common expenses and owns the Common Surplus, unless the record owner thereof and all record owners of liens thereon, shall join in the execution of the amendment. Provided further, however, that any vote to the amendment to the Declaration of Condominium which in any way relates to a change in the percentage of ownership in the Common Elements or Limited Common Elements or sharing of common expenses as it pertains to each Unit Owner or Condominium Parcel, shall be conducted by a secret ballot; save and except amendments made by the Developer pursuant to the provisions of Article IV hereof for the purpose of submitting the additional phase to condominium ownership pursuant to the terms of this Declaration.

(C) If it shall appear scivener's error, that a Unit has not been designated an appropriate share of the Common Elements or that all of the common expenses or interest in the Common Surplus or all of the Common Elements in the Condominium have not been distributed in the Declaration, such that the total sum of the shares of Common Elements which have been distributed or the total

sum of the shares of the common expenses or ownership of the Common Surplus fails to equal one hundred percent (100%) (or if it shall appear that, through such error, more than one hundred percent (100%) of the Common Elements or the common expenses or ownership of the Common Surplus shall have been distributed) such error may be corrected by the filing of an amendment to this Declaration executed by the Association, the owners of the Units and the owners of the liens thereon for which modification in the shares of Common Elements or shares of common expenses or the Common Surplus are being made. No other Unit Owner shall be required to join in or execute such amendment.

(D) Notwithstanding anything herein, the Developer retains the right to amend this Declaration from time to time pursuant to the provisions set forth in Article IV hereinabove, for the purpose of submitting the additional phase to condominium ownership pursuant to the terms of this Declaration.

ARTICLE XIII

Common Expenses, Assessments, Liabilities Liens, Priority, Interest and Collection

(A) The Association, through its Board of Directors, shall have the power to make and collect assessments, special assessments and such other assessments as are provided for by the Condominium Act, this Declaration and the By-Laws.

(B) Common Expenses shall include but not be limited to costs and expenses of operation, maintenance and management, property taxes and assessments against the Condominium Property (until such time as any of such taxes and assessments are made against the Condominium Parcels individually and thereafter only as to such taxes or assessments, if any, as may be assessed against the Condominium as a whole), insurance premiums for fire, flood, windstorm and extended coverage insurance on the Condominium real property and personal property, premiums for public

liability insurance, legal and accounting fees, management fees and operating expenses of the Condominium Property and the Association; maintenance, repairs and replacements to the Condominium Property, charges for utility and water used in and for the benefit of the Condominium, cleaning and janitorial services for the Common Elements and Limited Common Elements, expenses and liabilities incurred by the Association in and about the enforcement of its rights and duties against the members or others, and the creation of reasonable contingency or reserve requirements for the protection of the members and the Condominium Property (i.e. reserve for replacements, operating reserve, deficiency in collections), and all other expenses declared by the Board of Directors of the Association to be Common Expenses from time to time, and any and all other sums due from the Association under any lease, contract or undertaking for recreational facilities.

(C) The Association shall estimate from time to time the amount of Common Expenses it expects to incur in the period of time involved therein and may assess sufficient monies from Unit Owners to meet this estimate. Assessments for Common Expenses shall be borne by Unit Owners in the proportions or shares set forth in Article VIII hereof. Assessments shall be payable monthly or in such other installments and at such times as may be fixed by the Board of Directors.

(D) Should the Association, through its Board of Directors, at any time determine that the assessments made are not sufficient to pay the Common Expenses, or, in the event of emergencies, the Board of Directors shall have the authority to levy and collect additional assessments to meet such needs of the Association.

(E) All notices of assessments from the Association to the Unit Owners shall designate when they are due and payable. Assessments and installments thereof not paid when due shall bear interest from due date at eighteen percent (18%) per annum.

(F) The Association shall have a lien on each Condominium Unit for any unpaid assessment and interest thereon against the Unit Owner of each Condominium Unit as provided in the Condominium Act. In the event such lien is asserted or claimed, the delinquent Unit Owner agrees to pay reasonable attorney fees sustained by the Association incident to the collection of such unpaid assessment or the enforcement of such lien and the said lien shall also secure the payment of such attorney fees. Said lien shall be effective from and after its recording in accordance with the provisions of the Condominium Act, and shall otherwise be enforceable as provided in the Condominium Act. The lien shall be deemed to be prior to and superior to the creation of any homestead status and every purchaser of a Condominium Unit interest hereby consents to the imposition of such lien prior to any homestead status. This lien shall be inferior and subordinate to the lien of an institutional mortgagee.

(G) The liability for assessments may not be avoided by waiver of the use or enjoyment of any Common Element or by abandonment of the Unit for which the assessments are made. Further, liability for assessments shall not be reduced by virtue of the fact that a Unit has not been used or occupied.

Y (H) If the holder of a first mortgage of record or other purchaser of a Condominium Unit obtains title to the Condominium Parcel as a result of a foreclosure of the first mortgage or as a result of deed given in lieu of foreclosure, such acquirer of title and his successors and assigns shall not be liable for the share of the Common Expenses or assessments by the Association pertaining to the Condominium Parcels so acquired or chargeable to the former Unit Owner of the acquired Parcel which became due prior to the acquisition of the title as a result of the foreclosure or deed in lieu of foreclosure unless the share is secured by claim of lien for assessments recorded prior to the recording of the mortgage which is foreclosed or for which a deed was given

in lieu of foreclosure. The unpaid share of the Common Expenses or assessments shall be Common Expenses collectable from all the Unit Owners, including such acquirer, his successor and assigns.

ARTICLE IV

Maintenance

(A) The Owner of each Unit, at his own expense, shall have the responsibility to maintain, repair and replace all portions of the Unit contained within the perimeter boundary of the Unit as described in this Declaration, and all portions of the Limited Common Elements appurtenant to his Unit, and all mechanical equipment within and outside of said Unit which service said Unit. The Owner of each Unit shall have the further responsibility not to paint, decorate, or otherwise change the appearance, or any portion of the appearance, or the exterior of the Unit, and to properly report to the Association any defect, or need for repair or maintenance, for which the Association is responsible.

(B) The Association shall maintain, repair and replace at the Association's own expense all portions of the Units (except interior wall surfaces, exterior air conditioning, compressors and equipment, and window glass) contributing to the support of the building, which portion shall include, but not be limited to, the outside walls of the building, and load bearing columns, and all conduits, ducts, plumbing, wiring and other facilities for furnishing of utilities services which are contained in the portions of the Unit contributing to the support of the building, or within interior boundary walls and also such facilities contained within a Unit which serviced part or parts of the Condominium other than the Unit in which it is contained.

(C) No Condominium Parcel Owner shall make any alterations in or improvements to a Unit or the Limited Common Elements or Common Elements without first obtaining approval from the Board of Directors of the Association.

ARTICLE XV

Delegation of Authority

The Association, by and through its Board of Directors, is hereby vested with power to contract for the management and maintenance of the Condominium Property and to authorize a management agent to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of assessments, preparation of records, enforcement of rules, and maintenance, repair and replacement of the Common Elements with funds that shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all time the powers and duties granted by the Condominium documents and the Condominium Act, including but not limited to the making of assessments, promulgation of rules and regulations and execution of contracts on behalf of the Association.

ARTICLE XVI

Personal Liability and Separate Insurance Coverage

The Owner of each Unit may, at his own expense, obtain insurance coverage for loss of or damage to any furniture, furnishing, personal effects and other personal property belonging to such Owner, and may, at his own expense and option, obtain insurance coverages against personal liability for injury to the person or property of another within such Owner's Unit, or upon the Common Elements, or Limited Common Elements. Risk of loss or damage to any furniture, furnishing, personal effects and other personal property (other than such furniture, furnishing and personal property constituting a portion of the Common Elements) belonging to or carried on the person of the Owner of each Unit, or which may be stored in any Unit, or in, to or upon Common Elements or Limited Common Elements shall be borne by the Owner of

each such Unit. All furniture, furnishing and personal property constituting a portion of the Common Elements and held for the joint use and benefit of all Owners of all Units shall be covered by such insurance as shall be maintained in force and effect by the Association as hereafter provided. The Owner of each Unit shall have no personal liability for any damage caused by the Association or in connection with the use of the Common Elements or the Limited Common Elements. The Owner of a Unit shall be liable for injuries or damages resulting from an accident in his own Unit to the same extent and degree that the Owner of a house shall be liable for an accident incurring within the house.

ARTICLE XVII

Insurance Carried by Association

(A) The following insurance coverage shall be maintained in full force and effect by the Association upon the Condominium Property:

1. Casualty insurance covering all of the Units, Common Elements and Limited Common Elements in an amount equal to the maximum insurance replacement value thereof, exclusive of excavation and foundation cost, as determined annually by the insurance carrier, each coverage to afford protection against (i) loss or damage by fire or other hazards covered by the standard extended coverage or other perils including windstorm endorsement and (ii) such other risks of a smaller or similar nature or as shall be customarily covered with respect to buildings similar in construction, location and use to the Condominium, including vandalism, malicious mischief and such other insurance coverages, as and to the extent available, which may from time to time be deemed by the Board of Directors of the Association to be necessary and

proper and in the best interest of the Association and the Owners therein;

2. Public liability and property damage insurance in such amounts and in such form as shall be required by the Association to protect the Association and the Owners of all Units, including such insurance coverages as, and to the extent available, which may from time to time be deemed by the Board of Directors of the Association to be necessary and proper and in the best interest of the Association and the Owners therein;

3. Workmen's Compensation insurance to meet the requirements of law;

4. Such other insurance coverage, other than title insurance, as the Board of Directors of the Association, in its sole discretion, may determine from time to time to be in the best interest of the Association and the Owners of all of the Units.

(B) All insurance policies purchased by the Association hereunder shall be for the benefit of the Association and all Unit Owners and their mortgagees as their interest may appear. The cost of obtaining the insurance coverage authorized above is declared to be a Common Expense, as are any other fees and expenses incurred which may be necessary or incidental to carry out the provisions hereof. All policies of casualty insurance covering the Condominium Property shall provide for the insurance proceeds covering any loss to be payable to the Insurance Trustee named as hereinafter provided, or to its successors, and the insurance proceeds from any casualty loss shall be held for the use and benefit of the Association and all Owners of all Units, 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 of the Owners of all Units for the purpose of negotiating and agreeing to a settlement as to the value and extent of any loss which may be covered under any policy of casualty 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 or policies of casualty insurance and resulting in loss of or damage to insured property.

The company or companies with which casualty insurance may be placed shall be selected by the Association, and all parties beneficially interested in such insurance coverage shall be bound by such selection of insurance company or companies made by the Association.

The Association shall have the right to designate the Insurance Trustee, and all parties beneficially interested in such insurance shall be bound thereby. 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 same in trust for the purposes herein stated, and for the benefit of the Association and the Owners of all Units, and their respective mortgagees, as their interests may appear, and such insurance proceeds shall be distributed and paid by the Insurance Trustee as hereinafter provided. The Insurance Trustee shall be liable only for its willful misconduct, bad faith, or gross negligence, and then for only such money which comes into the possession of said Insurance Trustee. Whenever the Insurance Trustee may be required to make distribution of insurance proceeds to Owners of Units and their mortgagees, as their respective

interests may appear, the Insurance Trustee may rely upon a certificate of the President and Secretary of the Association, executed under oath, and which certificate shall be provided to said Insurance Trustee upon request of said Insurance Trustee made to the Association, such certificate to certify the name or names of the Owners of each Unit, the name or names of the mortgagee or mortgagees who may hold a mortgage or mortgages encumbering such Unit, and the respective percentages of any distribution which may be required to be made to the Owner or Owners of any Unit or Units, and his or their respective mortgagee or mortgagees, as their respective interests may appear. When insurance proceeds are paid to the Insurance Trustee for any casualty loss, the holder or holders of any mortgage or mortgages encumbering a Unit or Units shall not have the right to determine or participate in the determination of repair or replacement of any loss or damage, and shall not have the right to elect to apply insurance proceeds to the reduction of any mortgage or mortgages, unless such insurance proceeds represent a distribution to the Owner or Owners of a Unit or Units, and their respective mortgagees, after such insurance proceeds have been first applied to repair, replacement or reconstruction of any loss or damage, or unless such casualty or insurance proceeds are authorized to be distributed to Owner or Owners of any Unit or Units and their respective mortgagee or mortgagees by reason of loss or damage to a part of the Common Elements and as to which a determination is made not to repair, replace or restore such Common Elements. The Association, as a Common Expense, shall pay a reasonable fee to said Insurance Trustee for its services rendered hereunder, and shall pay such costs and expenses as said Insurance Trustee may incur in the performance of any duties and obligations imposed upon it hereunder.

Immediately after a casualty damage to any part of the Condominium Property, the Board of Directors of the Association shall obtain reliable and detailed estimates of the costs necessary

to repair and replace the damage of the Property to a condition as good as the condition that existed prior to the casualty loss, provided that if a casualty causing damage is limited to a single Unit, then it shall be the responsibility of that Unit Owner to obtain estimates of the cost of replacement as aforesaid. If the net proceeds of insurance are insufficient to pay the estimated cost of reconstruction and repair, the Board of Directors of the Association shall promptly, upon determination of a deficiency, levy a special assessment against all Unit Owners for that portion of the deficiency related to Common Elements and Limited Common Elements in accordance with the percentages set forth in Article VIII of this Declaration and against the individual Unit Owners for that portion of the deficiency related to any individual damaged Units; provided, however, that if in the opinion of the Board of Directors it is impossible to accurately and adequately determine the portion of the deficiency relating to individual damaged Units, the Board of Directors shall levy the special assessment for the total deficiency against each of the Unit Owners according to the percentages set forth in Article VIII hereof.

Unless there occurs substantial damage to or destruction of all or substantial portion of the Condominium Property and the Unit Owners fail to elect to rebuild and repair as provided below, the Insurance trustee shall disburse the net insurance proceeds and the funds collected by the Board of Directors from the assessment hereinabove set forth to repair and replace any damage or destruction of Property, and shall pay any balance remaining to the Unit Owners and their mortgagees as their interests may appear. The proceeds of insurance and the funds collected by the Board of Directors from the assessments as hereinabove provided, shall be held by the Insurance Trustee in trust for the uses and purposes herein provided. The Insurance Trustee shall have no obligation or duty to see that the repairs, reconstruction or replacements

required hereunder are performed or accomplished, and the said duty shall be that of the Association's.

As used in this Declaration, and in any other connection or context dealing with this Condominium, "substantial damage to or destruction of all or a substantial portion of the Condominium Property" shall mean that two-thirds (2/3) or more of all Units are or have been rendered untenable by casualty loss or damage. Should there incur such substantial damage to or destruction of all or substantial part of the Condominium Property, the damage or loss shall not be reconstructed or repaired unless a majority of all the Unit Owners shall agree thereto, in writing, within sixty (60) days after the casualty loss or damage occurs. In the event that reconstruction and repair shall not be approved as aforesaid, the Insurance Trustee is authorized to pay the proceeds of the insurance to the Unit Owners and their mortgagees as their interest may appear, and the Condominium Property shall be removed from the provisions of Condominium Act, as hereinafter provided. The determination not to reconstruct or repair after casualty shall be evidenced by a certificate, signed by one (1) of the officers of the Association, under oath, stating that the said sixty (60) day period has elapsed and the Association has not received the necessary writings from a majority of the Unit Owners.

Notwithstanding anything herein contained, should any claim or the proceeds of any settlement of insurance claim be less than TEN THOUSAND DOLLARS AND 00/100 (\$10,000.00), then such sums need not be deposited with the Insurance Trustee, but rather shall be paid directly to the Association to be distributed in accordance with the terms of this Article.

ARTICLE XVIII

Conveyances, Sales, Rentals, Leases and Transfers

In order to insure a community of congenial residents and thus protect the value of the Units, the sale, leasing,

rental and transfer of Units by any Owner other than the Developer shall be subject to the following provisions:

(A) Prior to the sale, conveyance or transfer of any Condominium Parcel, or any interest therein, to any other person other than the transferor's spouse, the Owner shall notify the Board of Directors of the Association, in writing, of the name and address of the person whom the proposed sale, conveyance or transfer is to be made, and such other information as may be reasonably required by the Board of Directors of the Association. Within fifteen (15) days of the receipt of said written notice by the Board of Directors, the Board of Directors shall either approve or disapprove a proposed sale, conveyance or transfer, in writing, and shall notify the Owner of its decision. In the event the Board of Directors of the Association fails to approve or disapprove a proposed sale, conveyance or transfer within said fifteen (15) days, the failure to act as aforesaid shall be considered approval of the sale, conveyance or transfer.

(B) In the event the Board of Directors of the Association disapproves the proposed sale, conveyance or transfer, and the Owner of the Unit proposed to be sold, conveyed or transferred, shall desire to consummate such sale, conveyance or transfer, he shall, thirty (30) days before such sale, conveyance or transfer, give written notice to the Secretary of the Association of his intention to sell, convey or transfer on a certain date, together with a copy of the contract setting forth the terms thereof and the price; said price, however, shall not exceed the fair market value of said Unit. If a dispute arises as to the definition of fair market value, it shall be resolved as provided for herein-after. The Association shall promptly notify the members of the Association of the date, price and terms of the proposed sale, conveyance or transfer. Any member of the Association shall have the right first over the prospective purchaser to accept such sale, conveyance or transfer on the terms contained in the notice,

Board either approves or finds a buyer for property - no blocking a sale

provided that he shall soon notify the Secretary of the Association, in writing, of the acceptance, at least fifteen (15) days before the date of the intended sale, conveyance or transfer, and deposit with the Secretary of the Association ten percent (10%) of the purchase price as a good faith deposit, which information and notice of deposit the Association shall promptly forward to the Owner. In the event no member of the Association accept first right of purchase as aforescribed, then the Association must either approve the transaction or furnish a purchaser approved by the Association, who will accept the transaction upon the terms and conditions contained in the notice, provided the Association, at least ten (10) days before the date of the intended sale, conveyance or transfer, notifies the Owner that a purchaser has been furnished and that said purchaser has deposited ten percent (10%) of the purchase price with the Association as good faith deposit for the intended sale. In the event the Owner of the Unit giving notice receives acceptances from more than one member of the Association, it shall be discretionary with the Unit Owner giving notice to consummate the sale, conveyance or transfer with whichever of the accepting members he chooses. In the event the Unit Owner giving notice receives no written notice from any member of the Association accepting the price and terms of the proposed sale, conveyance or transfer, or written notice that the Association has furnished a purchaser, on or before ten (10) days before the date given in the notice as the date of the sale, conveyance or transfer, then the Unit Owner may complete the sale, conveyance or transfer on the day and at the price and the terms given in his notice, but upon no other price or terms without repeating the procedure outlined above.

In the event a Unit Owner makes a sale, conveyance or transfer without first complying with the terms hereof, any other member of the Association shall have the right to redeem from the purchaser, according to the provisions hereof. The said redemption

right shall be exercised by reimbursing the purchaser for the monies expended as shown on the contract for purchase of a condominium Unit, which shall not exceed the fair market value, and immediately after such reimbursements the said purchaser or transferee shall convey all his right, title and interest to the member of the Association making the redemption. Any expenses, which shall include but not be limited to attorney fees and court costs incurred by the Association, or any members for enforcement of the provisions of this Article shall be assessed against the member who violates or fails to comply strictly with the provisions of this Article.

An affidavit of the Secretary of the Association, stating that the Board of Directors of the Association approved in all respects on a certain date the sale, conveyance or transfer of a Condominium Parcel certain persons, shall be conclusive evidence of such fact, and from the date of approval as stated in the affidavit the redemption rights of the members as described above shall terminate.

(C) In case of the death of the Owner of a Condominium Parcel the surviving spouse, if any, and, if no surviving spouse, the other member or members of such owner's family residing with the Owner at the time of his death, may continue to occupy the said Condominium Parcel; and if such surviving spouse or other member or members of the decedent Owner's family shall have succeeded to the ownership of the Condominium Parcel, the ownership thereof shall be transferred by legal process to such new owner.

(D) In the event said decedent owner shall have devised or bequeathed the ownership of his Condominium Parcel to some designated person or persons, other than the surviving spouse or members of his family as aforescribed, or if some other person is designated by such decedent's legal representative to receive the ownership of the Condominium Parcel, or under the laws of descent

and distribution of the State of Florida, the Condominium Parcel descends to some person or persons other than his surviving spouse or members of his family as aforescribed, the Board of Directors of the Association, shall within thirty (30) days of proper evidence of the rightful designation served upon the President or any other officer of the Association or within thirty (30) days from the date the Association is placed on actual notice of said devisee or descendant, express their refusal or acceptance of the individual or individuals so designated as Owner or Owners of the Condominium Parcel. If the Board of Directors of the Association shall consent, in writing, ownership of the Condominium Parcel may be transferred to the person or persons so designated, who shall thereupon become the Owner or Owners of the Condominium Parcel, subject to the provisions of this Declaration of Condominium and the By-laws of the Association. If, however, the Board of Directors of the Association shall refuse to consent, then the members of the Association shall be given an opportunity during thirty (30) days to purchase, for cash, the said Condominium Parcel at the then fair market value thereof.

In the event a dispute arises as to what should be considered the fair market value of a Condominium Parcel as provided for herein, then the time requirements for approval or disapproval of a proposed sale and other notice requirements as set forth in this Article shall be abated until final decision has been made by an Appraiser appointed by the Senior Judge of the Circuit Court in and for Pinellas County, Florida, upon ten (10) days notice on petition of any party in interest. The expense of appraisal shall be paid by the Seller or the legal representative of the Seller out of the amount realized from the sale of such Condominium Parcel. In the event the then members of the Association do not exercise the privilege of purchasing said Condominium Parcel within such period, and upon such terms, then and only in such event, the person or persons so designated by the Decedent

shall take title to the Condominium Parcel; or such person or persons or the legal representative of the decedent may sell the said Condominium Parcel, but the sale shall be subject in all respects to the provisions of this Declaration of Condominium and the By-laws of the Association.

(E) A Condominium Parcel may be rented or leased without approval, authorization or permission from the Association. No amendment to this Declaration prohibiting or restricting the rental or lease of Condominium Parcels shall be effective without the consent of one hundred percent (100%) of the Condominium Parcel Owners.

(F) Notwithstanding anything to the contrary herein, the provisions of this Article shall not be applicable to the acquisition of title to a Unit by a mortgagee acquiring title by foreclosure or by judicial sale, or by the voluntary conveyance of said Unit in lieu of foreclosure, and a mortgagee so acquiring title shall have the unrestricted right to sell, convey or transfer said Units so acquired.

(G) No Unit Owner may mortgage his Parcel or interest therein without the approval of the Association, except to an institutional mortgagee as hereinbefore defined. The approval of any other mortgagee may be upon conditions determined by the Association or may be arbitrarily withheld.

(H) Any sale, conveyance or transfer or mortgage not authorized pursuant to the terms of this Declaration shall be void unless subsequently approved by the Association, and the Association shall have the right to enforce the provisions of this Article by legal proceedings, by injunction proceedings, or by any legal means calculated to produce compliance with this Article.

ARTICLE XIX

Remedies in Event of Default

The Owner or Owners of each Unit shall be governed by and shall comply with the provisions of this Declaration of

Condominium, and the Articles of Incorporation and By-Laws of the Association, and its rules and regulations as any of the same are now constituted or as they may be adopted and/or amended from time to time. A default by the Owner or Owners of any Unit shall entitle the Association or the Owner or Owners of another Unit or Units to the following relief:

1. Failure to comply with any of the terms of this Declaration of Condominium or other restrictions and regulations contained in the Articles of Incorporation or By-Laws of the Association or its rules and regulations, shall be grounds for relief which may include, without intending to limit the same, an action to recover sums due for damages, "injunctive relief," foreclosure of lien or any combination thereof, in which relief may be sought by the Association or, if appropriate, by any aggrieved Owner of a Unit.

2. The Owner or Owners of each Unit shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or his or their guests, employees, agents or lessees, but only to the extent that such expenses are not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of a Unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

3. Any proceeding arising because of an alleged default by the Owner of a Unit, the Association, or its successors, shall be entitled to recover the cost of the proceedings, and such reasonable attorney fees as may be determined by the court, but in no event shall the Owner of any Unit be entitled to such attorney fees.

I think this #1 "injunctive relief" gives the Board the inroads for fines.

just because
a rule isn't
hasn't
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4. The failure of the Association or of the Owner of a Unit to enforce any right, provision, covenant or condition which may be granted by this Declaration of Condominium or any of the above mentioned documents shall not constitute a waiver of the right of the Association or of the Owner of a Unit to enforce such right, provision, covenant or condition in the future.

5. All rights, remedies and privileges granted to the Association or the Owner or Owners of a Unit pursuant to any terms, provisions, covenants and conditions of this Declaration or any of the above mentioned documents shall be deemed to be cumulative; and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it 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.

6. The failure of the Developer to enforce any right, privilege, covenant or condition which may be granted to it by this Declaration or any of the other above mentioned documents shall not constitute a waiver of the right to enforce such right, provision, covenant or condition in the future.

ARTICLE XX

Termination

All of the Unit Owners in fee simple, and all of the Owners of leasehold estates having their original term of ten (10) years or more, may remove the Condominium Property from the provisions of this Declaration of Condominium and from the provisions of Chapter 718, Florida Statutes, by an instrument to that effect duly recorded, provided, further, that all the holders of all mortgage liens affecting any of the Condominium Parcels must consent thereto and agree by joining in the instrument duly

recorded that their liens shall thereupon be transferred to the percentage of the undivided interest of the Unit Owner in the Property as hereinafter provided. Upon removal of the Condominium Property from the provisions of this Declaration of Condominium and from the provisions of Chapter 718, Florida Statutes, the Condominium Property shall be deemed to be owned in common by the Unit Owners. Unless otherwise provided in this Declaration, the undivided interest in the property owned in common by each Unit Owner shall be the percentage of undivided interest previously owned by such Owner in the Common Elements.

ARTICLE XXI

Developer's Units and Privileges

Notwithstanding anything herein to the contrary, the Developer is irrevocably empowered to sell, lease or rent units to any person approved by it. The Developer shall have the right to transact on the Condominium Property any business necessary to consummate the sale or rental of units, including, but not limited to, the right to maintain Condominium models, have signs, employees in the office, use the Common Elements and show Units. A sales or rental office, signs, and all items pertaining to sales or rentals, shall not be considered Common Elements and shall remain the Property of the Developer. In the event there are unsold Units, the Developer retains the right to be the Owner thereof, under the same terms and conditions as other Owners, save for the unrestricted right to sell, rent or lease as contained in this Article. The Developer, so long as it holds Condominium Units offered for sale in the ordinary course of business, shall be excused from the payment of the share of the Common Expenses and assessments related thereto for a period subsequent to the recording of the Declaration of Condominium. The period shall terminate no later than the first day of the fourth (4th) calendar month following the month in which the closing of the purchase and sale of the first Condominium Unit occurs.

Notwithstanding anything herein to the contrary, the Developer shall have the right to take all steps Developer may deem appropriate or necessary to complete construction of the improvements shown on Exhibit "B" attached hereto and made a part hereof, including the development of both Phase I and Phase II, and neither the Association nor any Unit Owner shall have any right in any manner to interfere with, hinder, or impede completion of construction of the improvements by the Developer or the sale or rental of Units by Developer, and the Developer is hereby expressly authorized to take all such action as Developer may deem appropriate to complete the construction of improvements and the sale of Units by the Developer.

The Developer shall have the right to exercise the vote appurtenant to Units owned by Developer in the same manner as other Unit Owners. For purposes of voting or approval of matters as provided for herein or in the Articles or By-Laws of the Association, the Developer shall be considered a separate Unit Owner for each Unit owned by it.

It is specifically recognized that some or all of the persons comprising the original Board of Directors and the officers of the Association are Owners of some or all of the stock of the Developer, and all such circumstances shall not and cannot be construed or considered as a breach of any duty or obligation to the Association by such persons.

ARTICLE XXII

Use Restrictions

The existing rules and regulations promulgated by the Association pursuant to the authority granted herein are attached hereto and made a part hereof as if set out in full as Exhibit "E".

Said rules and regulations may be amended or modified from time to time by the Association or its delegate, and said rules

and regulations need not be recorded as an amendment to this Declaration, but the same shall be construed and enforced as a provision of this Declaration.

Subject to the rules and regulations referred to above, the Condominium Property shall be used only for single family residential purposes. Provided, however, that the two Units containing the storage space and laundry room, as set forth and designated as part of Phase I in Exhibit "B" attached hereto and made a part hereof, may be used by a management agent designated by the Association to assist the Association in carrying out its powers and duties regarding the management and maintenance of the Condominium Property and may be used by a rental agent for any purpose incidental to the business of leasing Units for the individual Unit owners in both Phase I and Phase II. The storage space and laundry room shall not be part of the Common Elements, but shall be owned in fee simple. The said laundry room may also be used for the purpose of providing laundry facilities for the use of the individual Unit Owners and their guests.

ARTICLE XXIII

General Provisions

(A) Invalidity of any of the covenants, conditions, limitation or provisions of this Declaration or of the By-Laws of the Association shall in nowise effect the remaining part or parts hereof which are uneffected by such invalidation and the same shall remain in full force and effect.

(B) All provisions of this Declaration shall be construed to be covenants running with the Land and with every part thereof and interest therein, and every Unit Owner or claimant of the Land or any part thereof or interest therein, and his heirs, executors, successors, administrators, personal representatives and assigns shall be bound by all of the provisions of this Declaration.

(C) Unless by written approval of all holders of first mortgage liens affecting the fee simple title to any Condominium

Parcel, such approval, however, not to be unreasonably withheld, the Association shall not purchase or acquire the lands or leaseholds which would result in a substantial increase in the Common Expenses.

Signs

(D) Individual Unit Owners may not place "for rent" or other such rental signs on the premises. However, the rental agent may place "for rent" or rental signs on the premises. In addition, the rental agent may place "for sale" signs or other such signs on the premises, but the individual Unit Owner shall not be permitted to do so.

(E) Whenever the context so require, the use of any gender shall be deemed to include all genders, and the use of the plural shall include the singular, and the singular shall include the plural. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of a Condominium in accordance with the laws made and provided for the same, to wit: Chapter 718, Florida Statutes, as of the date hereof.

IN WITNESS WHEREOF, the Developer has caused these presents to be signed in its name by its proper officers thereunto duly authorized the day and year first above written.

Signed, sealed and delivered
in the presence of:

BAY WAY ISLES, a joint venture

By: LDT DEVELOPMENTS, INC., a
Florida Corporation

Robert M. Hill
Witness

By: Anthony P. Castellano
Anthony P. Castellano, President

Emily Smith
Witness

By: G. B. LAND DEVELOPMENT CORP.,
a Florida Corporation

Robert J. McNeil
Witness

By: Eugene R. Brown
Eugene R. Brown, President

Daisy Smith
Witness

STATE OF FLORIDA

COUNTY OF PINELLAS

I HEREBY CERTIFY, that on this 11th day of September 1980, before me personally appeared ANTHONY P. CASTELLANO, President of LDT DEVELOPMENTS, INC., a Florida corporation organized and existing under the laws of the State, to me known to be the person described in and who executed the foregoing Declaration of Condominium of Bay View Villas, and he acknowledged the execution thereof to be his free act and deed as such officer, for the uses and purposes therein expressed, and that he affixed thereto the official seal of said corporation, and the said instrument is the act and deed of said corporation, as a joint venturer of BAY WAY ISLES, a joint venture.

WITNESS my hand and official seal in Pinellas County, Florida, the day and year first above written.

Tom B. Gilbo
NOTARY PUBLIC
State of Florida at Large

My Commission Expires: 7-16-82


STATE OF FLORIDA

COUNTY OF PINELLAS

I HEREBY CERTIFY, that on this 11th day of September 1980, before me personally appeared EUGENE R. BROWN, President of G.B. LAND DEVELOPMENT CORP., a Florida corporation organized and

existing under the laws of the State, to me known to be the person described in and who executed the foregoing Declaration of Condominium of BAY VIEW VILLAS, and he acknowledged the execution thereof to be his free act and deed as such officer, for the uses and purposes therein expressed, and that he affixed thereto the official seal of said corporation, and the said instrument is the act and deed of said corporation, as a joint venturer of BAY WAY ISLES, a joint venture.

WITNESS my hand and official seal in Pinellas County, Florida, the day and year first above written.


NOTARY PUBLIC
State of Florida at Large

My Commission Expires: 7-16-82