

PROSPECTUS

FOR

FAIRWINDS COVE OF HUTCHINSON ISLAND

THIS PROSPECTUS CONTAINS IMPORTANT MATTERS TO BE CONSIDERED IN ACQUIRING A CONDOMINIUM UNIT.

THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO ALL REFERENCES, ALL EXHIBITS HERETO, THE CONTRACT DOCUMENTS, AND SALES MATERIALS.

ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. REFER TO THIS PROSPECTUS AND ITS EXHIBITS FOR CORRECT REPRESENTATIONS.

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S U M M A R Y

1. THIS CONDOMINIUM IS CREATED AND BEING SOLD AS FEE SIMPLE INTEREST.

2. THE UNITS MAY BE TRANSFERRED SUBJECT TO A LEASE.

3. THERE IS A CONTRACT FOR THE MANAGEMENT OF THE CONDOMINIUM PROPERTY WITH FAIRWINDS ASSOCIATES, INC., THE DEVELOPER.

4. THE DEVELOPER HAS THE RIGHT TO RETAIN CONTROL OF THE ASSOCIATION AFTER A MAJORITY OF THE UNITS HAVE BEEN SOLD.

5. THE SALE, LEASE OR TRANSFER OF UNITS IS RESTRICTED OR CONTROLLED.

6. THERE ARE RIGHTS RESERVED UNTO DOLPHINS BAY PHASE ONE CONDOMINIUM ASSOCIATION, INC., TO USE THE RECREATIONAL FACILITIES (EXISTING AND PROPOSED) AND TO PAY PRO RATA FOR SUCH USE.

7. THERE MAY BE A MASTER CONDOMINIUM ASSOCIATION SUBSEQUENTLY FORMED CONSISTING OF FAIRWINDS COVE OF HUTCHINSON ISLAND AND DOLPHINS BAY PHASE ONE AND OTHER OWNERS OF APARTMENTS WHICH MAY SUBSEQUENTLY BE CONSTRUCTED ON ADJACENT LANDS OWNED BY THE DEVELOPER.

8. THIS PROSPECTUS CONTAINS IMPORTANT MATTERS TO BE CONSIDERED IN ACQUIRING A CONDOMINIUM UNIT.

9. THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO ALL REFERENCES, ALL EXHIBITS HERETO, THE CONTRACT DOCUMENTS, AND SALES MATERIALS.

10. ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. REFER TO THIS PROSPECTUS AND ITS EXHIBITS FOR CORRECT REPRESENTATIONS.

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AND SCHEDULE OF EXHIBITS TO PROSPECTUS

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INC.
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- Exhibit E - Rules and Regulations
- Exhibit F - Form of Agreement for Purchase of Units.

GENERAL INFORMATION FOR PROSPECTIVE PURCHASERS
OF CONDOMINIUM APARTMENTS IN

FAIRWINDS COVE OF HUTCHINSON ISLAND

1. The Owner (hereinafter called Developer) of FAIRWINDS COVE OF HUTCHINSON ISLAND is FAIRWINDS ASSOCIATES, INC., a Florida Corporation.

The original Developer/Builder of FAIRWINDS COVE OF HUTCHINSON ISLAND was Floyd J. Voight, Inc., of Palm Beach, Florida. In addition to FAIRWINDS COVE OF HUTCHINSON ISLAND, the Voight Company developed DOLPHINS BAY CONDOMINIUM which is located adjacent to FAIRWINDS COVE. The DOLPHINS BAY CONDOMINIUM complex consists of 48 two-bedroom apartment units very similar to FAIRWINDS COVE OF HUTCHINSON ISLAND.

The five apartment buildings in FAIRWINDS COVE OF HUTCHINSON ISLAND, containing 80 two-bedroom apartment units, were completed by the Voight Company in 1975. Initially, the Voight Company attempted to sell the condominium units in FAIRWINDS COVE OF HUTCHINSON ISLAND under a time-sharing ownership plan. Certain of the units within FAIRWINDS COVE were actually sold on such a time-sharing ownership basis. However, due to certain zoning problems encountered with Martin County, Florida, and because of certain deficiencies in the sewage treatment facilities and water storage capacity, Martin County refused to issue Certificates of Occupancy enabling Purchasers to actually occupy the premises. Because of these and similar difficulties, foreclosure action was instituted against the Voight Company, and as a result thereof, title to FAIRWINDS COVE OF HUTCHINSON ISLAND (formerly known as DOLPHINS BAY, PHASE TWO) became vested in American Century Mortgage Investors, a Massachusetts Business Trust, of Jacksonville, Florida.

On June 30, 1978, FAIRWINDS ASSOCIATES, INC., the present Owner/Developer, purchased FAIRWINDS COVE OF HUTCHINSON ISLAND from American Century Mortgage Investors. Thereafter, FAIRWINDS ASSOCIATES, INC., has embarked upon a program to correct the sewage treatment facilities and water storage capacity problems mentioned above. A contract to correct said deficiencies has been awarded to Ashton Utilities, Inc., and all such work will be completed on or before December 31, 1978. All said work by Ashton Utilities, Inc., is being performed in accord with plans and specifications approved by Martin County, Florida, and the Department of Environmental Regulations, State of Florida.

In recognition of the work undertaken by FAIRWINDS ASSOCIATES, INC., Martin County, Florida, has authorized the issuance of 20 Certificates of Occupancy which will enable the Developer to convey title to 20 of the condominium units. Settlement and closing on the remaining 60 units will await the completion of the said work by Ashton Utilities, Inc., and issuance of the additional Occupancy Certificates by Martin County, Florida.

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2. FAIRWINDS COVE OF HUTCHINSON ISLAND is located on Hutchinson Island, Martin County, Florida, on lands more particularly described in Exhibit A to the Declaration of Condominium. The Declaration of Condominium is attached to this Prospectus as Exhibit D. The condominium consists of five residential buildings. Each of the condominium buildings will consist of four floors with two two-bedroom, two-bathroom apartments and two one-bedroom, den (convertible) two-bathroom apartments on each floor for a total of sixteen condominium apartments in each building. One automobile parking space has been allocated to each apartment at no additional cost to the respective condominium apartment owners.

FAIRWINDS COVE OF HUTCHINSON ISLAND is not a true "phase condominium" as defined in Chapter 718.403, Florida Statutes. It is anticipated, however, by the developer that additional condominium buildings may be constructed on approximately ten acres of adjacent land, which land is owned by the Developer.

3. The recreational facilities of FAIRWINDS COVE OF HUTCHINSON ISLAND are located on an area 160 feet north and south by 140 feet east and west, east of Building No. 16, west of Building No. 18, and south of Building No. 17. The precise location of the recreational facilities is outlined on the site survey which is Exhibit A to the Declaration of Condominium.

The recreational facilities include a club house, swimming pool, and two shuffleboard courts. The swimming pool is approximately 46 feet in length and 35 feet wide at its widest dimension. The deck area surrounding the pool is approximately 57 feet long and 50 feet wide. Deck chairs, chaise lounges, and tables are conveniently located around the pool.

The club house is a one-story structure located immediately south of the swimming pool and swimming pool deck area. The outside dimensions of the recreation building are about 100 feet by 30 feet. Included among the facilities within the recreation building are a card room, an equipped kitchen, exercise rooms and sauna baths for both men and women, and an office. The kitchen is equipped with a range, refrigerator, ice maker, garbage disposal and dishwasher. Located within the recreation room are tables, chairs, and lounges. The exercise rooms for men and women contain simulated bicycles, pulleys, weights, and tables.

The recreational facilities, as outlined above, are for the enjoyment of all the residents of the 80 condominium apartment owners in FAIRWINDS COVE OF HUTCHINSON ISLAND. Additionally, in an agreement by and between the Developer and DOLPHINS BAY PHASE ONE CONDOMINIUM ASSOCIATION, INC. (an adjacent condominium development consisting of 48 units) rights have been reserved unto the apartment owners in DOLPHINS BAY to use the recreational facilities. A copy of the agreement between the Developer and DOLPHINS BAY PHASE ONE CONDOMINIUM ASSOCIATION, INC., is attached to the Declaration of Condominium as Exhibit I. The apartment owners in FAIRWINDS COVE OF HUTCHINSON ISLAND and the apartment owners in DOLPHINS BAY PHASE ONE CONDOMINIUM will share equally in the cost of maintaining the recreational facilities on a pro rata basis; it being intended that all such owners having the right to use the recreational facilities shall pay an equal share of the cost of maintaining the same. Furthermore, should the Developer subsequently construct additional condominium units on the ten acres of land adjacent to FAIRWINDS COVE OF HUTCHINSON ISLAND (now owned by the Developer), the Declaratin of Condominium reserves the right for the Developer to permit the apartment owners in the subsequently constructed units to have the rights to use and enjoy the recreational facilities, except the swimming pool.

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Should FAIRWINDS COVE CONDOMINIUM ASSOCIATION OF HUTCHINSON ISLAND, INC., and DOLPHINS BAY PHASE ONE CONDOMINIUM ASSOCIATION, INC., and any subsequent condominium association which may be formed if the aforementioned ten acres of land is, in fact, developed (each acting on behalf of the respective apartment owners) so elect, a Master Condominium Association may be formed to manage and operate the entire complex.

The Declaration of Condominium of FAIRWINDS COVE OF HUTCHINSON ISLAND also states that the Developer may subsequently construct tennis courts on a portion of the adjacent ten acres of land now owned by the Developer. If the tennis court amenity is, in fact, constructed, it will consist of two lighted courts and adequate fencing which is customary for tennis court utilization. The aforementioned agreement between the Developer and DOLPHINS BAY PHASE ONE CONDOMINIUM ASSOCIATION, INC., also reserves rights of the apartment owners in DOLPHINS BAY to use and enjoy the tennis courts. All apartment owners in FAIRWINDS COVE OF HUTCHINSON ISLAND will likewise have the right to use and enjoy the tennis facilities. As with the swimming pool and clubhouse, it is intended that all apartment owners having the right to use the tennis courts shall pay an equal share of the cost of maintaining the same. Particular attention is invited to the fact, however, that FAIRWINDS COVE CONDOMINIUM ASSOCIATION OF HUTCHINSON ISLAND, INC., and DOLPHINS BAY PHASE ONE CONDOMINIUM ASSOCIATION, INC., will pay the Developer the cost of constructing the tennis courts; said costs to include, but not be limited to, land acquisition costs, surveying, site planning, site development, landscaping, and construction of the tennis courts and fencing.

As contained in the Declaration of Condominium, the Developer presently contemplates the construction of a pier and boat slips on property owned by the Developer located to the east of Building No. 5 and contiguous and extending into the Indian River (intra-coastal waterway). The land upon which said pier and boat slips may be constructed is not now submitted to the condominium form of ownership nor is it contemplated by the Developer that such land will ever be submitted to the condominium form of ownership. DOLPHINS BAY apartment owners have access to the proposed pier through the common elements of FAIRWINDS COVE OF HUTCHINSON ISLAND.

If the pier and boat slip facility is actually constructed, the residents of FAIRWINDS COVE and DOLPHINS BAY will have joint access for purposes of sight seeing and fishing. All access, however, to be subject to reasonable safety and security regulations as promulgated by the Developer. The boat slips will be available for rental by the Developer to the apartment owners in FAIRWINDS COVE and DOLPHINS BAY pursuant to the terms of an agreement incorporated in the Declaration of Condominium and attached to the PROSPECTUS as Exhibit B.

4. FAIRWINDS COVE OF HUTCHINSON ISLAND, IS CREATED AND BEING SOLD AS FEE SIMPLE INTEREST. THE UNITS MAY BE TRANSFERRED SUBJECT TO A LEASE. An owner of a condominium in FAIRWINDS COVE OF HUTCHINSON ISLAND will have the opportunity to lease his condominium apartment. The Developer will also have the right to lease apartments in the condominium and to sell apartments subject to such leases. All apartment owners who personally lease their apartment must first obtain approval of the proposed lessee and the terms of the lease from FAIRWINDS COVE CONDOMINIUM ASSOCIATION OF HUTCHINSON ISLAND, INC.

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5. THERE IS A CONTRACT FOR THE MANAGEMENT OF THE CONDOMINIUM PROPERTY WITH FAIRWINDS ASSOCIATES, INC. Management of the condominium will be provided by the Developer pursuant to a management contract with the condominium association. The Association has contracted directly with FAIRWINDS ASSOCIATES, INC., for management services for a term beginning with the sale of the first condominium apartment in FAIRWINDS COVE OF HUTCHINSON ISLAND, and ending one year from the date of the last closing of the sale of a condominium apartment in the FAIRWINDS COVE OF HUTCHINSON ISLAND complex, which has a potential of 80 owners, unless the management agreement is terminated at an earlier date pursuant to Florida law. Services provided under the management contract include maintenance of the condominium buildings and property, landscape maintenance, swimming pool maintenance, garbage and trash removal, pest extermination service, insurance and accounting. A management fee of \$10.00 per month, or \$120.00 per year will be charged to each condominium unit. Such fees are included in the budget (See Exhibit A). A copy of the management contract is attached as Exhibit C to this Prospectus.

6. THE DEVELOPER HAS THE RIGHT TO RETAIN CONTROL OF THE ASSOCIATION AFTER A MAJORITY OF THE UNITS HAVE BEEN SOLD. The Developer's right to retain control of the Association is set forth in Article VI, Section 2, of the Articles of Incorporation of FAIRWINDS COVE CONDOMINIUM ASSOCIATION OF HUTCHINSON ISLAND, INC., attached to this Prospectus as Exhibit G in Declaration of Condominium.

7. THE SALE, LEASE OR TRANSFER OF UNITS IS RESTRICTED OR CONTROLLED. No apartment owner may sell or otherwise dispose of his apartment without approval of the Condominium Association. If an apartment owner acquires his title by gift, inheritance or devise, the continuance of his ownership of the apartment shall be subject to the approval of the Condominium Association. The restrictions with respect to the transfer of condominium units can be found in Paragraphs 10.5 through 11.5 of the Declaration of Condominium attached to this Prospectus as Exhibit D . Restrictions with respect to the leasing of apartments are set forth in paragraph 4 of this Prospectus and in Paragraphs 10.5 and 11.2(2) of the Declaration of Condominium.

The Declaration of Condominium does not contain any restrictions with respect to children. The only pets permissible in the condominium shall be household pets.

8. Electrical power will be furnished to the condominium by Florida Power and Light Company and each unit will be billed individually for electrical power used within the unit. Telephone service is provided by Southern Bell and Telegraph Company. Cable television is available to any unit owner desiring the same from Perry Cable Company, Stuart, Florida.

Water and sewage facilities for the condominium apartments will be furnished by Southern Gulf Utilities, Inc. Garbage and trash removal for the condominium apartments will be provided by independent contractors contracted by the Condominium Association through its managing agent, FAIRWINDS ASSOCIATES, INC.

The costs of the water, sewage and garbage and trash removal services are included in the monthly assessment to be paid by each apartment owner to the Condominium Association, as shown in the "Estimated Operating Budget" attached to this Prospectus as Exhibit A .

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9. Ownership of the common elements of FAIRWINDS COVE OF HUTCHINSON ISLAND is divided equally among the 80 condominium buildings, regardless of the size of the apartments. Accordingly, condominium apartment owners own 1.25% of the common elements of the condominium. Common expenses of the condominium have been apportioned in the same manner. An estimated operating budget for the Condominium and the Association, including a schedule of the estimated monthly and annual expenses assessed to each apartment owner is set forth in Exhibit A to this Prospectus.

10. The Developer will furnish each purchaser of a condominium unit with a title insurance commitment certified through the date of recording the Declaration of Condominium of FAIRWINDS COVE OF HUTCHINSON ISLAND. Additional title examination effort shall be at the expense of the purchaser. As set forth in the Purchase Agreement attached to this Prospectus as Exhibit F, all closings will occur at the office of FAIRWINDS ASSOCIATES, INC., and will be conducted by either Title Assurance and Escrow, Inc., or Tomes & Salter, P.A., Attorneys, as the purchaser may elect. If the purchaser desires a title opinion from an attorney, the cost of the opinion will be paid by the purchaser. Any attorney's fees incurred by purchasers who seek legal advice with respect to the Condominium or closing will also be paid for by the purchaser.

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EXHIBIT A

ESTIMATED OPERATING BUDGET

AIRWINDS COVE CONDOMINIUM
OF
HUTCHINSON ISLAND
80 UNITS
ESTIMATED 1979 BUDGET

EXHIBIT A

Estimated monthly per unit, monthly, and annual expenses of the Association for the operation of the property submitted to condominium ownership to be collected from apartment owners by assessment.

| | <u>PER UNIT MONTHLY</u> | <u>ALL UNITS MONTHLY</u> | <u>ALL UNITS ANNUALLY</u> |
|---|---------------------------------|----------------------------------|-----------------------------------|
| I. Building Repairs, General Maintenance | <u>\$ 5.00</u> | <u>\$400.00</u> | <u>\$4800.00</u> |
| II. Building Maintenance | | | |
| A. Elevator Maintenance | <u>4.28</u> | <u>350.00</u> | <u>4200.00</u> |
| B. Extermination Serv. | <u>2.50</u> | <u>200.00</u> | <u>2400.00</u> |
| C. Electrical Repairs, Light Bulbs, etc. | <u>.88</u> | <u>70.00</u> | <u>840.00</u> |
| D. Fire Extinguishers & Alarm System | <u>.38</u> | <u>30.00</u> | <u>360.00</u> |
| E. Janitorial Services | <u>3.75</u> | <u>300.00</u> | <u>3600.00</u> |
| TOTAL | <u>\$11.88</u> | <u>\$950.00</u> | <u>\$11400.00</u> |
| III. Recreation-Pool includes Heating, Cleaning, Chemicals, Filters, Painting and Repairs | <u>\$ 3.75</u> | <u>\$300.00</u> | <u>\$3600.00</u> |
| IV. Grounds Maintenance | <u>\$ 9.37</u> | <u>\$750.00</u> | <u>\$9000.00</u> |
| V. General Services | | | |
| A. Electricity-Common Areas, including Pool and Recreation Room | <u>\$ 8.75</u> | <u>\$700.00</u> | <u>\$8400.00</u> |
| B. Insurance (Multi-peril; O & D flood) | <u>9.37</u> | <u>750.00</u> | <u>9000.00</u> |
| C. Trash Removal | <u>2.19</u> | <u>175.00</u> | <u>2100.00</u> |
| D. Security Patrol | <u>.75</u> | <u>60.00</u> | <u>720.00</u> |
| E. Water-Estimated 60% occupancy | <u>11.25</u> | <u>900.00</u> | <u>10800.00</u> |
| F. Sewer and Treatment Plant | <u>5.00</u> | <u>400.00</u> | <u>4800.00</u> |
| G. Miscellaneous | <u>1.56</u> | <u>125.00</u> | <u>1500.00</u> |
| TOTAL | <u>\$38.88</u> | <u>\$3110.00</u> | <u>\$37320.00</u> |
| VI. Administration | | | |
| A. Management Fee | <u>\$10.00</u> | <u>\$800.00</u> | <u>\$9600.00</u> |
| B. Bookkeeping & Acctg. (includes \$200 for supplies) | <u>2.25</u> | <u>180.00</u> | <u>2160.00</u> |
| TOTAL | <u>\$12.25</u> | <u>\$980.00</u> | <u>\$11760.00</u> |
| VII. Reserve | <u>\$ 6.25*</u> | <u>\$500.00*</u> | <u>\$6000.00*</u> |
| TOTAL | <u>\$81.13</u> | <u>\$6490.00</u> | <u>\$77880.00</u> |

* Not computed in totals. \$16,000 will be turned over to Association after all units are settled. This fund contributed by buyers at settlement based on \$200 per unit.

ESTIMATED 1979 BUDGET
PAGE TWO

Estimated assessments as set forth in the 1979 Budget do not include individual electric service with in the apartment unit, individual heating and air conditioning systems, kitchen appliances, washer, dryer and water heater, including air handler unit and compressor, real estate taxes on the individual unit or insurance on personal property within individual apartment units.

The Developer shall be excused from the payment of its share of the common expenses and assessments related to any unsold condominium units during the period of time it has guaranteed that the assessments for the common expenses imposed upon the unit owners (other than the Developer making the guarantee) shall not increase over the stated dollar amount as set forth in the foregoing estimated operating budget; provided, however, the Developer shall pay any amount of the common expenses incurred during that period of time not produced by the assessments at the guaranteed level received from the other unit owners. FAIRWINDS ASSOCIATES, INC., as Developer, hereby establishes the date of the sale of the 61st condominium unit in FAIRWINDS COVE CONDOMINIUM OF HUTCHINSON ISLAND, that their assessments for the common expenses shall not increase.

SUMMARY

80 units @ 1.25% = \$81.13 per month: \$973.56 per year
80 units @ \$81.13 per month = \$6490.00 per month total
80 units @ \$973.56 per year = \$77,880.00 per year total

The assessment will be payable by apartment owners to the Association on a quartly basis in advance, or a payment of \$243.39 on January 1, April 1, July 1, October 1 of the year.

The 1978 Budget does not include contribution of \$876.00 per month from Dolphins Bay Phase I, see exhibit B, for the use of the recreational facilities including recreation room, pool area, sewer treatment plant and electrical for same including booster pumps and the water storage facility.

EXHIBIT B

AGREEMENT BETWEEN
FAIRWINDS ASSOCIATES, INC.

AND

DOLPHINS BAY PHASE I CONDOMINIUM ASSOCIATION, INC.

A G R E E M E N T

THIS AGREEMENT dated this 11th day of August, 1978, by and between FAIRWINDS ASSOCIATES, INC., a Florida Corporation, hereinafter referred to as "Fairwinds", and DOLPHINS BAY PHASE I CONDOMINIUM ASSOCIATION, INC., A Florida Corporation referred to as "Phase I", witnesseth:

WHEREAS, Phase I is a not for profit corporation organized pursuant to the laws of the State of Florida for the sole purpose of operation of a condominium known as Dolphins Bay Phase I, which condominium is erected upon lands located in Martin County, Florida, as more particularly described in a declaration of condominium for Dolphins Bay Phase I as recorded among the public records of the said Martin County, Florida.

WHEREAS, Fairwinds is the owner of certain land located adjacent to the lands contained in Phase I; that there is presently constructed upon a portion of said lands 80 condominium units, which units have heretofore been referred to as Dolphins Bay Phase II, however, no declarations of condominium have yet been recorded affecting said 80 units; that Fairwinds will file or cause to be filed among the public records of Martin County, Florida, a declaration of condominium to be named Fairwinds Cove, and further Fairwinds will form or cause to be formed pursuant to Florida law a not for profit corporation to be known as Fairwinds Cove Condominium Association of Hutchinson Island, Inc. hereinafter referred to as "new association", and

WHEREAS, attached hereto and incorporated herein by reference as Exhibit A is a survey and legal description depicting and describing said land and improvement thereon (the said 80 units) which is to be submitted to the condominium form of owner-

ship known as Fairwinds Cove and which is to be managed and operated by the new association; included in the lands described in said Exhibit A and outlined thereon in red is a parcel of land measuring 140' East and West by 160' North and South upon which is located a swimming pool and clubhouse hereinafter referred to collectively as "recreational facilities", and

WHEREAS, the parties are desirous of reaching an agreement as to the use by Phase I unit owners of the recreational facilities described above, and

WHEREAS, Fairwinds desires the support and assistance of Phase I in obtaining certificates of occupancy and support of its marketing efforts for Fairwinds Cove Condominiums, and

WHEREAS, it is in the mutual interest of and benefit to the respective parties to accomplish certain modification to the existing sewer and water systems presently serving the premises, which modifications have been heretofore defined by cognizant departments or agencies of Martin County, Florida.

NOW, THEREFORE, in consideration of the premises and the benefit inuring to the parties as herein described the parties do hereby agree each with the other as follows:

1. That Phase I will support and endorse Fairwinds request for certificates of occupancy of existing buildings located in Fairwinds Cove, including appropriate representations to the County Commission and County staff.

2. That it is presently contemplated by the parties that at a future date there may be one condominium association to manage and operate the common facilities of the two separate condominium associations.

3. That a committee will be established with representatives of Fairwinds and Phase I to attempt to develop common rules and regulations concerning Dolphins Bay Phase I and Phase II.

4. That Fairwinds agrees that it will endeavor to maintain an adult community in its sales of Fairwinds Cove Condominium units.

5. That Fairwinds agrees to either transfer the recreational facilities to a master condominium association in which the unit owners of Phase I will have the unqualified right to the use and enjoyment thereof and a proportionate right to control or, in the alternative, that a perpetual easement for ingress and egress and use of the recreational facilities (Exhibit A) by the unit owners of Phase I shall be granted and recorded in the Martin County, Florida, public records within ninety (90) days from the date of this agreement.

6. That Fairwinds is contemplating construction of a pier facility which will be at its expense. Fairwinds agrees that should the pier be constructed, it would allow the unit owners of Phase I a sixty (60) day period to rent boatslips under the same terms and conditions offered to purchasers of units at Fairwinds Cove. The maximum number of slips available to the unit owners of Phase I for said sixty (60) day period will be on a ratio of 48/128 and commitments will be on a first come, first serve basis.

7. That Phase I agrees to pay for the maintenance of said pier, with the exception of the pilings, on a pro rata basis of 48/128 with the coincident right for all unit owners of Phase I to have ingress and egress to and from the pier for walking, sight-seeing and fishing.

8. That Fairwinds further contemplates the construction of tennis courts on lands owned by it. Should such courts be constructed, Phase I owners will have an opportunity to contribute to the cost thereof including, but not limited to, land cost, surveying, development and construction on the basis of 48/128. Phase I shall have sixty (60) days after notification in writing of such cost and its pro rata share thereof to participate as aforesaid including the coincident right to the use of the courts. Should

Aug 27
Sept 30
Oct 31
Nov 9
90

Aug 11, 1978
(Nov 9, 1978)
April 20, 1979

Phase I decide to exercise its option, it shall have the unqualified right to the use and enjoyment of the tennis courts coincident with the unit owners of the new association and shall be responsible for payment of maintenance fees associated with said courts on a ration of 48/128.

9. That Phase I will contribute to the cost of modification of the storage tanks, water booster pumps and a sewage treatment plant in an amount that represents the improvements directly attributable to Phase I or the sum of \$9,600.00, whichever is the lesser amount.

10. That Phase I will contribute to the cost of maintenance of the sewage treatment plant, pool, clubhouse facilities on a ratio of 48/128 of the total cost. For the first eighteen (18) months subsequent to the signing of this Agreement, said sum shall be \$288.00 per month for the sewage treatment plant plus \$588.00 per month for the recreational facilities, for a total of \$876.00 per month; said payments to be monthly commencing on 8-1-78. The parties hereto expressly acknowledge that the contribution for the sewage treatment plant as aforesaid includes an allowance of \$100.00 per month for water usage rates. Should the actual monthly water usage fee be in excess of \$100.00, Phase I shall contribute 50% of such excess in addition to the monthly payment hereinabove provided independent of and in addition to the fixed rate for the said 18 month period. Furthermore, the parties similarly acknowledge that the insurance premium for the recreational facilities is not included in the said monthly payment, and, accordingly, Phase I agrees to and shall pay as and when due its proportionate share (48/128) of said premium in addition to the other monthly payments here in called for.

11. That Phase I agrees to a name change of the Dolphins Bay complex and agrees to the name Fairwinds for the development; however, the unit owners would request consideration of an alternate name for the development.

12. That Phase I agrees that Fairwinds may take action to beautify the entranceway of Dolphins Bay provided that there is no change to the access of Phase I units by the owners of same. It is understood that such beautification includes the construction by Fairwinds of a brick wall and appropriate grading and landscaping, all of which is estimated to cost \$30,000.00. As its contribution for the benefit inuring to it, Phase I further agrees to the payment of the sum of \$5000.00 upon completion of the landscaping and further agrees to allow changes on the existing landscaping as shown on Exhibit B prepared by Fred Smith and Stresau, registered architects of Stuart, Florida.

13. That Phase I agrees it will not interfere with the marketing techniques for Fairwinds Cove; provided, however, that the marketing techniques do not infringe upon Phase I rights.

14. That Phase I agrees that should the County of Martin require a bicycle path be constructed across the frontage of Dolphins Bay and Fairwinds Cove, that it, in turn, will request of the County that the bicycle path be continued easterly to State Road A-1-A. Phase I further agrees that should a bicycle path be required, they will pay a pro rata cost of construction of the bicycle path through Phase I property.

15. That Fairwinds agrees that sales of Fairwinds Cove will be for single family residential purposes, and that it will not sell the units on a time-sharing/interval ownership basis.

16. The parties agree that if Fairwinds deeds the recreational facilities consisting of the pool and clubhouse to the master condominium association rather than granting a perpetual easement that the membership in the master condominium association shall be comprised of the unit owners of Phase I and the new association with each association represented in the master condominium association on the basis of its proportional number of units, vis-a-vis, total number of units in the complex.

17. That the parties agree that should this Agreement require any changes to the declaration of condominium of Phase I that this Agreement is contingent upon obtaining said approval of the unit owners of Phase I, and, accordingly, the obligations of each party hereunder is similarly contingent upon said approval. Phase I further agrees that should changes in the declaration of condominium for Phase I be required, its Board of Directors will use its best efforts to secure the necessary votes to accomplish said change(s).

18. That this Agreement shall bind the parties, their successors or assigns and shall be recorded in the public records of Martin County, Florida.

ATTEST:

DOLPHINS BAY PHASE I CONDOMINIUM ASSOCIATION, INC.

Marilyn A. Zwickler
Secretary

By: Kenneth B. Field
Director for the President

Alfred S. Walker
Director

Anthony J. Beck
Director

Edward Beckman
Director

Director

ATTEST:

FAIRWINDS ASSOCIATES, INC.

Stephanie Qwigg
Secretary

By: Ray L. [Signature]
Its President

STATE OF FLORIDA
COUNTY OF MARTIN

I HEREBY CERTIFY that on this 14th day of August, 1978, before me personally appeared Raymond J. Briscuso, President of FAIRWINDS ASSOCIATES, INC., a corporation under the laws of the State of Florida, to me known to be the person who signed the foregoing instrument as such officers, and severally acknowledged the execution thereof to be their free act and deed as such officers for the uses and purposes therein mentioned, and they affixed thereto the official seal of said corporation, and that the said instrument is the act and deed of said corporation.

WITNESS my signature and official seal at Jensen Beach, said County and State, the day and year last aforesaid.

Betty B. Aycock
Notary Public,
State of Florida

My commission expires: _____

NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES JAN. 17 1981
BONDED THRU GENERAL INS. UNDERWRITERS

STATE OF FLORIDA
COUNTY OF MARTIN

I HEREBY CERTIFY that on this 14th day of August, 1978, before me personally appeared Marilyn Tweedell, Secretary of DOLPHINS BAY PHASE I CONDOMINIUM ASSOCIATION, INC., a corporation under the laws of the State of Florida, to me known to be the person who signed the foregoing instrument as such officers, and severally acknowledged the execution thereof to be their free act and deed as such officers for the uses and purposes therein mentioned, and they affixed thereto the official seal of said corporation, and that the said instrument is the act and deed of said corporation.

WITNESS my signature and official at Jensen Beach, said County and State, the day and year last aforesaid.

Betty B. Aycock
Notary Public,
State of Florida

My commission expires: _____

NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES JAN. 17 1981
BONDED THRU GENERAL INS. UNDERWRITERS

STATE OF FLORIDA
COUNTY OF MARTIN

I HEREBY CERTIFY that on this 18th day of August, 1978, before me personally appeared Kenneth A. Fields, Treasurer of DOLPHINS BAY PHASE I CONDOMINIUM ASSOCIATION, INC., a corporation under the laws of the State of Florida, to me known to be the person who signed the foregoing instrument as such officers, and severally acknowledged the execution thereof to be their free act and deed as such officers for the uses and purposes therein mentioned, and they affixed thereto the official seal of said corporation, and that the said instrument is the act and deed of said corporation.

WITNESS my signature and official at Stuart, Fla., said County and State, the day and year last aforesaid.

Margorie C. Stahl
Notary Public,
State of Florida

My commission expires:
Notary Public, State of Florida at Large
My Commission Expires Aug. 23, 1980
Member of American Fire & Casualty Company

STATE OF Dubai
COUNTY OF Sharjah, Canada

I HEREBY CERTIFY that on this 30th day of August, 1978, before me personally appeared Alfred G. Walker, President of DOLPHINS BAY PHASE I CONDOMINIUM ASSOCIATION, INC., a corporation under the laws of the State of Florida, to me known to be the person who signed the foregoing instrument as such officers, and severally acknowledged the execution thereof to be their free act and deed as such officers for the uses and purposes therein mentioned, and they affixed thereto the official seal of said corporation, and that the said instrument is the act and deed of said corporation.

WITNESS my signature and official at Sharjah, Dubai, said County and State, the day and year last aforesaid.

Alfred G. Walker

Jane J. Sample
Notary Public
State of Dubai
My commission expires: at large

STATE OF Florida
COUNTY OF Martin

I HEREBY CERTIFY that on this 11th day of ~~August~~ ^{Sept.}, 1978, before me personally appeared Anthony J. Beck, Vice-President of DOLPHINS BAY PHASE I CONDOMINIUM ASSOCIATION, INC., a corporation under the laws of the State of Florida, to me known to be the persons who signed the foregoing instrument as such officers, and severally acknowledged the execution thereof to be their free act and deed as such officers for the uses and purposes therein mentioned, and they affixed thereto the official seal of said corporation, and that the said instrument is the act and deed of said corporation.

WITNESS my signature and official seal at Stuart, said County and State, the day and year last aforesaid.

Sebasal Ann LaSenter
Notary Public,
State of Florida

My commission expires: _____

Notary Public, State of Florida at Large
My Commission Expires Nov. 6, 1981
Provided by American Fire & Casualty Company

STATE OF New York
COUNTY OF Suffolk

I HEREBY CERTIFY that on this 20th day of ~~August~~ ^{Sept.}, 1978, before me personally appeared Edgar Beckvar, Board Member of DOLPHINS BAY PHASE I CONDOMINIUM ASSOCIATION, INC., a corporation under the laws of the State of Florida, to me known to be the persons who signed the foregoing instrument as such officers, and severally acknowledged the execution thereof to be their free act and deed as such officers for the uses and purposes therein mentioned, and they affixed thereto the official seal of said corporation, and that the said instrument is the act and deed of said corporation.

WITNESS my signature and official seal at Riverhead Ny., said County and State, the day and year last aforesaid.

John J. McKenna
Notary Public,
State of New York

My commission expires: 1980

JOHN J. MCKENNA
NOTARY PUBLIC, State of New York
No. 52-7850277
Qualified in Suffolk County
Commission Expires March 30, 1980

STATE OF FLORIDA
COUNTY OF MARTIN

I HEREBY CERTIFY that on this 11th day of August, 1978, before me personally appeared Stephanie Quigg, Assistant Secretary of FAIR-WINDS ASSOCIATES, INC., a corporation under the laws of the State of Florida, to me known to be the person who signed the foregoing instrument as such officers, and severally acknowledged the execution thereof to be their free act and deed as such officers for the uses and purposes therein mentioned, and they affixed thereto the official seal of said corporation, and that the said instrument is the act and deed of said corporation.

WITNESS my signature and official seal at Stuart, Florida ³³⁴⁹⁴, said County and State, the day and year last aforesaid.

Richard D. Hillbrand
Notary Public
State of Florida

My commission expires: _____

NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES FEB. 17 1981
BOARDS FOR GENERAL AND UNDERWRITERS

EXHIBIT C

MANAGEMENT AGREEMENT

MANAGEMENT CONTRACT

Made this 29th day of September, 1978, between FAIRWINDS COVE CONDOMINIUM ASSOCIATION OF HUTCHINSON ISLAND, INC., a Florida corporation not for profit, called "Association" in this instrument, and FAIRWINDS ASSOCIATES, INC., a Florida corporation, called "Manager" in this instrument, both of Martin County, Florida.

WHEREIN IT IS AGREED AS FOLLOWS:

1. Purpose. Association is the governing body for FAIRWINDS COVE of Hutchinson Island, a condominium located on Hutchinson Island, Jensen Beach, Martin County, Florida. Manager is the Developer of the condominium and is familiar with its proposed operation. This agreement is to provide for the maintenance and operation of the condominium by Manager as the agent of Association.

2. Term. The term of this agreement shall begin with the day within which the first closing of a sale of an apartment in the condominium takes place, and it will terminate one year following the date of the closing of the last sale of all condominium apartments in the Fairwinds Cove of Hutchinson Island, a Condominium Complex, which contains eighty condominium apartments, unless sooner terminated pursuant to Chapter 718, Florida Statutes, or any other applicable law. This agreement may be renewed or extended for such periods and upon such terms and conditions as may be mutually agreeable to the Association and Manager.

3. Duties of Manager.

(a). Manager will provide for the maintenance and operation of all improvements and the maintenance of the landscaping of the grounds of the condominium. The maintenance and operation will include the making of repairs and the performing of such other functions and services as are required to maintain and operate the condominium in a first-class manner as would be expected of an efficient apartment building operation. The operation of the condominium shall include the performance of all duties and responsibilities required of the Association by the condominium documents (except those reserved specifically to the Board of Directors of the Association), which duties and responsibilities shall include, but not be limited to, the following:

(1). The purchase of insurance, the payment of insurance premiums, the determination of insurance coverage, the adjustment of insurance claims, the delivery of insurance policies or evidence thereof to Insurance Trustees, and the disbursements of insurance proceeds in accordance with the provisions of said Declaration of Condominium.

(2.) The determination of whether or not apartments are tenantable after casualty, the issuance of certificates as to such tenantability, the approval of plans for reconstruction or repair, the obtaining of estimates of the cost to rebuild or repair, the ordering of disbursements of funds by Insurance Trustees for reconstruction and repair, the retaining of architects and the obtaining of architects' approval as to work done in reconstruction of repair.

(3.) The maintenance of accounting records according to good accounting practice, including a record of all receipts and expenditures collected or disbursed in behalf of apartment owners and an account for each apartment, designating the name and address of its owner, the amount of each assessment, the dates and amounts in which the assessment comes due, the amounts paid upon the account, and the balance due.

(4.) The maintenance, repair and replacements of the condominium properties, except those portions thereof for which apartment owners are responsible. All portions of the condominium properties for which the Association is responsible will be kept in a good state of repair and in first-class condition.

OMI & SALTER, P. A.

FLORIDA OFFICE

SUITE 104

FLA. SHIP BANK BUILDING,
90 SOUTH HARBOUR CITY BLVD.
MELBOURNE, FLORIDA 32901
(305) 725-3100

MARYLAND OFFICE

SUITE 417

MONTGOMERY CENTER
2630 FENTON STREET
VERMILION SPRING, MARYLAND 20910
(301) 589-0551 & 588-9103

EXHIBIT D

DECLARATION OF CONDOMINIUM

318262

DECLARATION OF CONDOMINIUM
OF
FAIRWINDS COVE OF HUTCHINSON ISLAND

Hutchinson Island
Jensen Beach
Martin County, Florida

TOMES & SALTER, P. A.

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D.R.
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BOOK 454 PAGE 496

EXHIBITS

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- B. Sketch showing Buildings and Parking
- C. Elevation Plan
- D. Typical Floor Plan - All Buildings
- E. Plat showing Easement Access to Proposed Dock Area
- F. The Surveyor's Certificate
- G. Articles of Incorporation of Fairwinds Cove Condominium Association of Hutchinson Island, Inc.
- H. By-Laws of Fairwinds Cove Condominium Association of Hutchinson Island, Inc.
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- K. Subordination of Mortgagee

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DECLARATION OF CONDOMINIUM

FAIRWINDS COVE OF HUTCHINSON ISLAND
A Condominium
3434 Northeast 42nd Street (East State Rd. 707-A)
Hutchinson Island in Martin County, Florida

MADE this _____ day of _____, 1978, by FAIRWINDS ASSOCIATES, INC., a Florida corporation, whose address is 3434 Northeast 42nd Street, Hutchinson Island, Jensen Beach, Florida, 33457, hereinafter called the "Developer":

1. Purpose. The purpose of this Declaration is to submit the lands described in this instrument and improvements on such lands to the condominium form of ownership and use in the manner provided by Chapter 718, Florida Statutes, hereinafter called the "Condominium Act".

1.1 Name and address. The name by which this condominium is to be identified is Fairwinds Cove of Hutchinson Island, a condominium, and its address is 3434 Northeast 42nd Street (East State Rd. 707-A), Hutchinson Island, in Martin County, Florida.

1.2 The Land. The lands owned by the Developer, which by this instrument are submitted to the condominium form of ownership, are the following described lands lying in Martin County, Florida;

Start at the Northeast corner of Section 14, Township 37 South, Range 41 East, Martin County, Florida; thence run S 0°10'50" E along the East line of said Section 14 a distance of 2631.56 feet to the Northeast corner of Government Lot 5, said Section 14; thence run N 89°38'20" W along the North line of said Government Lot 5 a distance of 330.00 feet to the Point of Beginning of the hereinafter described parcel; thence continue to run N 89°38'20" W a distance of 409.85 feet to a point; thence run S 0°21'40" W a distance of 401.33 feet to a point; thence run S 89°38'20" E a distance of 110.00 feet to a point; thence run S 0°21'40" W a distance of 95.00 feet to a point; thence run S 35° W a distance of 239.59 feet to a point; thence run S 0°21'40" W a distance of 54.88 feet to a point of curve concave to the Southeast, having a chord bearing of N 79°12'21" E, a radius of 1437.81 feet and a central angle of 11°54'42"; thence run Northeasterly along the arc of said curve a distance of 298.92 feet to a point; thence run N 85°09'42" E a distance of 31.02 feet to a point; thence N run 45°30'00" E a distance of 188.97 feet to a point; thence run N 44°33'00" W a distance of 135.42 feet to a point; thence run N 0°10'50" W a distance of 130.20 feet to a point; thence run S 89°38'20" E a distance of 78.00 feet to a point; thence run N 0°10'50" W a distance of 328.33 feet to the Point of Beginning; less the North 50.00 feet thereof for State Road no. 707-A right-of-way; less the following described parcel:

Title Exceptions:

Subject to all taxes and assessments levied subsequent to December 31, 1977;

The permanency of water boundary lines and the extent of riparian rights, if any, which may appertain to the above described land cannot be warranted or insured in that the southerly portion of said land and other lands of owner not herein submitted appears to include, or be constituted of, filled in land which is subject to the paramount rights of the United States by reason of its control over navigation and commerce for use for navigible purposes, and also any rights reserved unto the United States, if any, in the permit or permits under which the land was filled in;

Easements for electric utility line facilities granted by instrument recorded in Official Record Book 299, Page 102, Public Records of Martin County, Florida;

Agreement relating to water utility services as filed for record in Official Record Book 382, Page 2629, Public Records of Martin County, Florida;

Which lands are called "the land".

2. Definitions. The terms used in this Declaration and in its exhibits shall have the meanings stated in the Condominium Act (Sec. 718.103, Florida Statutes)

and as follows unless the context otherwise requires:

2.1 Apartment means unit as defined by the Condominium Act.

2.2 Apartment Owner means unit owner as defined by the Condominium Act.

2.3 Association means FAIRWINDS COVE CONDOMINIUM ASSOCIATION OF HUTCHINSON ISLAND, INC., and its successors.

2.4 Common elements shall include the recreational facilities as hereinafter described and the tangible personal property required for the maintenance and operation of the condominium, even though owned by the Association, as well as the items stated in the Condominium Act.

2.5 Limited common elements is as defined in the Condominium Act.

2.6 Common expenses include:

a. expenses of administration; expenses of maintenance, operation, repair or replacement of the common elements, and of the portions of apartments to be maintained by the Association.

b. expenses declared common expenses by provision of the Declaration or the By-Laws, including but not limited to losses from revenue-producing operations.

c. any valid charge against the condominium property as a whole.

2.7 Condominium means all of the condominium property as a whole when the context so permits, as well as the meaning stated in the Condominium Act.

2.8 Singular, plural, gender. Whenever the context so permits, the use of the plural shall include the singular, the singular the plural, and the use of any gender shall be deemed to include all genders.

2.9 Utility services as used in the Condominium Act and as construed with reference to this condominium, and as used in the Declaration and By-Laws, shall include but not be limited to electric power, gas, hot and cold water, heating, refrigeration, air conditioning and garbage and sewage disposal.

3. Development Plan. The condominium is described and established as follows:

3.1 Survey. A survey of the land is attached as Exhibit "A".

3.2 Plans. The improvements upon the land are constructed substantially in accordance with the plans and specifications for such prepared by Schwab & Twitty Architects, Inc., Forum III, West Palm Beach, Florida, and designated as construction documents for Dolphins Bay Phase II Condominium Apartments, Martin County, Florida, consisting of drawing sheets A-1 through A-11, both inclusive; S-1 through S-5, both inclusive, E-1 through E-3, both inclusive; AC-1, AC-1A, AC-1B; P-1, P-1A, P-1B; C-1 through C-8, both inclusive; and specifications entitled Dolphins Bay, Martin County, Florida consisting of General Conditions and Divisions I through 16, inclusive, a portion of which plans are attached as the following exhibits:

Exhibit A Survey showing location of buildings
Exhibit B Site Development Plan
Exhibit C Elevation Plan
Exhibit D Typical Floor Plan
Exhibit E The surveyor's certificate.

3.3 Amendment of Plans.

a. Alteration of apartment plans. The Developer reserves the right to change the interior design and arrangement of all units, and to alter the boundaries between units, as long as the Developer owns the units so

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altered. No such change shall increase the number of apartments nor alter the boundaries of the common elements without amendment of this Declaration by approval of the Association, apartment owners and owners of mortgages in the manner elsewhere herein provided. If the Developer shall make any changes in units so authorized, such changes shall be reflected by an amendment of this Declaration. If more than one unit is concerned, the Developer shall apportion between the units the shares in the common elements appurtenant to the units concerned.

b. Amendment of Declaration. An amendment of this Declaration reflecting such authorized alteration of apartment plans by the Developer need be signed and acknowledged only by the Developer and need not be approved by the Association, apartment owners or lienors or mortgagees of apartments or of the condominium whether or not elsewhere required for an amendment.

3.4 Easements are reserved through the condominium property as may be required for utility services in order to serve the condominium adequately; provided, however, such easements through an apartment shall be only according to the plans and specifications for the apartment building, or as the buildings are constructed, unless approved in writing by the apartment owner.

3.5 Improvements - General Description.

a. Apartment Buildings. The condominium includes 5 apartment buildings, each building consisting of a ground floor and 3 additional floors, making a total of 4 floors in each building. The buildings are numbered 4, 5, 16, 17, and 18, and each contain 16 owner's apartments. The common elements for each building (limited to the apartment owners in that building) include stairways, corridors, trash room, elevator and other service facilities.

b. Other improvements. The condominium includes gardens and landscaping, automobile parking areas and other facilities located substantially as shown upon the plans and which are part of the common elements.

c. Package sewer treatment plant. There is located on adjacent real property owned by the Developer, not part of the condominium, a package sewer treatment plant. The Developer shall have the right to operate that package treatment plant and to make a reasonable charge for services rendered by them to the Association through the operation of the package sewer treatment plant. The Developer shall have the right to operate the package sewer treatment plant for the benefit of the Association and for the benefit of all of any other parties or persons whomsoever. The Developer shall have the right to convey title to the package sewer treatment plant to the Association alone or in combination with other condominium associations who may operate other condominiums on adjacent real property owned by the Developer or its grantees. The Developer also shall have the additional right to sell the package sewer treatment plant and to transfer to the purchaser all rights reserved by the Owner with respect thereto.

d. Additional condominiums. The Developer or its grantees shall have the right to create additional condominiums on adjacent real property but neither the Developer nor its grantees are under any obligation to create such additional condominiums. No apartment owner shall ever complain by reason of any nuisance caused by the Developer or its grantees or interference with an owner's quiet enjoyment of his apartment by reason of the fact that the Developer or its grantees may construct additional apartment houses on adjacent real property.

3.6 Apartment boundaries. Each apartment, which term as used in this subsection concerning boundaries, shall include that part of the building containing the apartment that lies within the boundaries of the apartment, which boundaries are as follows:

a. Upper and lower boundaries. The upper and lower boundaries of

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the apartment shall be the following boundaries extended to an intersection with the perimetrical boundaries:

(1) Upper boundary - the horizontal plane of the undecorated finished ceiling.

(2) Lower boundary - the horizontal plane of the undecorated finished floor.

b. Perimetrical boundaries. The perimetrical boundaries of the apartment shall be the vertical planes of the undecorated finished interior of the walls bounding the apartment extended to intersections with each other and with the upper and lower boundaries and extended to include balconies, loggia and terraces attached to the exterior main walls of the building that serve only the apartment being bounded.

3.7 Common elements and limited common elements. The common elements include the land and all other parts of the condominium not within the apartments as to which the Association shall have the powers indicated:

a. Automobile parking areas. There shall be appurtenant to each apartment space for parking one automobile without charge. That space shall be designated by the Association. Apartment owners and their invitees shall have the right to use all other parking spaces in common pursuant to the regulations of the Association.

b. Use; charges. All other common elements shall be available for use by all apartment owners without discrimination, except that the use of common elements contained within a building shall be limited to apartment owners in that building. Such use will be without charge except when specifically authorized by this Declaration, except that the Association when authorized by its regulations may charge for the exclusive use of facilities from time to time if such exclusive use is made available to all apartment owners.

4. The Apartments. The apartments of the condominium are described more particularly and the rights and obligations of their owners established as follows:

4.1 Apartment Numbers. There are four apartments on each floor of each apartment building. The apartments in each building are all numbered in the same fashion. The apartments are numbered from 1 to 4 on each of the four floors of each building beginning with the number 1 for the apartment on one's extreme left as one faces each building and continuing each building and continuing in consecutive ascending numerical order for the apartments to the right of the first numbered apartment. The apartments on each floor are distinguished from the apartments on other floors by adding to the number of each apartment on the floor the product of the number of the floor times one hundred, the ground floor apartment on one's extreme left as he faces each building being 101 and the top floor apartment on one's extreme right as he faces each building being 404.

4.2 Appurtenances to apartments. The owner of each apartment shall own a share and certain interests in the condominium property, which share and interests are appurtenant to this apartment, including but not limited to the following items that are appurtenant to the several apartments as indicated:

a. Common elements and common surplus. The undivided share in the land and other common elements and in the common surplus which are appurtenant to each apartment is a 1.25% share -- 80 apartments x 1.25 = 100%.

b. Association membership. The membership of each apartment owner in the Association and the interest of each apartment owner in the funds and assets held by the Association shall be in the same percentage ratio as set forth in sub-paragraph (a) above.

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4.3 Liability for common expenses. Each apartment owner shall be liable for a proportionate share of the common expenses, such share being the same as the undivided share in the common elements appurtenant to his apartment.

5. Maintenance, alteration and improvement. Responsibility for the maintenance of the condominium property, and restrictions upon its alteration and improvements, shall be as follows:

5.1 Apartments.

a. The Association agrees as follows:

(1) The Association shall be responsible for the maintenance, repair and replacement of the common elements, including but not limited to all recreation facilities within the Condominium, and all portions of the Condominium property not required to be maintained, repaired and/or replaced by the apartment owner(s). Notwithstanding the apartment owner's duty of maintenance, repair, replacement and the other responsibilities as to his apartment, as is provided in this Declaration and Exhibits attached thereto, the Association may enter into an agreement with such firms or companies as it may determine to provide certain services and/or maintenance for and on behalf of the apartment owners in the condominium whereby maintenance and service are provided on a regularly scheduled basis for air conditioning maintenance and service and appurtenances thereto, exterminating services and other types of maintenance and services as said Association deems advisable and for such period of time and on such basis as it determines. Said agreement shall be on behalf of all apartment owners and the monthly assessment due from each apartment owner for common expenses shall be increased by such sum as the Association deems fair and equitable under the circumstances in relation to the monthly charge for such maintenance or service. Each apartment owner shall be deemed a party to said agreement with the same force and effect as though said apartment owner had executed said agreement and it is understood and agreed that the Association shall execute said agreements as agent for the apartment owners. The aforesaid assessment shall be deemed to be an assessment under the provisions of Article 6 of this Declaration.

(2) The Association shall determine the exterior color scheme of the buildings and all exteriors, and interior color scheme of the common elements, and shall be responsible for the maintenance thereof, and no owner shall paint an exterior wall, door, window or any interior common element surface, or replace anything thereon or affixed thereto, without the written consent of the Association.

b. All owners of apartments agree as follows:

(1) To allow the Board of Directors or the agents or employees of the Association to enter into any apartment for the purpose of maintenance, inspection, repair, or replacement of the improvements within the apartments, limited common elements or the common elements, or to determine in case of emergency, circumstances threatening apartments, limited common elements or the common elements, or to determine compliance with the provisions of this Declaration and the By-Laws of the Association.

(2) To show no signs, advertisements or notices of any type on the common elements, limited common elements, or his apartment, and to erect no exterior antenna or aerials, except as consented to by the Association.

(3) To maintain in good condition and repair his apartment and all interior surfaces within his apartment and the entire interior of his apartment, and to maintain and repair the fixtures and equipment therein, which includes but is not limited to the following, where applicable: air conditioning and heating unit, including condenser and

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all appurtenances thereto wherever situated, hot water heater, refrigerator, range, oven, and all other appliances, drains, plumbing fixtures and connections, sinks, all plumbing and water lines within the apartment, electric panels, electric wiring and electric outlets and fixtures within the apartment, interior doors, windows, screening and glass, all exterior doors (except the painting of the exterior doors shall be a common expense of the Condominium); and pay for his electricity and telephone. Water, sewage and waste fees, if applicable, shall be a part of the common expenses if billed to the condominium; however, if individual bills are sent to each apartment by the party furnishing said service, each apartment owner shall pay said bill for his apartment individually. Where an apartment is carpeted, the cost of maintaining and replacing the carpeting shall be borne by the owner of said apartment. Each apartment owner shall maintain, care for and preserve portions of the limited common elements, as provided in this Declaration. Where there is a light fixture or fixtures attached to the exterior wall or walls of an apartment, said apartment owner shall replace same by the same color and bulb wattage at his cost and expense unless the Association decides to replace same as a common expense of the condominium. The aforesaid lights may be tied to the electric meter for the apartment which is responsible for replacing said light bulbs and, in such case, the electric cost for same shall be borne by said apartment owner. The door(s) to the storage room(s) are part of a condominium apartment, shall be deemed an exterior door of said apartment, except the painting of the exterior of said door(s) shall be deemed a common expense of the condominium.

(4) Not to make or cause to be made any structural addition or alteration of his apartment or to the limited common element or common elements. Alterations within an apartment may be made with the prior written consent of the Association, and any First Mortgagee holding a mortgage on his apartment.

(5) To make no alterations, decoration, repair, replacement or change of the common elements, limited common elements, or to any outside or exterior portion of the buildings whether an apartment or part of the limited common elements without the prior written consent of the Association. Apartment owners may use such contractors or sub-contractors as are approved by the Association, and said parties shall comply with all Rules and Regulations adopted by the Board of Directors. The apartment owner shall be liable for all damages to another apartment, the common elements or the condominium property, caused by the apartment owner's contractor, sub-contractor, or employee, whether said damages are caused by negligence, accident or otherwise.

c. Failure of an Owner to maintain his apartment.

In the event the owner of an apartment fails to maintain the said apartment and limited common elements, as required herein, or makes any alterations or additions without the required written consent, or otherwise violates or threatens to violate the provisions hereof, the Association shall have the right to proceed in a court of equity for an injunction to seek compliance with the provisions hereof. In lieu thereof and in addition thereto, the Association shall have the right to levy an assessment against the owner of an apartment, and the apartment, for such necessary sums to remove any unauthorized addition or alteration and to restore the property to good condition and repair. Said assessment shall have the same force and effect as all other special assessments. The Association shall have the further right to have its employees or agents, or any sub-contractors appointed by it, enter an apartment at all reasonable time to do such work as is deemed necessary by the Board of Directors of the Association to enforce compliance with the provisions hereof.

5.2 Common elements.

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a. By the Association. The maintenance and operation of the common elements shall be the responsibility of the Association and a common expense.

b. Alteration and improvement. After the completion of the improvements included in the common elements contemplated by this Declaration, there shall be no alteration nor further improvement of common elements without prior approval in writing by the record owners of all of the apartments; provided, however, that any alteration or improvement of the common elements bearing the approval in writing of the record owners of not less than 75% of the common elements, and which does not interfere with the rights of any owners without their consent, may be done if the owners who do not approve are relieved from the initial cost of such alteration or improvement. The share of any cost not so assessed shall be assessed to the other apartment owners in the shares that their shares in the common elements bear to each other. There shall be no change in the shares and rights of an apartment owner in the common elements altered or further improved, whether or not the apartment owner contributes to the cost of such alteration or improvement.

6. Assessments. The making and collection of assessments against apartment owners for common expenses shall be pursuant to the By-Laws and subject to the following provisions:

6.1 Share of common expense. Each apartment owner shall be liable for a proportionate share of the common expenses, and shall share in the common surplus, such shares being the same as the undivided share in the common elements appurtenant to the apartments owned by him. Provided, however, that if services are made available to apartment owners from a revenue-producing operation, no assessments on account of such services shall be made against a bank, life insurance company, savings and loan association or other institutional type mortgage lender that acquires its title as a result of owning a first mortgage upon an apartment, and this shall be so whether the title is acquired by deed from the mortgagor or through foreclosure proceedings; but this shall not preclude such an assessment against an occupant of an apartment owned by such an institution for services voluntarily accepted by the occupant. The shares of any cost or loss not so assessed shall be assessed to the other apartment owners in the shares that their shares in the common elements bear to each other.

6.2 Interest; application of payments. Assessments and installments on such assessments paid on or before ten days after the date when due shall not bear interest, but all sums not paid on or before ten days after the date when due shall bear interest at the rate of ten percent per annum from the date when due until paid. All payments upon account shall be first applied to interest and then to the assessment payment first due.

6.3 Lien for assessments. The lien for unpaid assessments shall also secure reasonable attorneys' fees incurred by the Association incident to the collection of such assessment or enforcement of such lien.

6.4 Rental pending foreclosure. In any foreclosure of a lien for assessments the owner of the apartment subject to the lien shall be required to pay a reasonable rental for the apartment, and the Association shall be entitled to the appointment of a receiver to collect the same.

7. Association. The operation of the condominium shall be by Fairwinds Cove Condominium Association of Hutchinson Island, Inc., a corporation not for profit under the laws of Florida, which shall fulfill its functions pursuant to the following provisions:

7.1 Articles of Incorporation. A copy of the Articles of Incorporation is attached as Exhibit "G".

7.2 The By-Laws of the Association shall be the by-laws of the condominium, a copy of which is attached as Exhibit "H".

7.3 Limitation upon liability of Association. Notwithstanding the duty of the Association to maintain and repair parts of the condominium property, the

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Association shall not be liable to apartment owners for injury or damage, other than cost of maintenance and repair, caused by any latent condition of the property to be maintained and repaired by the Association, or caused by the elements or other owners or persons.

7.4 Restraint upon assignment of shares in assets. The share of members in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his apartment.

7.5 Voting Rights. There shall be one person with respect to each apartment who shall be entitled to vote at any meeting of the Association and such person shall be known (and is hereinafter referred to) as a "Voting Member". If an apartment is owned by more than one person, the owners of said apartment shall designate one of them as the Voting Member, or in the case of a Corporate Apartment owner, an officer or employee thereof shall be the Voting Member. The designation of the Voting Member shall be made as provided by and subject to the provisions and restrictions set forth in the By-Laws of the Association. The vote of a condominium apartment is not divisible.

7.6 Approval or disapproval of matters. Whenever the decision of an apartment owner is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed by the same person who would cast the vote of such owner if in an Association meeting, unless the joinder of record owners is specifically required by this Declaration.

8. Insurance. The insurance other than title insurance that shall be carried upon the condominium property and the property of the apartment owners shall be governed by the following provisions:

8.1 Authority to purchase, named insured. All insurance policies upon the condominium property shall be purchased by the Association. The name insured shall be the Association individually and as agent for the apartment owners, without naming them, and as agent for their mortgagees. Provision shall be made for the issuance of mortgagee endorsements and memoranda of insurance to the mortgagees of apartment owners. Such policies shall provide that payments by the insurer for losses shall be made to the Insurance Trustee designated below, and all policies and their endorsements shall be deposited with the Insurance Trustee. Apartment owners may obtain coverage at their own expense upon their personal property and for their personal liability and living expense.

8.2 Coverage.

a. Casualty. All building and improvements upon the land shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, and all personal property included in the common elements shall be insured for its value, all as determined annually by the Board of Directors of the Association. Such coverage shall afford protection against:

(1) loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and

(2) such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the land, including but not limited to vandalism and malicious mischief.

b. Public liability in such amounts and with such coverage as shall be required by the Board of Directors of the Association, including but not limited to hired automobile and non-owned automobile coverages, and with cross liability endorsement to cover liabilities of the apartment owners as a group to an apartment owner.

c. Workmen's compensation policy to meet the requirements of the law.

d. Such other insurance as the Board of Directors of the Association shall determine from time to time to be desirable.

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8.3 Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a common expense.

8.4 Insurance Trustee; share of proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the apartment owners and their mortgagees as their interests may appear, and shall provide that all proceeds covering property losses shall be paid to such bank in Florida with trust powers as may be designated as Insurance Trustee by the Board of Directors of the Association, which trustee is referred to in this instrument as the Insurance Trustee. The Insurance Trustee shall not be liable for payment of premiums nor for the renewal or the sufficiency of policies nor for the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the proceeds in trust for the purpose elsewhere stated in this instrument and for the benefit of the apartment owners and their mortgagees in the following shares, but which shares need not be set forth on the records of the Insurance Trustee:

a. Common elements. Proceeds on account of damage to common elements - an undivided share for each apartment owner, such share being the same as the undivided share in the common elements appurtenant to his apartment.

b. Apartments. Proceeds on account of damage to apartments shall be held in the following undivided shares:

(1) When a building is to be restored - for the owners of damaged apartments in that building in proportion to the cost of repairing the damage suffered by each apartment owner, which cost shall be determined by the Association.

(2) When a building is not be restored - an undivided share for each apartment owner in that building, such share being the same as the undivided share in the common elements appurtenant to his apartment.

c. Mortgagees. In the event a mortgagee endorsement has been issued as to an apartment, the share of the apartment owner shall be held in trust for the mortgagee and the apartment owner as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions of such proceeds made to the apartment owner and mortgagee pursuant to the provisions of this Declaration.

8.5 Distribution of proceeds. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial owners in the following manner:

a. Expense of the trust. All expenses of the Insurance Trustee shall be paid first or provision made for such payment.

b. Reconstruction or repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost of such as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, remittances to apartment owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of an apartment and may be enforced by such mortgagee.

c. Failure to reconstruct or repair. If it is determined in the manner elsewhere provided that the damage for which proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners, remittances to apartment owners and their mortgagees being payable jointly to them, except that there shall be first deducted from the proceeds a sum sufficient to demolish the damaged building, remove the debris and landscape the site of the

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demolished building. This is a covenant for the benefit of any mortgagee of an apartment and may be enforced by such mortgagee. When the proceeds are distributed to the apartment owners and their mortgagees, their interests in the condominium shall cease as will their obligations to pay assessments which accrue after the date of distribution to them, and the shares of the remaining apartment owners in the common elements shall be ratably increased.

d. Certificate. In making distribution to apartment owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Association made by its president and secretary as to the names of the apartment owners and their respective shares of the distribution.

8.6 Association as agent. The Association is irrevocably appointed agent for each apartment owner and for each owner of a mortgage or other lien upon an apartment and for each owner of any other interest in the condominium property to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

9. Reconstruction or repair after casualty.

9.1 Determination to reconstruct or repair. If any part of the condominium property shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:

a. Common element. If the damaged improvement is a common element, the damaged property shall be reconstructed or repaired, unless it is determined in the manner elsewhere provided that the condominium shall be terminated.

b. Apartment building.

(1) Lesser damage. If the damaged improvement is an apartment building, and if apartments to which 50% of the common elements in that building are appurtenant are found by the Board of Directors of the Association to be tenantable, the damaged property shall be reconstructed or repaired unless within 60 days after the casualty it is determined by agreement in the manner elsewhere provided that the condominium shall be terminated.

(2) Major damage. If the damaged improvement is an apartment building, and if the apartments in that building to which more than 50% of the common elements are appurtenant are found by the Board of Directors to be not tenantable, then the damaged property will not be reconstructed or repaired and the condominium will be terminated as to that building only to continue as to the other buildings without agreement as elsewhere provided, unless within 60 days after the casualty the owners of 75% of the common elements of that building agree in writing to such reconstruction or repair.

c. Certificate. The Insurance Trustee may rely upon a certificate of the Association made by its president and secretary to determine whether or not the damaged property is to be reconstructed or repaired.

9.2 Plans and specifications. Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original building, portions of which are attached as exhibits; or if not, then according to plans and specifications approved by the Board of Directors of the Association, and if the damaged property is an apartment building, by the owners of not less than 75% of the common elements in that building, including the owners of all damaged apartments, which approval shall not be unreasonably withheld.

9.3 Responsibility. If the damage is not only to those parts of one apartment to which the responsibility of maintenance and repair is that of the apartment owner, then the apartment owner shall be responsible for reconstruction and repair after casualty. In all other instances the responsibility of reconstruction and repair after casualty shall be that of the Association.

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9.4 Estimates of costs. Immediately after a determination is made to rebuild or repair damage to property for which the Association has the responsibility of reconstruction and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair.

9.5 Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, assessments shall be made against all apartment owners in the damaged building in the case of damage to common elements in that building, in sufficient amounts to provide funds for the payment of such costs. Such assessments against apartment owners for damage to apartments shall be in proportion to the cost of reconstruction and repair of their respective apartments. Such assessments on account of damage to common elements shall be in proportion to the owner's share in the common elements in that building.

9.6 Construction funds. The funds for payment of costs of reconstruction and repair after casualty, which shall consist of proceeds of insurance held by the Insurance Trustee and funds collected by the Association from assessments against apartment owners, shall be disbursed in payment of such costs in the following manner:

a. Association. If the total of assessments made by the Association in order to provide funds for payment of costs of reconstruction and repair that is the responsibility of the Association is more than \$5,000.00, then the sums paid upon such assessments shall be deposited by the Association with the Insurance Trustee. In all other cases the Association shall hold the sums paid upon such assessments and disburse them in payment of costs of reconstruction and repair.

b. Insurance Trustee. The proceeds of insurance collected on account of a casualty, and the sums deposited with the Insurance Trustee by the Association from collections of assessments against apartment owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair in the following manner and order:

(1) Association - lesser damage. If the amount of the estimated costs of reconstruction and repairs that is the responsibility of the Association is less than \$5,000.00, then the construction fund shall be disbursed in payment of such costs upon the order of the Association; provided, however, that upon request to the Insurance Trustee by a mortgagee that is a beneficiary of an insurance policy the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner provided for the reconstruction and repair of major damage.

(2) Association - major damage. If the amount of the estimated costs of reconstruction and repair that is the responsibility of the Association is more than \$5,000.00, then the construction fund shall be disbursed in payment of such costs in the manner required by the Board of Directors of the Association and upon approval of an architect qualified to practice in Florida and employed by the Association to supervise the work.

(3) Apartment owner. The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with an apartment owner shall be paid by the Insurance Trustee to the apartment owner, or if there is a mortgagee endorsement as to the apartment, then to the apartment owner and the mortgagee jointly, who may use such proceeds as they may be advised.

(4) Surplus. It shall be presumed that the first moneys disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of

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the fund in the manner elsewhere stated; except, however, that the part of a distribution to a beneficial owner that is not in excess of assessments paid by such owner into the construction fund shall not be made payable to any mortgagee.

(5) Certificate. Notwithstanding the provisions of this instrument, the Insurance Trustee shall not be required to determine whether or not sums paid by the apartment owners upon assessments shall be deposited by the Association with the Insurance Trustee, nor to determine whether the disbursements from the construction fund are to be upon the order of the Association or upon approval of an architect or otherwise, nor whether a disbursement is to be made from the construction fund nor to determine the payee nor the amount to be paid. Instead, the Insurance Trustee may rely upon a certificate of the Association made by its president and secretary as to any or all of such matters and stating that the sums to be paid are due and properly payable and stating the name of the payee and the amount to be paid; provided that when a mortgagee is required in this instrument to be named as payee, the Insurance Trustee shall also name the mortgagee as a payee of any distribution of insurance proceeds to a unit owner; and further provided that when the Association, or a mortgagee that is the beneficiary of an insurance policy whose proceeds are included in the construction fund, so requires, the approval of an architect named by the Association shall be first obtained by the Association upon disbursements in payment of costs of reconstruction and repair.

10. Use restrictions. The use of the condominium property shall be in accordance with the following provisions as long as the condominium exists and the apartment buildings in useful condition exist upon the land.

10.1 Apartments. Each of the apartments shall be occupied only by a family, its servants and guests, as a residence and for no other purpose. Except as reserved to the Owner, no apartment may be divided or subdivided into a small unit nor any portion sold or otherwise transferred without first amending this Declaration to show the changes in the apartments to be effected.

10.2 Common elements. The common elements shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the apartments.

10.3 Nuisances. No nuisances shall be allowed upon the condominium property, nor any use or practice that is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents. All parts of the condominium shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist. No apartment owner shall permit any use of his apartment or make any use of the common elements that will increase the cost of insurance upon the condominium property.

10.4 Lawful use. No immoral, improper, offensive or unlawful use shall be made of the condominium property nor any part of it, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed. The responsibility of meeting the requirements of governmental bodies for maintenance, modification or repair of the condominium property shall be the same as the responsibility for the maintenance and repair of the property concerned.

10.5 Leasing. After approval by the Association elsewhere required, entire apartments may be rented provided the occupancy is only by the lessee and his family, its servants and guests. No rooms may be rented, and no transient tenants may be accommodated.

10.6 Regulations. Reasonable regulations concerning the use of condominium property may be made and amended from time to time by the Association in the manner provided by the Articles of Incorporation and By-Laws. Copies of such regulations and amendments shall be furnished by the Association to

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all apartment owners and residents of the condominium upon request.

10.7 Proviso. Provided, however, that until the Developer has closed the sales of all of the apartments of the condominium, neither the apartment owners nor the Association nor the use of the condominium property shall interfere with the sale of the apartments. The Developer may make such use of the unsold units and common areas as may facilitate such sales, including, but not limited to maintenance of sales offices, model apartments, the showing of the property and the display of signs.

11. Maintenance of Community Interests. In order to maintain a community of congenial residents who are financially responsible and thus protect the value of the apartments, the transfer of apartments by any owner other than the Developer shall be subject to the following provisions as long as the condominium exists and the apartment buildings in useful condition exist upon the land, which provisions each apartment owner covenants to observe:

11.1 Transfers subject to approval.

a. Sale. No apartment owner may dispose of an apartment or any interest in an apartment by sale without approval of the Association except to an apartment owner.

b. Lease. No apartment owner may dispose of an apartment or any interest in an apartment by lease without approval of the Association except to an apartment owner.

c. Gift. If any apartment owner shall acquire his title by gift, the continuance of his ownership of his apartment shall be subject to the approval of the Association.

d. Devise or inheritance. If any apartment owner shall acquire his title by devise or inheritance, the continuance of his ownership of his apartment shall be subject to the approval of the Association.

e. Other transfers. If any apartment owner shall acquire his title by any manner not considered in the foregoing sub-sections, the continuance of his ownership of his apartment shall be subject to the approval of the Association.

11.2 Approval by Association. The approval of the Association that is required for the transfer of ownership of apartments shall not be unreasonably withheld, and shall be obtained in the following manner.

a. Notice to Association:

(1) Sale. An apartment owner intending to make a bona fide sale of his apartment or any interest in it shall give to the Association notice of such intention, together with the name and address of the intended purchaser and such other information concerning the intended purchaser as the Association may reasonably require.

(2) Lease. An apartment owner intending to make a bona fide lease of his apartment or any interest in it shall give to the Association notice of such intention, together with the name and address of the intended lessee, together with such other information concerning the intended lessee as the Association may reasonably require and an executed copy of the proposed lease.

(3) Gift, devise or inheritance, other transfers. An apartment owner who has obtained his title by gift, devise or inheritance, or by any other manner not previously considered, shall give to the Association notice of the acquiring of his title, together with such information concerning the apartment owner as the Association may reasonably require, and a certified copy of the instrument evidencing the owner's title.

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(4) Failure to give notice. If the above-required notice to the Association is not given, then at any time after receiving knowledge of a transaction or event transferring ownership or possession of an apartment, the Association, at its election and without notice, may approve or disapprove the transaction or ownership. If the Association disapproves the transaction or ownership, the Association shall proceed as if it had received the required notice on the date of such disapproval.

b. Certificate of approval

(1) Sale. If the proposed transaction is a sale, then within 30 days after receipt of such notice and information the Association must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a certificate executed by the president and secretary of the Association, which shall be recorded in the public records of Martin County, Florida, at the expense of the purchaser.

(2) Lease. If the proposed transaction is a lease, then within 30 days after receipt of such notice and information the Association must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a certificate executed by the president and secretary of the Association in recordable form which, at the election of the Association, shall be delivered to the lessee or shall be recorded in the public records of Martin County, Florida, at the expense of the lessee.

(3) Gift, devise or inheritance, other transfers. If the apartment owner giving notice has acquired his title by gift, devise or inheritance or in any other manner, then within 30 days after receipt of such notice and information the Association must either approve or disapprove the continuance of the apartment owner's ownership of his apartment. If approved, the approval shall be stated in a certificate executed by the president and secretary of the Association which shall be recorded in the public records of Martin County, Florida, at the expense of the apartment owner.

11.3 Disapproval by Association. If the Association shall disapprove a transfer of ownership of an apartment, the matter shall be disposed of in the following manner:

a. Sale. The Association shall have thirty days in which to:

(1) Provide another purchaser, ready, willing, and able to purchase the apartment on the same terms and conditions as those agreed to by the disapproved purchaser.

(2) The sale shall be closed within ten (10) days following determination of the sale price.

(3) If the Association shall fail to so provide a purchaser within the thirty (30) day period or if the purchaser so provided, shall default, the disapproved sale shall be deemed approved, and the Association shall issue a certificate in the manner above provided.

b. Lease. If the proposed transaction is a lease, the apartment owner shall be advised of the disapproval in writing, and the lease shall not be made.

c. Gifts, devise or inheritance, other transfers. If the apartment owner giving notice has acquired his title by gift, devise or inheritance, or in any other manner, then within 30 days after receipt from the apartment owner of the notice and information required to be furnished, the Association shall deliver or mail by registered mail to the apartment owner an agreement to purchase the apartment concerned by a purchaser approved by the Association who will purchase and to whom the apartment owner must sell the apartment upon the following terms:

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- (1) The sale price shall be the fair market value determined by agreement between the seller and purchaser within 30 days from the delivery or mailing of such agreement. In the absence of agreement as to price, the price shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the apartment; and a judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be paid by the purchaser.
- (2) The purchase price shall be paid in cash.
- (3) The sale shall be closed within ten (10) days following the determination of the sale price.
- (4) A certificate of the Association executed by its president and secretary and approving the purchaser shall be recorded in the public records of Martin County, Florida, at the expense of the purchaser.
- (5) If the Association shall fail to provide a purchaser as required by this instrument, or if a purchaser furnished by the Association shall default in his agreement to purchase, then notwithstanding the disapproval, such ownership shall be deemed to have been approved, and the Association shall furnish a certificate of approval as elsewhere provided, which shall be recorded in the public records of Martin County, Florida, at the expense of the apartment owner.

11.4 Exceptions. The foregoing provisions of this section entitled "Maintenance of Community Interests" shall not apply to a transfer to or purchase by a bank, life insurance company, real estate investment trust, savings and loan association or other institutional type mortgage lender that acquires its title as the result of owning a mortgage upon the apartment concerned, and this shall be so whether the title is acquired by deed from the mortgagor, his successors or assigns, or a transfer, sale or lease by a bank, life insurance company, real estate investment trust, savings and loan association or other institutional type mortgage lender that so acquires its title. Neither shall such provisions require the approval of a purchaser who acquires the title to an apartment at a duly advertised public sale with open bidding provided by law, such as but not limited to execution sale, foreclosure sale, judicial sale or tax sale; nor shall this provision apply to the first purchaser from an institutional type lender (as mentioned above) who has acquired title as hereinabove set forth.

11.5 Unauthorized transactions. Any sale, lease or other transfer not authorized pursuant to the terms of this declaration shall be void unless subsequently approved by the Association.

12. Compliance and default. Each apartment owner shall be governed by and shall comply with the terms of the Declaration of Condominium, Articles of Incorporation and By-Laws and the Regulations adopted pursuant to those documents and all of such as they may be amended from time to time. Failure of an apartment owner to comply with such documents and regulations shall entitle the Association or other apartment owners to the following relief in addition to the remedies provided by the Condominium Act:

12.1 Negligence. An apartment owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence 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 expense is not met by the proceeds of insurance carried by the Association. An apartment owner shall pay the Association the amount of any increase in its insurance premium occasioned by use, misuse, occupancy or abandonment of an apartment or its appurtenances, or of the common elements, by the apartment's owner.

12.2 Costs and attorneys' fees. In any proceeding arising because of an alleged failure of an apartment owner or the Association to comply with the terms of the Declaration; Articles of Incorporation of the Association, the By-Laws, or the Regulations adopted pursuant to them, and the documents and Regulations as

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they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be awarded by the Court.

12.3 No waiver of rights. The failure of the Association or any apartment owner to enforce any covenant, restriction or other provision of the Condominium Act, this Declaration, the Articles of Incorporation of the Association, the By-Laws or the Regulations shall not constitute a waiver of the right to do so thereafter.

13. Amendments. Except as elsewhere provided otherwise, the Declaration of Condominium may be amended in the following manner:

13.1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

13.2 A resolution for the adoption of a proposed amendment may be proposed by either the Board of Directors of the Association or by the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing such approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be either by:

- a. not less than 75% of the entire membership of the Board of Directors and by not less than 75% of the votes of the entire membership of the Association; or
- b. not less than 80% of the votes of the entire membership of the Association; or
- c. until the first election of directors, only by all of the directors, provided the amendment does not increase the number of apartments nor alter the boundaries of the common elements.

13.3 Proviso. Provided, however, that no amendment shall discriminate against any apartment owner or mortgagee of developer or apartment owner nor against any apartment or class or group of apartments unless the apartment owners or mortgagee so affected shall consent; and no amendment shall change any apartment nor the share in the common expenses, unless the record owner of the apartment concerned and all record owners of mortgages on such apartment shall join in the execution of the amendment. Neither shall an amendment make any change in the section entitled "Insurance" nor in the section entitled "Reconstruction or repair after casualty" unless the record owners of all mortgages upon the condominium shall join in the execution of the amendment.

13.4 Execution and recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted, which certificate shall be executed by the officers of the Association with the formalities of a deed. The amendment shall be effective when such certificate and copy of the amendment are recorded in the public records of Martin County, Florida.

14. Termination. The condominium may be terminated in the following manner in addition to the manner provided by the Condominium Act:

14.1 Destruction. If it is determined in the manner elsewhere provided that an apartment building shall not be reconstructed because of major damage, the condominium plan of ownership will be terminated as to that building only without agreement, and shall continue as to the other buildings, and shares in the common elements appurtenant to the apartments contained in the building which was not reconstructed shall be distributed prorata over the remaining apartments in the condominium.

14.2 Agreement. The condominium may be terminated at any time by the approval in writing of all record owners of apartments and all record owners of mortgages on apartments. If the proposed termination is submitted to a meeting of the members of the Association, and if the approval of the owners of not less than 75% of the common elements, and of the record owners of all mortgages upon the

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apartments, are obtained in writing not later than 30 days from the date of such meeting, then the approving owners shall have an option to buy all of the apartments of the other owners for the period ending on the 60th day from the date of such meeting. Such approvals shall be irrevocable until the expiration of the option, and if the option is exercised, the approvals shall be irrevocable. The option shall be upon the following terms:

- a. Exercise of option. The option shall be exercised by delivery or mailing by registered mail to each of the record owners of the apartments to be purchased an agreement to purchase signed by the record owners of apartments who will participate in the purchase. Such agreement shall indicate which apartments will be purchased by each participating owner and shall require the purchase of all apartments owned by owners not approving the termination, but the agreement shall effect a separate contract between each seller and his purchaser.
- b. Price. The sale price for each apartment shall be the fair market value determined by agreement between the seller and purchaser within 30 days from the delivery or mailing of such agreement, and in the absence of agreements to price it shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the apartment; and a judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be paid by the purchaser.
- c. Payment. The purchase price shall be paid in cash.
- d. Closing. The sale shall be closed within ten (10) days following the determination of the sale price.

14.3 Certificate. The termination of the condominium in either of the foregoing manners shall be evidenced by a certificate of the Association executed by its president and secretary certifying as to facts effecting the termination, which certificate shall become effective upon being recorded in the public records of Martin County, Florida.

14.4 Shares of owners after termination. After termination of the condominium the apartment owners shall own the condominium property and all assets of the Association as tenants in common in undivided shares that shall be the same as the undivided shares in the common elements appurtenant to the owners' apartments prior to the termination, provided the condominium may be terminated as to the owners of a damaged building in the manner provided in Article 9 above.

14.5 Amendment. This section concerning termination cannot be amended without consent of all apartment owners and of all record owners of mortgages upon the apartments.

15. Easements and Right of User.

15.1 Owners of units shall have as an appurtenance thereto a perpetual easement for ingress and egress to and from their units over stairs, terraces, balconies, walks, elevators, hallways and other common elements.

15.2 All condominium property shall be subject to perpetual easements for encroachments presently existing or which may hereafter be caused by settlement or movement of the building or minor inaccuracies in construction, which easements shall continue until such encroachment no longer exists. If the condominium property be destroyed and then rebuilt, encroachments due to construction shall be permitted and a valid easement for said encroachments and the maintenance thereof shall exist.

15.3 Easements are reserved through the condominium property as may be required for utility service in order to serve the condominium adequately; provided,

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however, such easements through a condominium unit shall only be according to the plans and specifications for the building, or as the building is constructed, unless approved in writing by the unit owner. This provision is in no way intended to abridge any other rights or privileges granted to the Association hereunder.

15.4 An easement is created for pedestrian traffic over, through and across sidewalks, paths, walks and lanes as the same may from time to time exist upon the common elements, and for the vehicular traffic over, through and across such portion of the common elements as may from time to time be paved and intended for such purposes, but the same shall not give or create in any person the right to park upon any portions of the condominium property except those areas specifically assigned for same.

15.5 The Developer, as the owner of undeveloped land adjacent to the condominium, reserve to themselves, their successors, assigns, grantees, mortgagees and all persons claiming by, through or under them, perpetual non-exclusive easements for ingress and egress for pedestrian and vehicular traffic over, through and across such portions of the condominium property as may from time to time be paved and intended for such purposes, and for the purposes of connecting with, maintaining, repairing and replacing utility lines, pipes, conduits, sewers and drainage lines now or hereafter located on, over or under the condominium property; however, any and all damage caused by the exercise of such rights shall be borne by the person or persons exercising such rights. Although the Developer is under no obligations to do so, the Developer, their successors, assigns or grantees may elect to create additional condominiums on or otherwise develop said adjacent land in which event all persons claiming by, through or under them may make any proper use of such easements.

16. Recreational Facilities. Included within the legal description set forth in Paragraph 1.2 hereof is a parcel of land measuring 140' East and West by 160' North and South upon which is located a clubhouse, a swimming pool, and two shuffle board courts. Such land with the said improvements thereon are submitted hereby to the condominium form of ownership and form a part of the common elements as defined in sub-paragraph 2.4 hereof. These recreational facilities are for the use and enjoyment of the unit owners, as such term is defined in the Condominium Act, of Fairwinds Cove as well as for the use and enjoyment of the unit owners of Dolphins Bay Condominiums Phase I, an existing condominium located adjacent to Fairwinds Cove. The reservation of the rights to such use and enjoyment of the said recreational facilities by unit owners of Dolphins Bay Phase I is governed by the terms and provisions of that certain agreement dated August 11, 1978, by and between the Developer and Dolphins Bay Phase I Condominium Association, Inc., which agreement in its entirety is incorporated herein by reference and attached hereto as Exhibit I. Additionally, should the Developer, its grantees, successors and assigns at any time hereafter construct or cause to be constructed residential units on a ten acre (more or less) parcel of adjacent land now owned by the Developer the right is hereby reserved unto the Developer, its grantees, successors or assigns to permit the owner/occupants of said residential units to use the recreational facilities herein defined. In the event of such use, however, the owner/occupants on the adjacent parcel shall pay pro rata their share of the cost and expense related to the operation, maintenance, and repair of such recreational facilities.

In addition to the foregoing and not in limitation thereof the Developer, its grantees, successors or assigns and/or the Fairwinds Cove Condominium Association of Hutchinson Island, Inc., may in the future elect to form a master condominium association which shall take title to and assume responsibility for the operation, maintenance and repair of the said recreational facilities. The master condominium association may include the Fairwinds Cove Condominium Association, Dolphins Bay Condominium Association, and an association which may be formed consisting of the unit owners of parcels in the adjacent undeveloped ten acres mentioned above. Such master association shall have all the powers for making, collecting, and enforcing assessments for the operation, maintenance and repair of the recreational facilities and keeping insurance in force upon them as are afforded the association in this Declaration of Condominium. In the event, however, the unit owners of the Dolphins Bay Association shall fail or refuse to subject their apartments to the powers of such master association as aforesaid, nevertheless, said unit owners shall be entitled to the use of the recreational facilities pursuant to the terms and provision of Exhibit I attached hereto.

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17. Proposed Tennis Courts and Pier. The Developer contemplates the subsequent construction of a pier, including boat slips, and tennis courts on lands of the Developer adjacent to Fairwinds Cove. Such lands are not submitted to the condominium form of ownership at this time nor is it certain that such improvements will ever be constructed.

In the event that tennis courts are, in fact, subsequently constructed, it is intended that they shall be submitted to the condominium form of ownership and become a part of the Fairwinds Cove Condominium with rights reserved unto the unit owners of the Dolphins Bay Condominium pursuant to the terms of Exhibit I attached hereto and made a part hereof. As a condition of submitting the tennis courts, if constructed, to the condominium form of ownership the Fairwinds Cove Condominium Association of Hutchinson Island, Inc., will be required to and shall pay its pro rata share of the costs thereof including, but not limited to, land costs, surveying, development and construction. Furthermore, it is presently envisioned by the Developer that the tennis courts may become a part of the master condominium association referred to in the preceding paragraph upon the terms and conditions therein set forth including the reservation of rights to the use of said tennis courts by the future owner/occupants of residential units which may be construed on the aforementioned adjacent ten acre parcel.

In addition to the foregoing, the Developer is presently endeavoring to obtain a permit to construct a pier extending into the Indian River. There are no assurances that such permit can be obtained or that such pier will ever be constructed. If said pier is, nevertheless, constructed, it will not be located upon lands submitted to the condominium form of ownership but will be upon lands owned and retained by the Developer.

Should said pier be constructed, it is presently contemplated that it will include approximately 47 boat slips. Said slips will be available for rental to the unit owners of Fairwinds Cove Condominium at such rates and upon such terms as the Developer in its sole discretion may from time to time establish, subject, however, to the reservation of the rights reserved unto the Dolphins Bay Phase I condominium Association, Inc., contained in Exhibit I attached hereto and made a part hereof.

In any event, if said pier is, in fact, constructed, the unit owners of Fairwinds Cove Condominiums and Dolphins Bay Condominiums shall have permanent access thereto, under reasonable regulations governing security and safety, for the purposes of sightseeing and fishing.

18. Obligations of owners.

a. No owner of an apartment may exempt himself from liability for his contribution toward the common expenses by waiver of the use and enjoyment of any of the common elements or the recreational facilities, or by the abandonment of his apartment.

b. The owners of each and every apartment shall return the same for the purpose of ad valorem taxes with the Tax Assessor of the county wherein the condominium is situate, or for such other future legally authorized government officer or authority having jurisdiction over same. Nothing herein shall be construed, however, as giving to any apartment owner the right of contribution or any right of adjustment against any other apartment owner on account of any deviation by the taxing authorities from the valuation herein prescribed, each apartment owner to pay ad valorem taxes and special assessments as are separately assessed against his apartment.

19. Contributions to the Condominium Association by Each Purchaser to be Paid at Closing. In addition to all other costs and expenses to be borne by a purchaser of apartment unit or units in Fairwinds Cove Condominiums, each said purchaser shall pay the sum of \$200.00 at time of closing and settlement. This \$200.00 sum shall be for the benefit of and shall be deposited in the account of Fairwinds Cove Condominium Association of Hutchinson Island, Inc., in order to establish a working capital and/or capital expenditure reserve fund for the sole use and benefit of said association and the members thereof. All expenditures from

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EXHIBIT A

SURVEY SHOWING LOCATION OF BUILDINGS

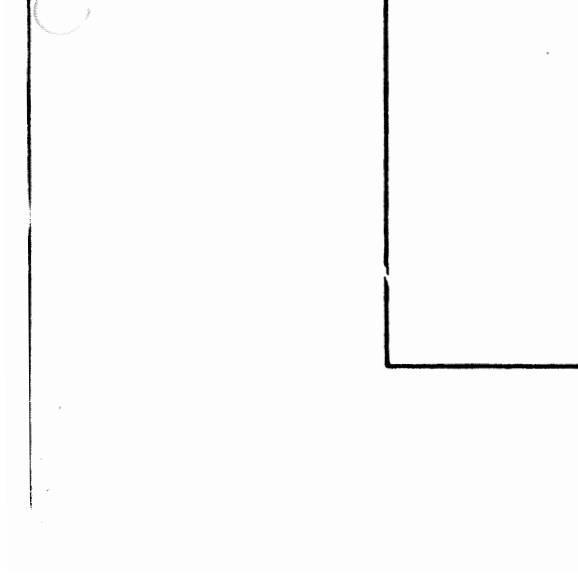
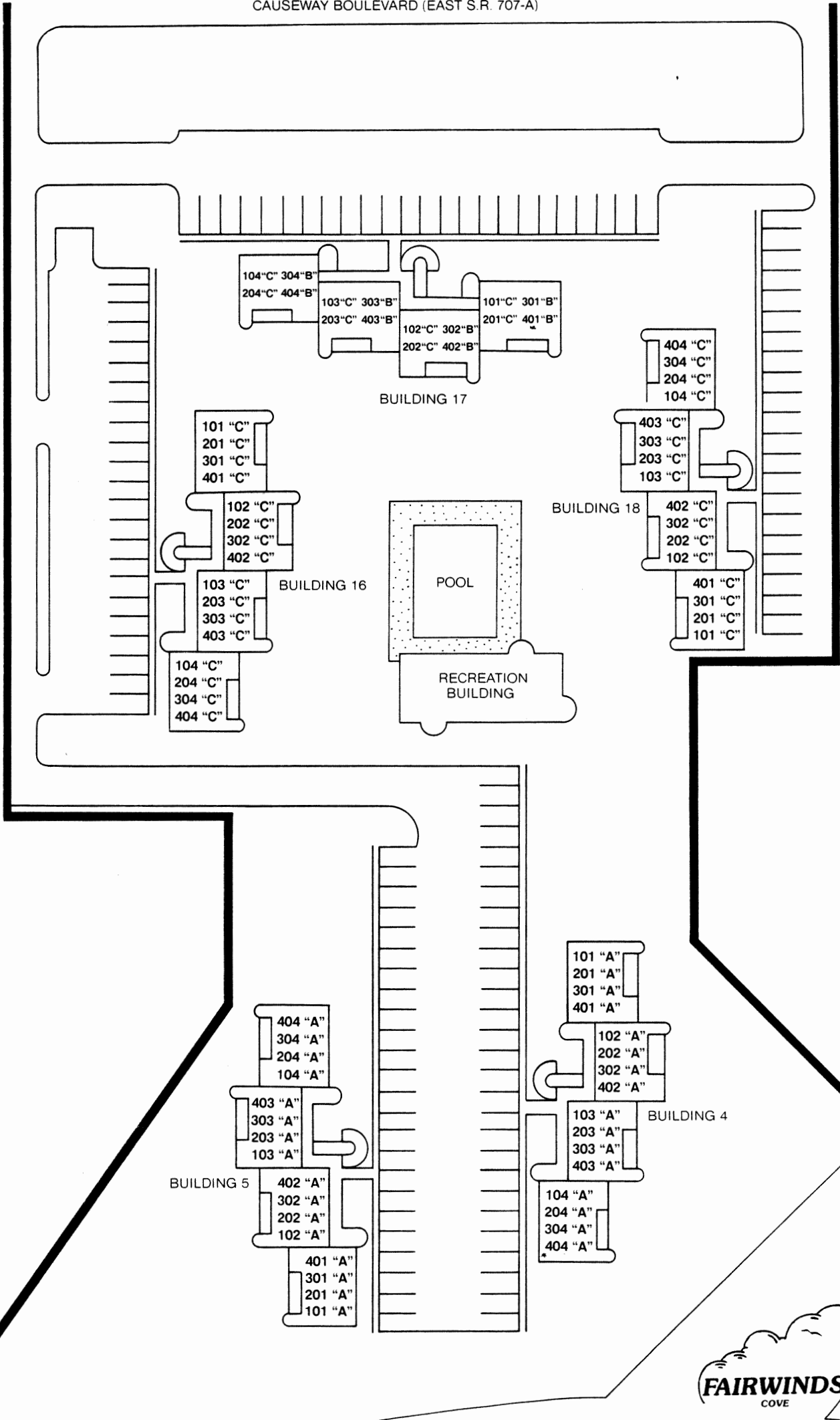


EXHIBIT B

SKETCH SHOWING BUILDINGS AND PARKING

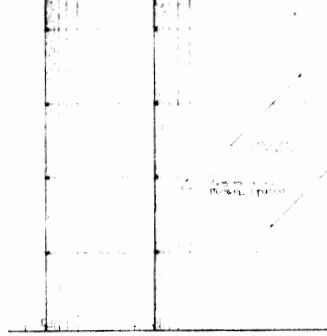


ATLANTIC INTRACOASTAL WATERWAY

EXISTING-DOCK

EXHIBIT C

ELEVATION PLAN

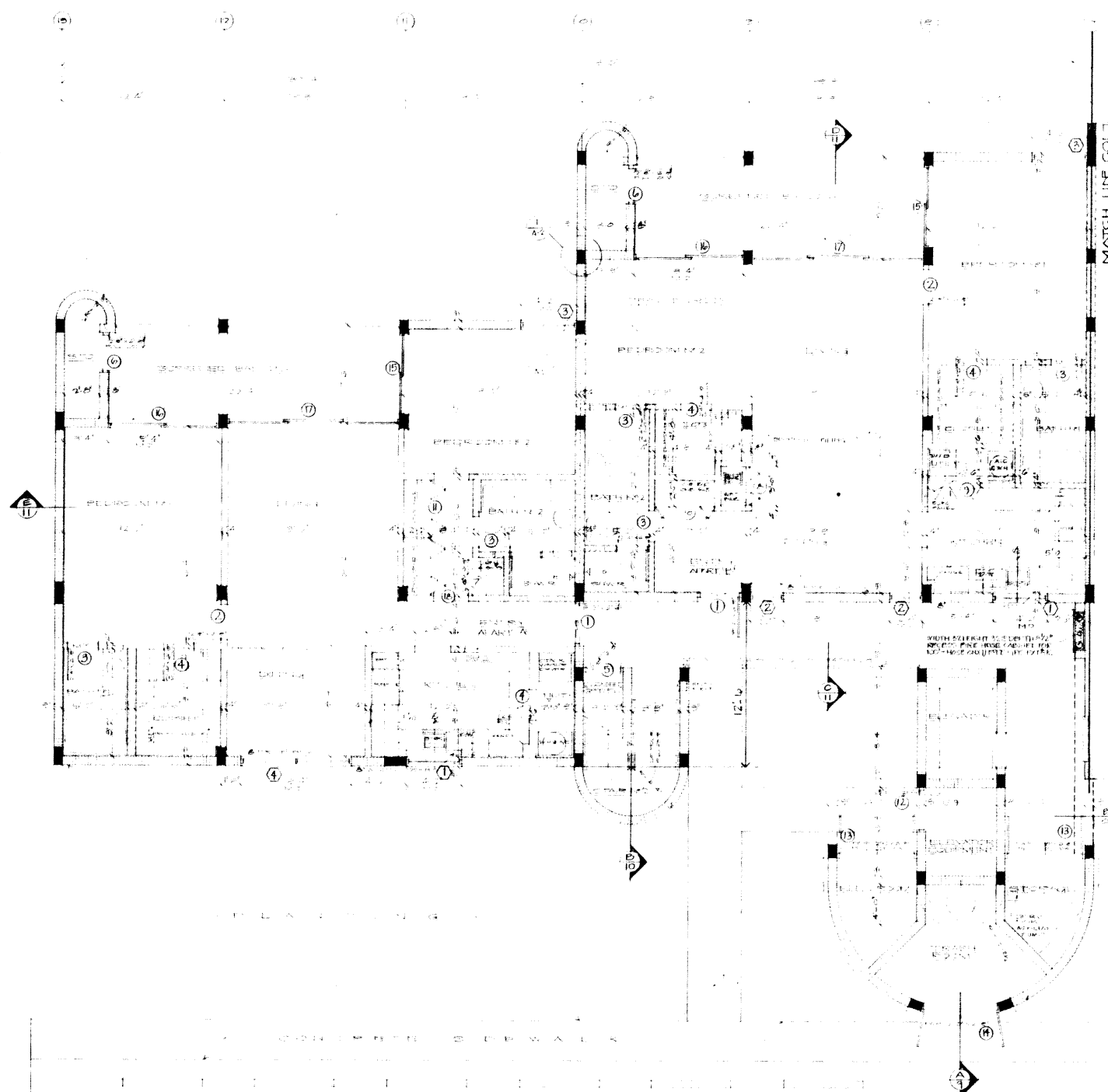


LEFT ELEVATION

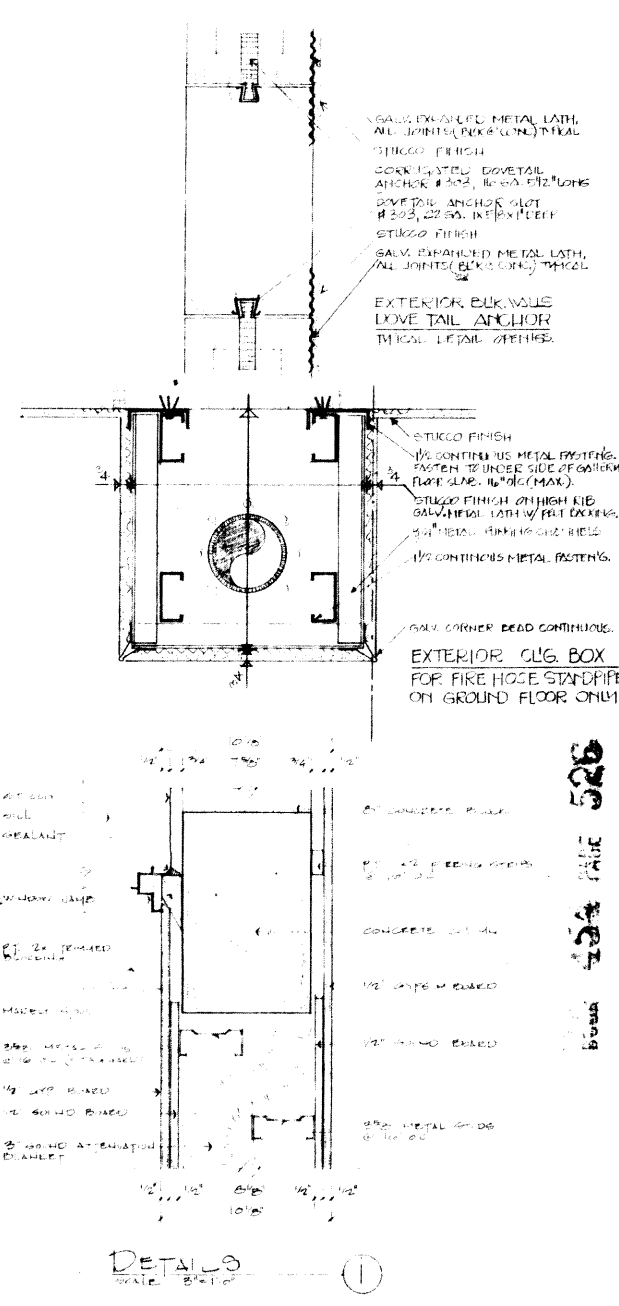
EXHIBITS D-1 through D-4

TYPICAL FLOOR PLAN - ALL BUILDINGS

- D-1 Right Hand Side Apartments for Buildings No. 4, 16, 17
- D-2 Left Hand Side Apartments for Buildings No. 4, 16, 17
- D-3 Left Hand Side Apartments for Buildings No. 5, 18
- D-4 Right Hand Side Apartments for Buildings No. 5, 18



FLOOR PLAN
LEFT HAND SIDE APTS FOR
BLDGS 4, 16, 17



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DOLPHINS BAY
D-2

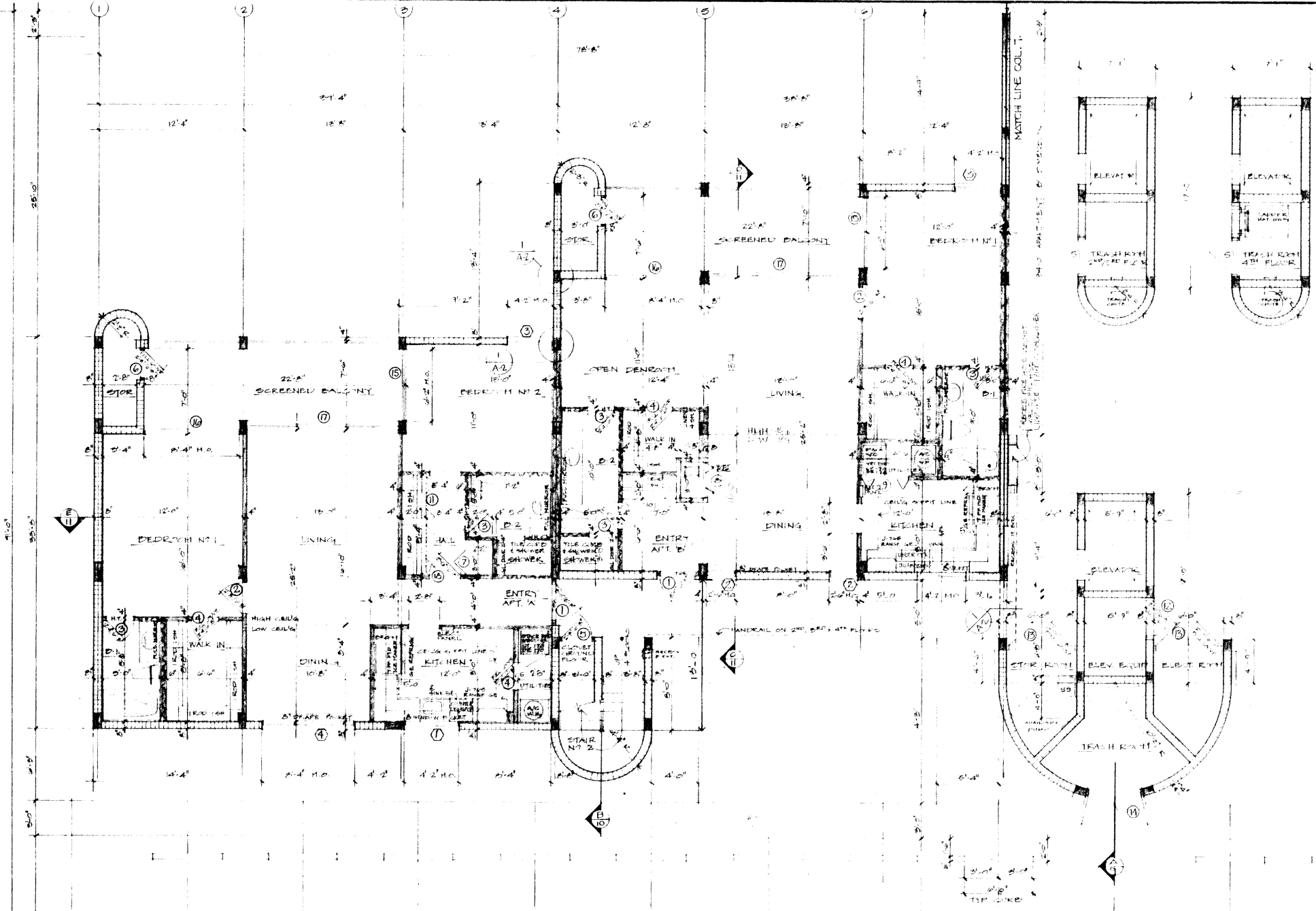
Book 434 PAGE 526

DATE 15 MARCH 74
DRAWN BY [Signature]
REVISED

PHASE III

CONV NO 1203

A



FLOOR PLAN
 LEFT HAND SIDE APTS FOR
 BLDGS 5, 18

BOOK 459 PAGE 527

DOLPHINS BAY

D-3

PHASE III

DATE: 12/14/74
 DRAWN BY: [Signature]
 REVISION: [None]

COMM. NO. 72169

A

R.I.R.
SCHWAB & TWITTY ARCHITECTS, INC.
 PLAZA CENTER • ROYAL PALM WAY • PALM BEACH, FLORIDA 33480
 FORUM 111 • 1875 PALM BEACH LAKES BLVD • WEST PALM BEACH, FLA 33407
 PHONE • 305-889-6600

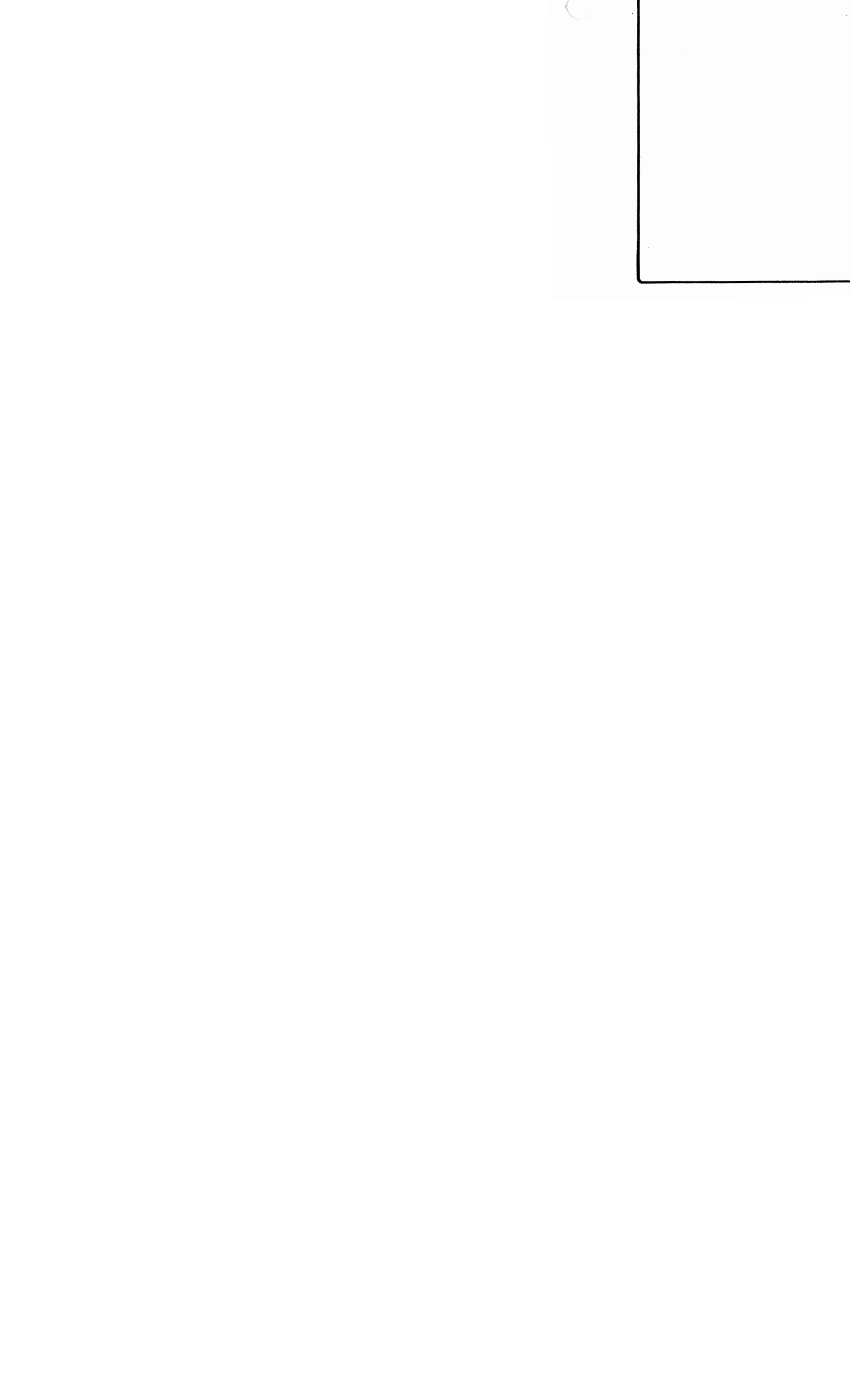


EXHIBIT E

PLAT SHOWING EASEMENT ACCESS TO PROPOSED DOCK AREA

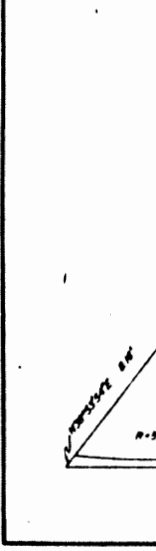


EXHIBIT F

THE SURVEYOR'S CERTIFICATE

EXHIBIT "F" TO
DECLARATION OF CONDOMINIUM

CERTIFICATE OF SURVEYOR

THIS CERTIFICATE OF SURVEYOR, made this 4 day of
October, 1978.

I, RONALD J. PRICE, of Stuart, Martin County, Florida,
hereby certify as follows:

1. That I am a surveyor authorized to practice in the State
of Florida.

2. That this Certificate is made as to FAIRWINDS COVE OF
HUTCHINSON ISLAND, a condominium, located a Hutchinson Island,
Florida, and in compliance with Section 718 of the Florida
Statutes as amended.

3. That the following exhibits to the Declaration of
Condominium.

| <u>EXHIBIT NO.</u> | <u>TITLE</u> |
|--------------------|--|
| A | SURVEY |
| C | ELEVATION PLAN |
| D | TYPICAL FLOOR PLANS (ALL BUILDINGS) |
| E | PLOT SHOWING EASEMENTS AND ACCESS TO PROPOSED DOCKS |

together with the wording of the Declaration, constitute a correct
representation of the improvements of the Condominium as it now
exists, and that such improvements are sufficiently complete so
that there can be determined from them the identifications, location,
dimensions, and size of the common elements and of each dwelling unit.


RONALD J. PRICE

L.S. #2683

EXHIBIT G

ARTICLES OF INCORPORATION
OF

FAIRWINDS COVE CONDOMINIUM ASSOCIATION OF HUTCHINSON ISLAND, INC.

State of Florida

DEPARTMENT OF STATE • DIVISION OF CORPORATIONS

I certify that the following is a true and correct copy of Articles of Incorporation of FAIRWINDS COVE CONDOMINIUM ASSOCIATION OF HUTCHINSON ISLAND, INC., a corporation not for profit organized under the Laws of the State of Florida, filed on September 12, 1978, as shown by the records of this office.

The charter number for this corporation is 744239.

GIVEN under my hand and the Great Seal of the State of Florida, at Tallahassee, the Capital, this the 13th day of September, 1978.



SECRETARY OF STATE

ARTICLES OF INCORPORATION

OF

FAIRWINDS COVE CONDOMINIUM ASSOCIATION OF HUTCHINSON ISLAND, INC.

I, the undersigned, for the purpose of forming a non-profit corporation in accordance with the laws of the State of Florida, acknowledge and file these Articles of Incorporation in the Office of the Secretary of State of the State of Florida.

ARTICLE I

NAME

The name of this corporation shall be FAIRWINDS COVE CONDOMINIUM ASSOCIATION OF HUTCHINSON ISLAND, INC. For convenience, the corporation shall herein be referred to as the "Association".

ARTICLE II

PURPOSES AND POWERS

The purposes for which this corporation is formed are as follows:

- A. The operation and management of the condominium apartment building which may be established in accordance with Chapter 718, Florida Statutes, The Condominium Act, upon the real property designated as the Condominium Property in the Declaration of Condominium to which these Articles are attached as an Exhibit, situate, lying and being in Martin County, Florida, and to undertake the performance of, and to carry out the acts and duties incident to the administration of the operation and management of said condominium in accordance with the terms, provisions, conditions and authorizations contained in these Articles of Incorporation and which may be contained in the Declaration of Condominium to which these Articles are attached as an exhibit which will be recorded amongst the Public Records of Martin County, Florida; and to own, operate, lease, sell, trade and otherwise deal with such property, whether real or personal, as may be necessary or convenient in the administration of said condominium.
- B. To carry out the duties and obligations and receive the benefits given the Association by the Declaration of Condominium of the condominium which may be established upon the Condominium Property.
- C. To establish By-Laws for the operation of the condominium properties; to provide for the formal administration of the Association and rules and regulations for governing same; and to enforce the provisions of the Condominium Act, the condominium declaration, these Articles and the By-Laws of the Association.
- D. To contract for the management of the Condominium and to delegate to the party with whom such contract has been

S. SALTER A.
STATE 412
COUNTY OF B.
INCORPORATED C.
RECORD NO. 910
FILE NO. 534

entered the powers and duties of the Association except those which require specific approval of the Board of Directors or members

- E. The Association shall have all of the common law and statutory powers of a corporation not for profit which are not in conflict with the terms of these Articles, the said Declarations of Condominiums, the By-Laws and The Condominium Act. The Association shall also have all of the powers of Condominium Associations under and pursuant to Chapter 718, Florida Statutes, The Condominium Act, and shall have all of the powers reasonably necessary to implement the purposes of the Association.

ARTICLE III

MEMBERS

Section 1. All unit owners in the condominium created by the Declaration of Condominium to which these Articles are attached as an exhibit shall automatically be members, and their memberships shall automatically terminate when they are no longer owners of a unit. If a member should sell his unit (apartment) under the provisions of the Declaration, the grantee from such member will automatically acquire membership in the Association. Membership certificates are not required and will not be issued.

Section 2. The owners of each condominium unit shall have one (1) vote in all meetings, elections or deliberations of the Association. The corporation or individual with an interest in more than one unit may designate the voting member for each unit in which it or he owns an interest.

Section 3. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his apartment.

ARTICLE IV

EXISTENCE

This corporation shall have perpetual existence.

ARTICLE V

SUBSCRIBERS

The names and address of the subscribers are as follows:

| | |
|--------------------|---|
| H. Hughes Spragins | 875 Lake Crest Melbourne, E.G., Florida 32935 |
| Lois M. Paulsen | 5309 Randolph Road Rockville, Maryland 20852 |
| Bonnie O. Cross | 13900 Castle Blvd., Apt. T-1 Silver Spring, Maryland 20904 |

HES & SALT P. A.
SUITE 411
MONTGOMERY CENTER
110 PENNSYLVANIA AVE
LAUREL SPRING, MD 20810
BR 3251-34 103

ARTICLE VI

DIRECTORS

Section 1. The affairs and property of this corporation shall be managed and governed by a Board of Directors composed of not less than Three (3) nor more than Nine (9) persons. The first Board of Directors shall have Three (3) members, and in the future, the number will be determined from time to time in accordance with the provisions of the By-Laws of the corporation.

Section 2. Directors shall be elected by the voting members in accordance with the By-Laws at the regular annual meeting of the membership of the corporation, in the manner set out by the By-Laws. Directors shall be elected to serve for a term of One (1) year. In the event of a vacancy, the elected directors may appoint an additional director to serve the balance of said year. The first Board of Directors of the Condominium Association will remain in office, and the owner will control the operation of the condominium until One (1) year after the sale and conveyance of the last apartment unit in Fairwinds Cove of Hutchinson Island or such control is divested pursuant to Chapter 718.301 of the Florida Statutes. The directors herein named shall serve until the first election of directors and any vacancies in their number occurring before the first election shall be filled by the remaining directors.

Section 3. All officers shall be elected by the Board of Directors in accordance with the By-Laws at the regular annual meeting of the Board of Directors as established by the By-Laws, to be held immediately following the annual meeting of the membership. The Board of Directors shall elect from among the members a President, Vice-President, Secretary, Treasurer and such other officers as it shall deem desirable, consistent with the corporate By-Laws. The President shall be elected from among the membership of the Board of Directors, but no other officer need be a Director.

ARTICLE VII

OFFICERS

Subject to the direction of the Board, the affairs of the Association shall be administered by the officers designated in the By-Laws, who shall serve at the pleasure of said Board of Directors. The names and addresses of the officers who shall serve until the first election of officers pursuant to the terms of the Declaration of Condominium and By-Laws are as follows:

| <u>NAME</u> | <u>TITLE</u> |
|--|----------------|
| RAYMOND J. BRISCUSO 9110 Harrington Drive Bradley Farms Potomac, Maryland 20854 | President |
| WALTER A. BREEN Mariner Cay - Apt. 6-A 3901 St. Lucie Boulevard Stuart, Florida 33494 | Vice President |
| BETTE McNAMARA 2572 Riva Road Apt. 11-B Annapolis, Maryland 21401 | Treasurer |

Section 2. Any voting member may waive any or all of the requirements of this Article as to notice by the Secretary or proposals to the President for alteration, amendment or rescission of these Articles, either before, at or after a membership meeting at which a vote is taken to amend, alter or rescind these Articles in whole or in part.

ARTICLE XI

INDEMNIFICATION

Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees reasonably incurred by or imposed upon him in connection with any proceeding or any settlement thereof, to which he may be a party, or in which he may become involved by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE XII


ADDRESS

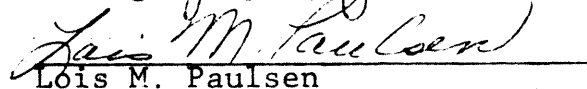
The principal office of the corporation shall be located at 333 Causeway Boulevard, Hutchinson Island, Jensen Beach, Florida, 33457, but the corporation may maintain offices and transact business in such other places within or without the State of Florida as may from time to time be designated by the Board of Directors.


IN WITNESS WHEREOF, I have hereunto set my hand and seal at Silver Spring, Montgomery County, Maryland, this 28th day of September, 1978.

Signed, Sealed and Delivered
in the presence of:



 (SEAL)
H. Hughes Spragins

 (SEAL)
Lois M. Paulsen

 (SEAL)
Bonnie O. Cross

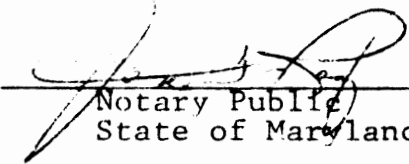
STATE OF MARYLAND)
) SS:
COUNTY OF MONTGOMERY)

I HEREBY CERTIFY that on this day personally appeared before me, the undersigned authorities, H. HUGHES SPRAGINS, LOIS M. PAULSEN and BONNIE O. CROSS, to me well known and known to me to be the subscribers described in and who executed the foregoing

TOMES & SALTER, P.A.
SUITE 417
MONTGOMERY CENTER
8630 FENTON STREET
SILVER SPRING, MD. 20910
589-0551 - 588-9303

Articles of Incorporation, and they acknowledged before me that they executed the same freely and voluntarily for the purposes therein expressed.

WITNESS my hand and official seal at Silver Spring, Montgomery County, Maryland, this 28th day of September, 1978.



Notary Public
State of Maryland

My Commission Expires:

July 1, 1982

TOMES & SALTER, P.A.
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Page 6.

BOOK 454 PAGE 539

EXHIBIT H

BY-LAWS

OF

FAIRWINDS COVE CONDOMINIUM ASSOCIATION OF HUTCHINSON ISLAND, INC.

BY-LAWS
OF
FAIRWINDS COVE CONDOMINIUM ASSOCIATION
OF HUTCHINSON ISLAND, INC.

A Non-Profit Florida Corporation

ARTICLE I

GENERAL

Section 1. The Name: The name of the corporation is that set forth at the heading of these By-Laws.

Section 2. The Principal Office: The principal office of the Corporation shall be located at Jensen Beach, Florida 33457, or at such other place as may be subsequently designated by the Board of Directors. All books and records of the Corporation shall be kept thereat.

Section 3. The Association is a Florida corporation not for profit organized and existing under the laws of the State of Florida for the purpose of administering the condominium described in the Declaration of Condominium to which these By-Laws are attached.

Section 4. Definition: As used herein, the term "Corporation" shall be the equivalent of "Association" as defined in the Declaration of Condominium, and the words "property", "unit owner", and "condominium" are defined as set forth in the Declaration of Condominium, etc., of the Corporation, to which these By-Laws are attached.

ARTICLE II

DIRECTORS

Section 1. Number and Term: The number of Directors which shall constitute the whole board shall be not less than three (3) nor more than nine (9). Until succeeded by Directors elected at the first annual meeting of members, Directors need not be members; thereafter, all Directors shall be members. Within the limit above specified, the number of Directors shall be determined by the members at the annual meeting. The Directors shall be elected to serve for the term of One (1) year, or until his successor shall be elected and shall qualify. The first Board of Directors shall have three (3) members. The first Board of Directors of the Condominium Association will remain in office, and the Developer will control the operation of the condominium until such control is divested pursuant to Chapter 718.301 Florida Statutes, or until Developer elects to turn over control to the unit owners, whichever shall first occur.

Section 2. Vacancy and Replacement: If the office of any Director or Directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Directors, though less than a quorum, at a special meeting of Directors duly called for this purpose, shall choose a successor or successors, who shall hold office for the unexpired term in respect to which such vacancy occurred.

Section 3. Removal. Directors may be removed for cause by an affirmative vote of a majority of the qualified votes of members. No Director shall continue to serve on the Board if, during his term of office, his membership in the Corporation shall be terminated for any reason whatsoever. The foregoing shall not be applicable to the members of the Board of Directors selected by the Developer as set forth in Section I hereof.

Section 4. First Board of Directors: The first Board of Directors shall consist of Raymond J. Briscuso, Walter A. Breen and H. Hughes Spragins, who shall hold office and exercise all powers of the Board of Directors until the first membership meeting, anything herein to the contrary notwithstanding; provided, however, that any or all of said Directors shall be subject to replacement in the event of resignation or death as above provided.

MES & SALTER, P.A.

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FLORIDA OFFICE

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SOUTH HARBOUR CITY BLVD.
LBOURNE, FLORIDA 32901
(305) 725 3100

Section 5. Powers: The property and business of the Corporation shall be managed by the Board of Directors, which may exercise all corporate powers not specifically prohibited by statute, the Certificate of Incorporation or the Declaration to which these By-Laws are attached. The powers of the Board of Directors shall specifically include, but not be limited to, the following:

- A. To make and collect regular and special assessments and establish the time within which payment of same are due.
- B. To use and expend the assessments collected to maintain, care for and preserve the units and condominium property, except those portions thereof which are required to be maintained, cared for and preserved by the unit owners, or Fairwinds, Inc.
- C. To purchase the necessary equipment and tools required in the maintenance, care and preservation referred to above.
- D. To enter into and upon the units when necessary and at as little inconvenience to the owner as possible in connection with such maintenance, care and preservation.
- E. To insure and keep insured said condominium property in the manner set forth in the Declaration, against loss from fire and/or casualty, and the unit owners against public liability, and to purchase such other insurance as the Board of Directors may deem advisable.
- F. To collect delinquent assessments by suit or otherwise, abate nuisances and enjoin or seek damages from the unit owners for violations of these By-Laws and the terms and conditions of the Declaration.
- G. To employ and compensate such personnel as may be required for the maintenance and preservation of the property.
- H. To make reasonable rules and regulations for the occupancy of the condominium parcels.
- I. To acquire and/or rent and/or lease a condominium parcel in the name of the Corporation or a designee.
- J. To contract for management of the condominium and to delegate to such other party all powers and duties of the Association except those specifically required by the condominium documents to have specific approval of the Board of Directors or membership.
- K. To carry out the obligations of the Association under any restrictions and/or covenants running with any land submitted to the condominium ownership of this Association or its members.
- L. To assist Fairwinds, Inc., and the management firm in the carrying out of the duties and responsibilities imposed upon them by the Declaration of Covenants and Restrictions and the Management Agreement.

Section 6. Compensation: Neither Directors nor Officers shall receive compensation for their services as such.

Section 7. Meetings:

- A. The first meeting of each Board newly elected by the members shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board of Directors shall be held at the same place as the general members' meeting, and immediately after the adjournment of same.
- B. Special meetings shall be held whenever called by the direction of the President or a majority of the Board. The Secretary shall give notice of each special meeting either personally, by mail or telegram, at least three (3) days before the date of such meeting, but the Directors may waive notice of the calling of the meeting.

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(305) 725-3100

C. A majority of the Board shall be necessary and sufficient at all meetings to constitute a quorum for the transaction of business, and the act of a majority present at any meeting at which there is a quorum shall be the act of the Board. If a quorum shall not be present at the meeting, the Directors then present may adjourn the meeting until a quorum shall be present.

Section 8. Order of Business: The order of business at all meetings of the Board shall be as follows:

- A. Roll call;
- B. Reading of Minutes of last meeting;
- C. Consideration of communications;
- D. Resignations and elections;
- E. Reports of officers and employees;
- F. Reports of committees;
- G. Unfinished business;
- H. Original resolutions and new business;
- I. Adjournment.

Section 9. Annual Statement: The Board shall present, no less often than at the annual meeting, a full and clear statement of the business and condition of the Corporation, including a report of the operating expenses of the Corporation and the assessments paid by each member.

ARTICLE III

OFFICERS

Section 1. Executive Officers: The executive officers of the Corporation shall be a President, Vice-President, Treasurer and Secretary, all of whom shall be elected annually by said Board. Any two of said offices may be united in one person, except that the President shall not also be the Secretary or an Assistant Secretary of the Corporation. The President shall be a Director ex officio, unless elected by the Board. If the Board so determines, there may be more than one Vice-President.

Section 2. Subordinate Officers: The Board of Directors may appoint such other officers and agents as they may deem necessary, who shall hold office during the pleasure of the Board of Directors and have such authority and perform such duties as from time to time may be prescribed by said Board.

Section 3. Tenure of Officers; Removal: All officers and agents shall be subject to removal, with or without cause, at any time by action of the Board of Directors, which may delegate such powers to any officer.

Section 4. The President:

A. If present, the President shall be Chairman of and shall preside at all meetings of the members and Directors; he shall have general and active management of the business of the Corporation except that which is delegated; shall see that all orders and resolutions of the Board are carried into effect; and shall execute bonds, mortgages and other contracts requiring a seal of the Corporation. The seal, when affixed, shall be attested by the signature of the Secretary.

B. He shall have general superintendence and direction of all the other officers of the Corporation, and shall see that their duties are performed properly.

C. He shall submit a report of the operations of the Corporation for the fiscal year to the Directors (whenever called for by them) and to the members at the annual meeting, and from time to time shall report to the Board all matters within his knowledge which the best interests of the Corporation may require be brought to their notice.

D. He shall be an ex officio member of all committees, and shall have the general powers and duties of supervision and management usually vested in the office of the President of a corporation.

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Section 5. The Vice-President: The Vice-President shall be vested with all the powers and required to perform all the duties of the President in his absence, together with such other duties as may be prescribed by the Board of Directors.

Section 6. The Secretary:

- A. The Secretary shall keep the minutes of meetings of the members and of the Board of Directors in one or more books provided for that purpose;
- B. He shall see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law;
- C. He shall be custodian of the corporate records and of the seal of the Corporation and shall see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these By-Laws.
- D. He shall keep a register of the Post Office address of each member, which shall be furnished to the Secretary by such member;
- E. In general, he shall perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 7. The Treasurer:

- A. The Treasurer shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation, and shall deposit all monies and other valuable effects in the name and to the credit of the Corporation, in such depositories as may be designated by the Board of Directors;
- B. He shall disburse the funds of the Corporation as ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Corporation;
- C. He may be required to give the Corporation a bond in a sum and with one or more sureties satisfactory to the Board, for the faithful performance of the duties of his office, and the restoration to the Corporation, in case of his death, resignation or removal from office, of all books, papers, vouchers, money or other property of whatever kind in his possession belong to the Corporation.

Section 8. Vacancies: If the office of any Director, or of the President, Vice-President, Secretary or Treasurer, one or more, becomes vacant by reason of death, resignation, disqualification or otherwise, the remaining Directors, by a majority vote of the whole Board of Directors provided for in these By-Laws, may choose a successor or successors who shall hold office for the unexpired term. If the number of Directors falls below the minimum provided for in these By-Laws, a special members' meeting shall be called for the purpose of filling such vacancies in the Board of Directors.

Section 9. Resignations: Any Director or other officer may resign his office at any time, in writing, which shall take effect from the time of its receipt by the Corporation, unless some other time be fixed in the resignation, and then from that date. The acceptance of a resignation shall not be required to make it effective.

ARTICLE IV

MEMBERSHIP

Section 1. Definition: Membership in the Association shall be limited to owners of the condominium units in condominiums wherein this Corporation has been designated the Association to operate and administer said condominiums by virtue of the Declaration of said condominiums.

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(305) 735-3100

Section 2. Transfer of Membership and Ownership: Membership in the may be transferred only as an incident to the transfer of the transferor's condominium parcel, and his undivided interest in the common elements of the condominium, and such transfer shall be subject to the procedures set forth in the Declaration.

ARTICLE V

MEETINGS OF MEMBERSHIP

Section 1. Place: All meetings of the corporate membership shall be held at the office of the Corporation or such other place as may be stated in the notice.

Section 2. Annual Meeting:

A. The first annual meeting of members shall be held at 2:00 P.M. on the last day of May, 1979 to elect directors and transact such business as properly comes before the meeting; provided, however, that until the Developer turns over control to the unit owners, as hereinabove provided, there shall be no meeting of the members of the Association unless a meeting is called by the Board of Directors of the Association, and should a meeting be called, the proceedings shall have no effect unless approved by the Board of Directors of the Association.

B. Subject to the preceding paragraph, regular annual meetings thereafter shall be held on the first day of February in each year, if not a legal holiday, and if a legal holiday, then on the next secular day following.

C. All annual meeting shall be held at the hour of 2:00 P.M.

D. At the annual meeting, the members, by a plurality vote (cumulative voting prohibited) shall elect a Board of Directors and transact such other business as may properly come before the meeting.

E. Written notice of the annual meeting shall be served upon or mailed to each member entitled to vote thereafter at such address as appears on the books of the Corporation, at least fourteen (14) days prior to the meeting.

F. If the date of the annual meeting falls on a Saturday or Sunday, then the annual meeting shall be held on the first Monday immediately following.

Section 3. Membership List: At least ten (10) days before every election of Directors, a complete list of members entitled to vote at said election, arranged numerically by apartment units, with residence of each, shall be prepared by the Secretary. Such list shall be produced and kept for said ten (10) days and throughout the election at the office of the corporation, and shall be open to examination by any member throughout such time.

Section 4. Special Meetings:

A. Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by statute or by the Certification of Incorporation, may be called by the President, and shall be called by the President or Secretary at the request, in writing, of one-third (1/3) of the members. Such request shall state the purpose or purposes of the proposed meeting.

B. Written notice of a special meeting of members, stating the time, place and object thereof, shall be served upon or mailed to each member entitled to vote thereat, at such address as appears on the books of the Corporation, at least five (5) days before such meeting.

C. Business transacted at all special meetings shall be confined to the objects stated in the notice thereof.

Section 5. Quorum: Fifty-One per cent (51%) of the total number of members of the Corporation, present in person or represented by written proxy, shall be requisite to and shall constitute a quorum at all meetings of the members for the transaction of business, except as otherwise provided by statute, by the Certificate of Incorporation or by these By-Laws. If, however, such quorum shall

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FELBOURNE, FLORIDA 32901

(305) 725-3100

not be present or represented at any meeting of the members, the members entitled to vote, thereat, present in person or represented by written proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called.

Section 6. Vote Required to Transact Business: When a quorum is present at any meeting, a majority of the votes cast, in person or represented by written proxy, shall decide any question brought before the meeting, unless the question is one upon which, by express provision of the statutes or of the Certificate of Incorporation or of these By-Laws a different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 7. Right to Vote: All unit owners shall be entitled to one (1) vote. At any meeting of the members, every member having the right to vote shall be entitled to vote in person or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof. If more than one (1) person or a corporation own an apartment (parcel), they shall file a certificate with the Secretary naming the person authorized to cast votes for said apartment. If the same is not on file, the vote of such owner shall not be considered, nor shall the presence of said owners at a meeting be considered in determining whether the quorum requirement has been met. Corporations shall have the right to membership in the Association.

Section 8. Waiver and Consent: Whenever the vote of members at a meeting is required or permitted by any provision of the statutes or the Certificate of Incorporation or of these By-Laws to be taken in connection with any action of the Corporation, the meeting and vote of members may be dispensed with if all members who would have been entitled to vote upon the action of such meeting if such meeting were held shall consent in writing to such action being taken.

Section 9. Order of Business: The order of business at annual members' meeting and as far as practical at other members' meetings, will be:

1. Election of Chairman;
2. Roll Call;
3. Proof of Notice of Meeting or Waiver of Notice;
4. Reading of Minutes of Prior Meeting;
5. Officers' Reports;
6. Committee Reports;
7. Elections;
8. Unfinished Business;
9. New Business;
10. Adjournment.

ARTICLE VI

NOTICES

Section 1. Definition: Whenever under the provisions of the Statutes or of the Certificate of Incorporation or of these By-Laws, notice is required to be given to any director or member, it shall not be construed to mean personal notice; but such notice may be given in writing by mail, by depositing the same in a post office or letter box in a postpaid, sealed envelope, addressed as appears on the books of the Corporation.

Section 2. Service of Notice -Waiver: Whenever any notice is required to be given under the provisions of the statutes or of the Certificate of Incorporation or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent thereof.

Section 3. Address: The address for notice of the Corporation is 3434 Northeast 42nd Street, Hutchinson Island, Jensen Beach, Florida 33457.

ES & SALTER, P.A.

MARYLAND OFFICE

SUITE 417
MONTGOMERY CENTER
30 FENTON STREET
FREDERICK, MD 20910
TEL: 410-551-5889 & 588-9303

FLORIDA OFFICE

SUITE 201
SHIP BANK BUILDING
14TH HARBOUR CITY BLVD
JENSEN BEACH, FLORIDA 32901
(305) 725-3100

ARTICLE VII

FINANCES

Section 1. Fiscal Year: The fiscal year shall be the calendar year.

Section 2. Checks: All checks or demands for money and notes of the Corporation shall be signed by any one of the following officers: President, Vice-President or Treasurer, or by such officer or officers or such other person or persons as the Board of Directors may from time to time designate. The Board of Directors by resolution may require more than one (1) signature.

Section 3. Determination of Assessments:

A. The Board of Directors of the Corporation shall fix and determine from time to time the sum or sums necessary and adequate for the common expenses of the condominium property. Common expenses shall include expenses for the operation, maintenance, repair or replacement of the common elements, costs of carrying out the powers and duties of the Corporation, all insurance premiums and expenses relating thereto, including fire insurance, and any other expenses designated as common expenses in the Declaration of Condominium and exhibits attached thereto to which these By-Laws are attached or as designated from time to time by the Board of Directors of the Corporation. The Board of Directors is specifically empowered on behalf of the Corporation to make and collect assessments and to maintain, repair and replace the common elements. Unless otherwise provided, funds for the payment of common expenses shall be assessed against the unit owners in the proportions or percentages of sharing common expenses provided in this declaration. Said assessment shall be payable as provided in the Condominium Declaration. Special assessments, which should be required by the Board of Directors, shall be levied and paid in the same manner as hereinbefore provided for regular assessments.

B. When the Board of Directors has determined the amount of any assessment, the Secretary-Treasurer of the Corporation shall mail or present a statement of the assessment to each of the owners. All assessments shall be payable to the Corporation, and upon request, the Secretary and/or Treasurer shall give a receipt for each payment made.

C. The Board of Directors may authorize the President to enter into a management contract with third parties to whom the power to levy and collect assessments and do other acts and things referred to herein or in the Declaration or Articles of Incorporation may be delegated.

D. Notwithstanding anything in these By-Laws or the Declaration of Condominium which authorizes expenditures, no expenditure for the improvement of the common elements exceeding Five Thousand Dollars (\$5,000.00) per annum shall be made without the approval of Seventy-five per cent (75%) per cent of the membership, except for the repair of the condominium property due to casualty loss.

Section 4. Application of Payments and Commingling of Funds. All sums collected by the Association from assessments may be commingled in a single fund or divided into more than one fund, as determined by the Board of Directors of the Corporation. All assessment payments by a unit owner shall be applied as provided herein and in the Declaration of Condominium.

Section 5. Annual Budget of Common Expenses. The Board of Directors of the Corporation shall mail or cause to be mailed to all members of the Corporation a copy of the proposed annual budget of common expenses together with a notice of the time and place in which said budget will be considered by the Board of Directors. Said mailing shall occur not less than thirty (30) days prior to the meeting at which the proposed budget will be considered.

If a budget for the common expenses as adopted by the Board of Directors requires an assessment against the members in any fiscal year which exceeds 115 percent of said assessment for the preceding year, said Board, upon written application of 10 percent of the members to the Board, shall call a special meeting of the members within thirty (30) days thereafter. A notice of said special

OMES & SALTER, P.A.

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8630 FENTON STREET
SILVER SPRING, MD 20910
(301) 589-0551 & 588-9303

FLORIDA OFFICE

SUITE 201
FLAGSHIP BANK BUILDING
99 SOUTH HARBOUR CITY BLVD.
MELBOURNE, FLORIDA 32901
(305) 725-3100

meeting shall be mailed to each member at such time to provide members with not less than ten (10) days written notice of the special meeting. In the computation to determine whether assessments exceed 115 percent of a similar assessment for the preceding year (1) authorized provisions for reasonable reserves for repair or replacement of condominium property, (2) anticipated expenses by the Corporation which are not expected to be incurred on a regular or annual basis, and/or (3) assessments for betterment to the condominium property shall be excluded from said computations.

So long as the Developer is in control of the Corporation an assessment which exceeds 115 percent of a similar assessment for the preceding year shall not be imposed unless approved by a majority of the unit owners as the same may from time to time exist.

ARTICLE VIII

HOUSE RULES

In addition to the other provisions of these By-Laws, the following house rules and regulations, together with such additional rules and regulations as may hereafter be adopted by the Board of Directors, shall govern the use of the family units located in the property and the conduct of all residents thereof:

- A. Condominium parcels shall be used only for residential purposes.
- B. Unit owners shall not use or permit the use of their premises in any manner which would be disturbing or be a nuisance to other owners, or in such a way as to be injurious to the reputation of the property.
- C. The use of the condominium parcels shall be consistent with existing law and the Declaration of Condominium to which these By-Laws become a part.
- D. Common elements shall not be obstructed, littered, defaced, or misused in any manner.
- E. No structural changes or alterations shall be made in any unit without prior written consent of the Board of Directors and mortgagee holding a mortgage on said unit.
- F. The owner shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside of walls of a building, and no sign, awning, shutter or antenna shall be affixed to or placed on the exterior walls or roof, or any part thereof, without the prior consent of the Condominium Association.
- G. No outdoor clothes lines may be erected, and nothing shall be hung out or exposed on any part of the common elements.
- H. Common walks, park area and other common elements shall be kept free from rubbish, debris and other unsightly materials, and shall not be obstructed, littered, defaced or misused in any manner.
- I. No "For Sale" or "For Rent" signs or other window displays or advertising is permitted on any part of the condominium property or in any condominium parcel, except that the corporation submitting said property to condominium use and any mortgagee who may become the owner of a condominium parcel has such right to exhibit signs.

ARTICLE IX

DEFAULT

In the event a unit owner does not pay any sums, charges, or assessments required to be paid to the Corporation within thirty (30) days from the due date, the Corporation, acting on its own behalf or through its Board of Directors, may enforce its lien for assessments or take such other action to recover the sums, charges, or assessments to which it is entitled, in accordance with the Declaration and the statutes made and provided.

IES & SALTER, P.A.

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VER SPRING, MD 20910
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FLORIDA OFFICE

SUITE 201
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BOURNE, FLORIDA 32901
(305) 725-3100

If the Corporation becomes the owner of a unit by reason of foreclosure, it shall offer said unit for sale and at such time as a sale is consummated, it shall deduct from the proceeds of said sale all sums of money due it for assessments and charges, all costs incurred in the bringing of the foreclosure suit, including reasonable attorney's fees, and any and all expenses incurred in the resale of the unit, which shall include but not be limited to advertising expenses, real estate brokerage fees and expenses necessary for the repairing and refurbishing of the unit in question. All monies remaining after deducting the foregoing items of expenses shall be returned to the former owner of subject unit.

In the event of violation of the provisions of the Declaration, Corporate Charter or By-Laws, as the same are or may hereafter be constituted, for thirty (30) days after notice from the Association to the unit owners to correct said breach or violation, the Corporation, on its own behalf or by and through its Board of Directors, may bring appropriate action to enjoin such violation or may enforce the provisions of said documents, or may sue for damages, or take such other courses of action, or other legal remedy as it or they may deem appropriate.

In the event such legal action is brought against a unit owner and results in a judgment for the Plaintiff, the Defendant shall pay the Plaintiff's reasonable attorney's fees and court costs.

Each unit owner, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and abatement of nuisance, regardless of the harshness of the remedy available to the Corporation and regardless of the availability of the other equally adequate legal procedures. It is the intent of all owners of family units to give to the Corporation a method and procedure which will enable it at all times to operate on a businesslike basis, to collect those monies due and owing it from the owners of units, and to preserve each unit owner's right to enjoy his unit, free from unreasonable restraint and nuisance.

ARTICLE X

JOINT OWNERSHIP

Membership may be held in the name of more than one owner. In the event ownership is in more than one person, all of the joint owners shall be entitled collectively to only one voice or ballot in the management of the affairs of the Corporation, and the vote may not be divided between plural owners. If the owners are unable to agree upon their ballot upon any subject at any meeting, they shall lose their right to vote on such subject; but, if all of said owners shall not be present at the meeting, either in person or by proxy, the one or ones so present shall cast the vote of all such owners.

ARTICLE XI

AMENDMENT

The By-Laws may be altered, amended or added to at any duly called meeting of the unit owners provided that:

- (a) notice of the meeting shall contain a statement of the proposed amendment;
- (b) if the amendment has received the unanimous approval of the full Board of Directors, then it shall be approved upon the affirmative vote of the voting members casting a majority of the total votes of the unit owners;
- (c) if the amendment has not been approved by the unanimous vote of the Board of Directors, then the amendment shall be approved by the affirmative vote of the voting members casting not less than three-fourths (3/4) of the total votes of the unit owners;
- (d) said amendment shall be recorded and certified as required by the Condominium Act.

Notwithstanding anything above to the contrary, until the Developer has sold and conveyed title to all of the condominium units which may be constructed on the condominium property, or until the Developer turns over control of the Association, whichever shall first occur, these By-Laws may not be amended without a prior resolution requesting the said amendment from the Board of Directors.

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ARTICLE XII

CONSTRUCTION

Wherever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, wherever the context so requires.

Should any of the covenants herein imposed be void or be or become unenforceable at law or in equity, the remaining provisions of this instrument shall nevertheless be and remain in full force and effect.

The foregoing were adopted as the By-Laws of the above named Corporation at the first meeting of its Board of Directors.


Secretary

ATTEST:


President

MES & SALTER, P.A.

MARYLAND OFFICE

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LAGSHIP BANK BUILDING
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LBOURNE, FLORIDA 32901
(306) 725-3100

EXHIBIT I
AGREEMENT
BETWEEN
FAIRWINDS ASSOCIATES, INC.
AND
DOLPHINS BAY PHASE 1 CONDOMINIUM ASSOCIATION, INC.

A G R E E M E N T

THIS AGREEMENT dated this 17th day of August, 1978, by and between FAIRWINDS ASSOCIATES, INC., a Florida Corporation, hereinafter referred to as "Fairwinds", and DOLPHINS BAY PHASE I CONDOMINIUM ASSOCIATION, INC., A Florida Corporation referred to as "Phase I", witnesseth:

WHEREAS, Phase I is a not for profit corporation organized pursuant to the laws of the State of Florida for the sole purpose of operation of a condominium known as Dolphins Bay Phase I, which condominium is erected upon lands located in Martin County, Florida, as more particularly described in a declaration of condominium for Dolphins Bay Phase I as recorded among the public records of the said Martin County, Florida.

WHEREAS, Fairwinds is the owner of certain land located adjacent to the lands contained in Phase I; that there is presently constructed upon a portion of said lands 80 condominium units, which units have heretofore been referred to as Dolphins Bay Phase II, however, no declarations of condominium have yet been recorded affecting said 80 units; that Fairwinds will file or cause to be filed among the public records of Martin County, Florida, a declaration of condominium to be named Fairwinds Cove, and further Fairwinds will form or cause to be formed pursuant to Florida law a not for profit corporation to be known as Fairwinds Cove Condominium Association of Hutchinson Island, Inc. hereinafter referred to as "new association", and

WHEREAS, attached hereto and incorporated herein by reference as Exhibit A is a survey and legal description depicting and describing said land and improvement thereon (the said 80 units) which is to be submitted to the condominium form of owner-

ship known as Fairwinds Cove and which is to be managed and operated by the new association; included in the lands described in said Exhibit A and outlined thereon in red is a parcel of land measuring 140' East and West by 160' North and South upon which is located a swimming pool and clubhouse hereinafter referred to collectively as "recreational facilities", and

WHEREAS, the parties are desirous of reaching an agreement as to the use by Phase I unit owners of the recreational facilities described above, and

WHEREAS, Fairwinds desires the support and assistance of Phase I in obtaining certificates of occupancy and support of its marketing efforts for Fairwinds Cove Condominiums, and

WHEREAS, it is in the mutual interest of and benefit to the respective parties to accomplish certain modification to the existing sewer and water systems presently serving the premises, which modifications have been heretofore defined by cognizant departments or agencies of Martin County, Florida.

NOW, THEREFORE, in consideration of the premises and the benefit inuring to the parties as herein described the parties do hereby agree each with the other as follows:

1. That Phase I will support and endorse Fairwinds request for certificates of occupancy of existing buildings located in Fairwinds Cove, including appropriate representations to the County Commission and County staff.
2. That it is presently contemplated by the parties that at a future date there may be one condominium association to manage and operate the common facilities of the two separate condominium associations.
3. That a committee will be established with representatives of Fairwinds and Phase I to attempt to develop common rules and regulations concerning Dolphins Bay Phase I and Phase II.

4. That Fairwinds agrees that it will endeavor to maintain an adult community in its sales of Fairwinds Cove Condominium units.

5. That Fairwinds agrees to either transfer the recreational facilities to a master condominium association in which the unit owners of Phase I will have the unqualified right to the use and enjoyment thereof and a proportionate right to control or, in the alternative, that a perpetual easement for ingress and egress and use of the recreational facilities (Exhibit A) by the unit owners of Phase I shall be granted and recorded in the Martin County, Florida, public records within ninety (90) days from the date of this agreement.

6. That Fairwinds is contemplating construction of a pier facility which will be at its expense. Fairwinds agrees that should the pier be constructed, it would allow the unit owners of Phase I a sixty (60) day period to rent boatslips under the same terms and conditions offered to purchasers of units at Fairwinds Cove. The maximum number of slips available to the unit owners of Phase I for said sixty (60) day period will be on a ratio of 48/128 and commitments will be on a first come, first serve basis.

7. That Phase I agrees to pay for the maintenance of said pier, with the exception of the pilings, on a pro rata basis of 48/128 with the coincident right for all unit owners of Phase I to have ingress and egress to and from the pier for walking, sight-seeing and fishing.

8. That Fairwinds further contemplates the construction of tennis courts on lands owned by it. Should such courts be constructed, Phase I owners will have an opportunity to contribute to the cost thereof including, but not limited to, land cost, surveying, development and construction on the basis of 48/128. Phase I shall have sixty (60) days after notification in writing of such cost and its pro rata share thereof to participate as aforesaid including the coincident right to the use of the courts. Should

Phase I decide to exercise its option, it shall have the unqualified right to the use and enjoyment of the tennis courts coincident with the unit owners of the new association and shall be responsible for payment of maintenance fees associated with said courts on a ration of 48/128.

9. That Phase I will contribute to the cost of modification of the storage tanks, water booster pumps and a sewage treatment plant in an amount that represents the improvements directly attributable to Phase I or the sum of \$9,600.00, whichever is the lesser amount.

10. That Phase I will contribute to the cost of maintenance of the sewage treatment plant, pool, clubhouse facilities on a ratio of 48/128 of the total cost. For the first eighteen (18) months subsequent to the signing of this Agreement, said sum shall be \$288.00 per month for the sewage treatment plant plus \$588.00 per month for the recreational facilities, for a total of \$876.00 per month; said payments to be monthly commencing on 8-1-78. The parties hereto expressly acknowledge that the contribution for the sewage treatment plant as aforesaid includes an allowance of \$100.00 per month for water usage rates. Should the actual monthly water usage fee be in excess of \$100.00, Phase I shall contribute 50% of such excess in addition to the monthly payment hereinabove provided independent of and in addition to the fixed rate for the said 18 month period. Furthermore, the parties similarly acknowledge that the insurance premium for the recreational facilities is not included in the said monthly payment, and, accordingly, Phase I agrees to and shall pay as and when due its proportionate share (48/128) of said premium in addition to the other monthly payments here in called for.

11. That Phase I agrees to a name change of the Dolphins Bay complex and agrees to the name Fairwinds for the development; however, the unit owners would request consideration of an alternate name for the development.

12. That Phase I agrees that Fairwinds may take action to beautify the entranceway of Dolphins Bay provided that there is no change to the access of Phase I units by the owners of same. It is understood that such beautification includes the construction by Fairwinds of a brick wall and appropriate grading and landscaping, all of which is estimated to cost \$30,000.00 As its contribution for the benefit inuring to it, Phase I further agrees to the payment of the sum of \$5000.00 upon completion of the landscaping and further agrees to allow changes on the existing landscaping as shown on Exhibit B prepared by Fred Smith and Stresau, registered architects of Stuart, Florida.

13. That Phase I agrees it will not interfere with the marketing techniques for Fairwinds Cove; provided, however, that the marketing techniques do not infringe upon Phase I rights.

14. That Phase I agrees that should the County of Martin require a bicycle path be constructed across the frontage of Dolphins Bay and Fairwinds Cove, that it, in turn, will request of the County that the bicycle path be continued easterly to State Road A-1-A. Phase I further agrees that should a bicycle path be required, they will pay a pro rata cost of construction of the bicycle path through Phase I property.

15. That Fairwinds agrees that sales of Fairwinds Cove will be for single family residential purposes, and that it will not sell the units on a time-sharing/interval ownership basis.

16. The parties agree that if Fairwinds deeds the recreational facilities consisting of the pool and clubhouse to the master condominium association rather than granting a perpetual easement that the membership in the master condominium association shall be comprised of the unit owners of Phase I and the new association with each association represented in the master condominium association on the basis of its proportional number of units, vis-a-vis, total number of units in the complex.

17. That the parties agree that should this Agreement require any changes to the declaration of condominium of Phase I that this Agreement is contingent upon obtaining said approval of the unit owners of Phase I, and, accordingly, the obligations of each party hereunder is similarly contingent upon said approval. Phase I further agrees that should changes in the declaration of condominium for Phase I be required, its Board of Directors will use its best efforts to secure the necessary votes to accomplish said change(s).

18. That this Agreement shall bind the parties, their successors or assigns and shall be recorded in the public records of Martin County, Florida.

ATTEST:

DOLPHINS BAY PHASE I CONDOMINIUM ASSOCIATION, INC.

Marilyn A. Zwick
Secretary

By: [Signature]
Director for the President

Alfred S. Walker
Director

Anthony J. Beck
Director

Edgar Beckman
Director

Director

ATTEST:

FAIRWINDS ASSOCIATES, INC.

Stephanie Gwigg
Secretary

By: [Signature]
Its President

STATE OF FLORIDA
COUNTY OF MARTIN

I HEREBY CERTIFY that on this 11/14 day of August, 1978, before me personally appeared Raymond J. Briscuso, President of FAIRWINDS ASSOCIATES, INC., a corporation under the laws of the State of Florida, to me known to be the person who signed the foregoing instrument as such officers, and severally acknowledged the execution thereof to be their free act and deed as such officers for the uses and purposes therein mentioned, and they affixed thereto the official seal of said corporation, and that the said instrument is the act and deed of said corporation.

WITNESS my signature and official seal at Jensen Beach, said County and State, the day and year last aforesaid.

Betty B. Lynch
Notary Public,
State of Florida

My commission expires: _____

NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES JAN. 17 1981
BONDED THRU GENERAL INS. UNDERWRITERS

STATE OF FLORIDA
COUNTY OF MARTIN

I HEREBY CERTIFY that on this 11/14 day of August, 1978, before me personally appeared Marilu Tweedell, Secretary of DOLPHINS BAY PHASE I CONDOMINIUM ASSOCIATION, INC., a corporation under the laws of the State of Florida, to me known to be the person who signed the foregoing instrument as such officers, and severally acknowledged the execution thereof to be their free act and deed as such officers for the uses and purposes therein mentioned, and they affixed thereto the official seal of said corporation, and that the said instrument is the act and deed of said corporation.

WITNESS my signature and official at Jensen Beach, said County and State, the day and year last aforesaid.

Betty B. Lynch
Notary Public,
State of Florida

My commission expires: _____
NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES JAN. 17 1981
BONDED THRU GENERAL INS. UNDERWRITERS

STATE OF FLORIDA
COUNTY OF MARTIN

I HEREBY CERTIFY that on this 18th day of August, 1978, before me personally appeared Kenneth A. Fields, Treasurer of DOLPHINS BAY PHASE I CONDOMINIUM ASSOCIATION, INC., a corporation under the laws of the State of Florida, to me known to be the person who signed the foregoing instrument as such officers, and severally acknowledged the execution thereof to be their free act and deed as such officers for the uses and purposes therein mentioned, and they affixed thereto the official seal of said corporation, and that the said instrument is the act and deed of said corporation.

WITNESS my signature and official at Stuart, Fla., said County and State, the day and year last aforesaid.

Maryann A. Stahl
Notary Public,
State of Florida

My commission expires:
Notary Public, State of Florida at large
My Commission Expires Aug. 23, 1980
Insured by American Fire & Casualty Company

STATE OF Quebec
COUNTY OF Sauvage Canada

I HEREBY CERTIFY that on this 30th day of August, 1978, before me personally appeared Alfred G. Walker, President of DOLPHINS BAY PHASE I CONDOMINIUM ASSOCIATION, INC., a corporation under the laws of the State of Florida, to me known to be the person who signed the foregoing instrument as such officers, and severally acknowledged the execution thereof to be their free act and deed as such officers for the uses and purposes therein mentioned, and they affixed thereto the official seal of said corporation, and that the said instrument is the act and deed of said corporation.

WITNESS my signature and official at St. Jean Steading, said County and State, the day and year last aforesaid.

Alfred G. Walker

Jean Fauriol
Notary Public,
State of Quebec
My commission expires: at life

STATE OF Florida
COUNTY OF Martin

I HEREBY CERTIFY that on this 11th day of ~~August~~ ^{Sept}, 1978, before me personally appeared Anthony J. Beck, Vice-President of DOLPHINS BAY PHASE I CONDOMINIUM ASSOCIATION, INC., a corporation under the laws of the State of Florida, to me known to be the persons who signed the foregoing instrument as such officers, and severally acknowledged the execution thereof to be their free act and deed as such officers for the uses and purposes therein mentioned, and they affixed thereto the official seal of said corporation, and that the said instrument is the act and deed of said corporation.

WITNESS my signature and official seal at Stuart, said County and State, the day and year last aforesaid.

Sebasal Ann LeDenture
Notary Public,
State of Florida

My commission expires: _____

Notary Public, State of Florida at Large
My Commission Expires Nov. 6, 1981

STATE OF New York
COUNTY OF Suffolk

I HEREBY CERTIFY that on this 20th day of ~~August~~ ^{Sept}, 1978, before me personally appeared Edgar Beckvar, Board Member of DOLPHINS BAY PHASE I CONDOMINIUM ASSOCIATION, INC., a corporation under the laws of the State of Florida, to me known to be the persons who signed the foregoing instrument as such officers, and severally acknowledged the execution thereof to be their free act and deed as such officers for the uses and purposes therein mentioned, and they affixed thereto the official seal of said corporation, and that the said instrument is the act and deed of said corporation.

WITNESS my signature and official seal at Riverhead Ny, said County and State, the day and year last aforesaid.

John W. Kerma
Notary Public,
State of New York

My commission expires: 1980

JOHN W. KERMA
NOTARY PUBLIC, State of New York
No. 285077
Qualified in Suffolk County
Commission Expires March 30, 1980

STATE OF FLORIDA
COUNTY OF MARTIN

I HEREBY CERTIFY that on this 11th day of August, 1978, before me personally appeared Stephanie Quigg, Assistant Secretary of FAIRWINDS ASSOCIATES, INC., a corporation under the laws of the State of Florida, to me known to be the person who signed the foregoing instrument as such officers, and severally acknowledged the execution thereof to be their free act and deed as such officers for the uses and purposes therein mentioned, and they affixed thereto the official seal of said corporation, and that the said instrument is the act and deed of said corporation.

WITNESS my signature and official seal at Martín, Florida 33414, said County and State, the day and year last aforesaid.

Robert D. Hillbrand
Notary Public
State of Florida

My commission expires: _____

NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES 12/1981
I AM BOUND BY THE OATHS OF OFFICE

EXHIBIT J

ASSIGNMENT TO MORTGAGEE

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned Fairwinds Associates, Inc., a Florida corporation, having an office at 3434 Northeast Forty-second Street, Hutchinson Island, Jensen Beach, Florida, 33457, for itself, its successors and assigns (the Assignor), hereby assigns, transfers and conveys unto Marine Midland Bank (the Assignee), a New York corporation, having its principal office at 140 Broadway, New York, New York, all of the Assignor's interest in and rights under the Declaration of Condominium of Fairwinds Cove of Hutchinson /^{Island} and the attachments thereto (the Declaration), including, but not by way of limitation, Assignor's right to exercise control and operation of Fairwinds Cove Condominium (including the right to appoint the first Board of Directors as set forth in the Articles of Incorporation and the By-Laws of Fairwinds Cove Condominium Association of Hutchinson Island, Inc.), as said right of control and operation is granted to Assignor by said Articles and By-Laws. A true copy of the Declaration has heretofore been delivered to the Assignee.

So long as there shall exist no default in the payment of any indebtedness secured by those certain consolidated mortgages (the Consolidated Mortgage) described in the Consolidation and Modification Agreement dated June 30, 1978, between Assignor and Assignee which secure a loan to the Assignor from the Assignee in the original principal amount of \$3,600,000 or in the performance of any obligation, covenant or agreement herein or in said Consolidated Mortgage or in the note evidencing the loan and secured thereby (the Note), Assignor shall have the right to retain, use and enjoy all of its interest in and rights under said Declaration, Articles and By-Laws.

Assignor hereby agrees that notwithstanding the provisions of the Declaration, Articles or By-Laws to the contrary, Assignor will not voluntarily relinquish its right to control the operation of Fairwinds Cove Condominium without the prior written consent of Assignee.

Upon or at any time after such default in the payment of any indebtedness or in the performance of any obligation, covenant or agreement herein or in said Consolidated Mortgage or Note contained, Assignee, without in any way waiving such default may, and shall be entitled to, at its option, all of Assignor's interest in and rights under said Declaration, Articles and By-Laws as heretofore provided.

Assignee shall not be obligated to perform or discharge nor does it hereby undertake to perform or discharge any obligation, duty or liability under said Declaration, Articles or By-Laws and Assignor shall and does hereby agree to indemnify Assignee for and to hold Assignee harmless of and from any and all liability, loss or damage which it may or might incur under said Declaration, Articles or By-Laws or under or by reason of this Assignment and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertaking on its part to perform or discharge any of the terms, covenants or agreements contained in the Declaration, Articles or By-Laws. Should Assignee incur any such liability, loss or damage under the Declaration, Articles or By-Laws or under or by reason of this Assignment or in the defense of any such claims or demands, the amount thereof including costs, expenses and reasonable attorneys' fees shall be secured hereby and Assignor shall reimburse Assignee therefor immediately upon demand.

Upon the performance of all of the obligations of Assignor secured hereby, this Assignment shall become and be void and of no effect, but the affidavit or certificate of any officer of Assignee showing any part of said indebtedness to remain unpaid shall be and constitute presumptive evidence of the validity, effectiveness and continuing force of this Assignment. A demand upon any of the parties to the Declaration by Assignee for the payment of any monies and/or payment due and/or to become due the Declarant thereunder after any default claimed by Assignee shall be sufficient warrant to said parties to make future payments of said monies and/or payments due and/or to become due to Assignee without the necessity for consent by Assignor.

Assignee may take or release other security, may release any party primarily or secondarily liable for any indebtedness secured hereby, may grant extensions, renewals, or indulgences with respect to such indebtedness, and may apply any other security therefore held by it without prejudice to any of its rights hereunder.

Nothing herein contained and no act done or omitted by Assignee pursuant to the powers and rights granted it herein shall be deemed to be a waiver by Assignee of its rights and remedies under said Consolidated Mortgage or Note or other loan documents executed and delivered in connection with the \$3,600,000 loan to Assignor referred to above, but this Assignment is made and accepted without any prejudice to any of the rights and remedies possessed by Assignee under the terms thereof.

This Assignment is binding upon and inures to the benefit of Assignee and any holder of the aforesaid Note and is binding upon the Assignor and any successor or assign thereof.

IN WITNESS WHEREOF, the Assignment has been duly executed by Assignor, this 29 day of Sept. , 1978.

FAIRWINDS ASSOCIATES, INC.

Attest:

H. B. [Signature]
Asst. Sec.

By: *[Signature]*
Raymond J. Briscuso, President

Witnesses:

Delores J. Earle
Bonnie P. [Signature]

STATE OF Florida
COUNTY OF Dade : SS.:

BEFORE ME, the undersigned authority, personally appeared H. H. Sprague & Company, Inc. and he acknowledged before me that he executed the foregoing instrument as such officer on behalf of said corporation, for the uses and purposes therein expressed.

WITNESS my hand and official seal this 29th day of September, 1978.

My Commission Expires:

Betty B. Gentry
Notary Public

NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES JAN. 17, 1981
BONDED THRU GENERAL INS. UNDER 10,000

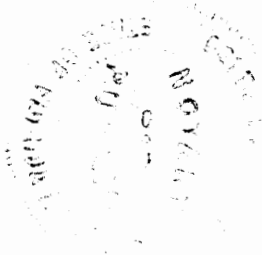


EXHIBIT K

SUBORDINATION OF MORTGAGEE

SUBORDINATION AGREEMENT

This Subordination Agreement is made by Marine Midland Bank (the Mortgagee), having an office at 140 Broadway, New York, New York 10005.

WHEREAS, the Mortgagee is the lawful owner and holder of a mortgage and note from Fairwinds Associates, Inc., dated June 30, 1978 and recorded in the Office of the Martin County Circuit Court Clerk in OR Book 447 at Page 2129, and

WHEREAS, the Mortgagee is also the lawful owner and holder of a purchase money mortgage and note from Fairwinds Associates, Inc. to American Century Mortgage Investors, a Massachusetts business trust, dated June 30, 1978 and recorded in the Office of the Martin County Circuit Court Clerk in OR Book 447 at Page 2103, which purchase money note and mortgage were assigned to the Mortgagee on June 30, 1978, and

WHEREAS, by virtue of a consolidation and modification agreement by and between the Mortgagee and Fairwinds Associates, Inc. dated June 30, 1978, and recorded in the Office of the Martin County Circuit Court Clerk in OR Book 447 at Page 2156, the two mortgages described above were consolidated pursuant to the terms contained therein (said mortgages as so consolidated are hereinafter referred to as the Consolidated Mortgage), and

WHEREAS, the Consolidated Mortgage is a first lien on the real property and improvements thereon described in the Declaration of Condominium of Fairwinds Cove of Robinson Is and dated *Sept. 12*, 1978 (the Declaration), as well as a first lien on other real property, and

WHEREAS, the Mortgagee has agreed to subordinate the lien of the Consolidated Mortgage to the Declaration to the extent required pursuant to Chapter 718, Florida Statutes in accordance with the terms hereof.

NOW THEREFORE, the Mortgagee agrees as follows:

The Mortgagee does hereby subordinate the lien of the Consolidated Mortgage to the Declaration to the extent, and only to the extent, that the Consolidated Mortgage constitutes a lien on the real property and improvements described in the Declaration and such subordination is required pursuant to Chapter 718, Florida Statutes to give legal effect to and operation of the Declaration provided, however, that the lien of the Consolidated Mortgage shall not be subordinate to (i) any lien established by or pursuant to the Declaration or to any lien established by or pursuant to Chapter 718 of the Florida Statutes, (ii) the Agreement dated August 11, 1978 by and between Fairwinds Associates, Inc. and Dolphins Bay Phase I Condominium Associates, Inc. which Agreement is attached to and made part of the Declaration as Exhibit , and (iii) amendments or modifications of the Declaration (including any amendments or modifications of any Exhibits attached thereto) entered into without the prior written consent of the Mortgagee whether or not such amendments or modifications are permitted to be made without the written consent of Mortgagee pursuant to the terms of the Declaration.

IN WITNESS WHEREOF, Marine Midland Bank through an authorized officer has hereunto set its hand and seal this 22nd day of September, 1978.

Witness:

MARINE MIDLAND BANK

By _____



EXHIBIT E
RULES AND REGULATIONS

RULES AND REGULATIONS

OF

FAIRWINDS COVE CONDOMINIUM ASSOCIATION
OF HUTCHINSON ISLAND INC.

The following Rules and Regulations shall govern the conduct of the Unit Owners and the operations of the Fairwinds Cove Condominium Association of Hutchinson Island Inc., until amended by majority vote of the Association of Co-Owners or by its Board of Directors. All terms used herein shall be ascribed the meanings given to such terms by the Florida Condominium Act:

1. Residential Units shall be occupied and used only for single family residential purposes.
2. Unit Owners shall be held responsible for the actions of their children, guests, and their tenants and any damage to any portion of the property caused by children of Unit Owners or their guests shall be repaired at the expense of such Unit Owners.
3. In the event that a Court of Law should declare any paragraph herein to be invalid, such invalidation shall not invalidate remaining paragraphs.
4. Complaints regarding the management of the property or regarding actions of other Unit Owners shall be made in writing to the Board of Directors.
5. Any consent or approval given under these Community Rules and Regulations by the Board of Directors shall be revokable at any time.
6. Permanent occupancy is limited to four persons in each apartment. Guests (with owners in residence) in addition to this number may occupy apartment for not more than two weeks except with approval by the Board of Directors.
7. Rentals are not authorized for less than 30 days. Tenancy, by lease or rent will be limited two (2) separate transactions per year.
8. Owners will submit requests for tenant occupancy to the Board of Directors before expected occupancy. Applications should be in writing and will include, names and ages of members of the party, profession and employer of the tenant and two references.
9. As indicated in the Declaration of Condominium, applications to sell will be forwarded to the Board of Directors and are subject to their approval. Format will be the same as indicated above for tenant occupancy, also the Board of Directors shall be notified in writing at least 10 days in advance of an owner taking any action to sell, list for sale or advertise for sale

their apartment. This is strictly for security reasons.

10. Vehicles shall be parked only in areas provided for that purpose. The Unit Owners, their lessees, employees, servants, agents, visitors, licensees, and the Unit Owners' families must obey any traffic regulations promulgated for the safety, comfort and convenience of the Unit Owner and guests. No vehicle that does not operate under its own-power shall be left in the park for more than 24 hours. No commercial vans, motor homes, motor-cycles, trucks or trailers are allowed in parking area for more than 24 hours.
11. Owners will be held responsible for damage to the driveways caused by oil, gasoline or acids from their cars. This rule applies whether damage is to their own parking space or other spaces which they may be using with or without permission.
12. No parking or driving on grass.
13. No outdoor cooking except in areas which may be designated for this purpose.
14. Paved walkways, stairwells and gallery walkways will not be obstructed. No clothing, towels, carpets etc. to be hung over or placed on gallery balustrade.
15. All owners are required to store personal belongings in their own apartment. No bicycles, containers, tackle boxes, chests, scooters, baby carriages, beach chairs, floats, surf mats or similar vehicles or toys or other personal articles shall be allowed to stand unattended in any part of the Common Elements. Bicycles must be kept inside Unit or parked in area provided at the lower level. There is, however, a limited amount of common element storage space to be used on the following basis:
 - a. Bike storage will be in the cable room adjacent to the elevator. Owners will be responsible for security of their respective equipment as the door will not keep locked. Storage will be on a space available (first come first served) basis.
 - b. Utilization of other storage areas require written authority of the Board of Directors.
16. One domestic pet (exclusive of fish in aquariums) weight of not more than 25 pounds is permitted per apartment. This is limited to owners. Temporary tenants are not permitted to have pets in the area.
 - a. Pets will be confined to apartments or exercised on leash in the parameter. Droppings will be picked up. Excessive barking to the annoyance of others is prohibited. /
 - b. The Board of Directors is authorized to require owners of pets to take necessary measures if they become a nuisance to others.
 - c. The Board of Directors are authorized to make an exception as to the size of a dog, provided the owner abides by the pet rules and if same becomes a nuisance, the Board may take necessary measures to conform to Rule 16 as described.

17. No signs, except the door signs now posted, will be permitted on the apartment doors or about the common areas without written approval of the Board of Directors.
18. No radio or TV antenna or any other wiring may be installed on the exterior of a building without written permission of the association.
19. No alteration or enclosure of balcony is permitted, other than approved by the Board of Directors.
20. No shades, awnings, window guards, window boxes, ventilators, fans or air conditioning devices shall be used in or about the buildings, except such as shall have been approved by the Board of Directors, in writing.
21. No cooking on screened balconies.
22. Elevators to carry freight must be accomplished under the supervision of a person designated by the Board of Directors.
23. External alteration or repair without written approval of the association is prohibited.
24. Disposition of garbage and trash shall be only by the use of the garbage disposal units and the receptacle provided by the association.
 - a. Bottles and glass containers will be hand carried to the container and there will be no dumping down the chute after 10 p.m.
 - b. Wet garbage which cannot be put through the disposal unit will be secured in sealed plastic bags and all cans and bottles rinsed before disposed.
25. No owner or tenant may make or permit any guest to make disturbing noise in the building or on common elements of the association. The volume of musical instruments, phonograph, radio or TV will be muted to the extent that no sound will go beyond the owners apartment after 11 p.m.
26. Activities which may constitute a nuisance i.e. skate boards, volley ball, group activities, picnics, etc., are not allowed on the common walkways or on the lawns. (Except those approved by the Association)
27. Owners/tenants are responsible for the conduct of their guests, and careful supervision is expected.
28. THE REMEDY FOR VIOLATION provided for by the condominium act, Florida Statute 718, shall be in full force and effect. In addition thereto, should the association find it necessary to bring a Court Action for compliance with the law. And the courts finding that the violation complained about is willfull and deliberate, the

unit owner so violating shall reimburse the association for reasonable attorney's fees incurred by it in bringing such action, as determined by the court.

29. THE BOARD OF DIRECTORS reserves the right to change, or add to the existing Rules and Regulations when in its opinion it becomes necessary to do so in the best interest of all members.

30. The Board of Directors may retain a passkey to each Apartment Unit. No Unit Owner shall alter any lock or install a new lock on any door leading into his Apartment without the prior consent of the Board. If such consent is given, the Unit Owner shall provide the Manager with a key for the Board of Directors' use.

31. No children under 12 shall be permitted to ride the elevators unless accompanied by an adult.

32. Each Apartment Owner who plans to be absent from his Unit during the hurricane season or prolonged period must prepare his Unit prior to his departure by:

- a. Removing all furniture, pots, plants and other moveable objects from terrace or balcony.
- b. Designating in writing to the Resident Manager or a responsible firm or individual satisfactory to the Association to care for the Apartment should the Unit suffer storm damage.

33. Owners are requested to leave refrigerators open and cleaned after Season.

34. It shall be the responsibility of the individual Owners to use CRC or comparable to protect hinges, doorknobs, locks, etc. for their preservation against salt exposure, etc.

35. The interior of Units maintenance problems are the Owner's responsibility and problems must not be directed to the Manager. A list of service companies will be provided each Season; otherwise consult the local telephone directory.

36. The Swimming Pool, Recreation Room, Pier and Shuffleboard areas are solely for the use of the Condominium residents and their houseguests. Swimming and the use of other recreational facilities shall be at the risk of those involved and not in any event the risk of the Association or its Manager.

37. The Pier shall be for the use of Condominium Owners Marina Slip Users and their houseguests only. Users shall conform to Posted Regulations.

38. No diving or swimming off the Pier. Cleaning fish is permitted and Owners are requested to leave bench clean after same.

39. No bottles, baby bottles or glass shall be allowed on the Pool Deck or Pier. Heating of the pool shall be at the discretion of the resident Manager. Bathers must remove suntan lotion by use of shower prior to entering pool.

EXHIBIT F
PURCHASE AGREEMENT

PURCHASE AGREEMENT

FAIRWINDS COVE OF HUTCHINSON ISLAND

FAIRWINDS ASSOCIATES, INC.
HUTCHINSON ISLAND
Martin County, Florida

Apartment No. _____ Building _____ Purchase Price _____

Purchaser: _____

Address: _____

Telephone (Local): _____ (Home) _____

ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. FOR CORRECT REPRESENTATIONS REFERENCE SHOULD BE MADE TO THIS CONTRACT AND THE DOCUMENTS REQUIRED BY FLORIDA STATUTES CHAPTER 718.503, TO BE FURNISHED BY A DEVELOPER TO A BUYER OR LESSEE.

Offer to Purchase _____ Date _____

The undersigned purchaser, with the execution of this instrument, pays the sum of \$ _____ to TOMES and SALTER, P.A., Attorneys at Law, Flagship Bank Building, Suite 104, 1900 South Harbor City Boulevard, Melbourne, Florida 32901, called Escrow Agent in this instrument, as earnest money to evidence the good faith of Purchaser, and by this instrument, offers to purchase from FAIRWINDS ASSOCIATES, INC., a Florida corporation, called Developer in this instrument, the following property in Martin County, Florida:

That certain Condominium parcel composed of Apartment No. _____, Building _____, and an undivided 1.25% interest or share in the common elements appurtenant thereto in accordance with and subject to the covenants, restrictions, limitations, conditions and uses, terms and their provisions of the Declaration of Condominium for FAIRWINDS COVE OF HUTCHINSON ISLAND, together with all the appurtenances to that apartment, subject, however, to the provisions of the Declaration.

FAIRWINDS COVE OF HUTCHINSON ISLAND is located on Hutchinson Island, Martin County, Florida, upon real property which is more particularly described in the Declaration of Condominium. PURCHASER HEREBY EXPRESSLY ACKNOWLEDGES RECEIPT OF A COPY OF THE PROSPECTUS FOR FAIRWINDS COVE OF HUTCHINSON ISLAND, WHICH PROSPECTUS CONTAINS A COPY OF SAID DECLARATION AND OTHER INFORMATION REQUIRED BY CHAPTER 718, FLORIDA STATUTES; THE PROSPECTUS IS INCORPORATED HEREIN BY REFERENCE.

TOMES & SALTER, P. A.

FLORIDA OFFICE
SUITE 104
FLAGSHIP BANK BUILDING
1900 SOUTH HARBOR CITY BLVD.
MELBOURNE, FLORIDA 32901
(305) 725-3100

MARYLAND OFFICE
SUITE 417
MONTGOMERY CENTER
8630 FENTON STREET
LVER SPRING, MARYLAND 20910
(301) 589-0551 & 588-9303

This offer is made upon the following terms and conditions:

1. Price and Terms of Payment. The purchase price of the apartment will be paid in the following manner:

- (a) The payment made on making this offer, which payment is in the amount of: \$ _____
- (b) The next payment will be made to Developer within fifteen days after Developer accepts this offer, which payment shall be in the amount of: \$ _____
- (c) _____
\$ _____
- (d) The balance of the purchase price shall be paid in cash at the time of closing, which balance shall be in the amount of: \$ _____
- (e) Any extras ordered by Purchaser shall be added to the purchase price to be paid when such extras have been delivered or completed.
- (f) All payments made by Purchaser to Developer under this Agreement shall be deposited in an escrow account established by Developer with the Escrow Agent, pursuant to Chapter 718.202, Florida Statutes.
- (g) All payments of the sales price will be retained in the escrow account and disbursed as follows:
 - (1) When all the conditions of Paragraph 2 of this Agreement have been performed, and upon closing this transaction, the funds will be disbursed to Developer.
 - (2) If Purchaser properly terminates this Contract pursuant to its terms, the funds will be disbursed to Purchaser.
 - (3) If Purchaser defaults in the performance of his obligations under this Agreement, the funds will be paid to Developer.
 - (4) If Developer defaults in the performance of its obligations under this Agreement, the funds will be paid to Purchaser.

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2. Conditions to Release of Payments on Purchase Price.

Developer shall perform the following conditions before any payments made by Purchaser under this Agreement are paid to Developer. Developer will advise Purchaser from time to time upon demand as to the performance of these conditions, or Purchaser may inspect the evidence of that performance held by the Developer. Developer shall:

- (a) Accept this offer by delivering or mailing to Purchaser a counterpart of this Agreement signed by Developer and give notice of the acceptance to the Escrow Agent.
- (b) Allow fifteen days to expire after the date Purchaser signs this Agreement.

THIS AGREEMENT IS VOIDABLE BY BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN FIFTEEN DAYS AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE BUYER, AND RECEIPT BY BUYER OF ALL OF THE ITEMS REQUIRED TO BE DELIVERED TO HIM BY THE DEVELOPER UNDER CHAPTER 718.503, FLORIDA STATUTES. BUYER MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN FIFTEEN DAYS AFTER THE BUYER HAS RECEIVED ALL OF THE ITEMS REQUIRED. BUYER'S RIGHT TO VOID THIS AGREEMENT SHALL TERMINATE AT CLOSING.

3. Approval of Purchaser.

Purchaser understands that Developer is attempting to create a community of financially responsible and congenial residents, that this offer will be screened with this purpose in view and that this offer may be rejected arbitrarily. Purchaser represents that the information he has submitted to Developer concerning Purchaser and his family are true. As part of the consideration for this Agreement, Purchaser consents that Developer may make such investigation of Purchaser as may be deemed desirable, and Purchaser covenants to hold Developer harmless and releases Developer from liability on account of that investigation and Developer's decision on it.

4. Acceptance of Offer.

If Purchaser's offer is not accepted on or before thirty days after the date of this offer by delivery or mailing to Purchaser of a copy of this instrument executed by Developer, then after that date Purchaser may elect to withdraw this offer at any time prior to its acceptance. Upon Purchaser's withdrawal, all sums paid under this instrument will be paid to Purchaser upon demand. If Developer shall reject this offer, all sums paid under this instrument by Purchaser shall be returned to Purchaser forthwith with notice of the rejection. Upon return to Purchaser of all sums paid under this instrument, all parties shall be released from all obligations under this instrument.

5. The Condominium.

- (a) Each building and each apartment within each building have been constructed substantially in accordance with plans and specifications for such as prepared by Schwab & Twitty Architects, Inc., Forum III, West Palm Beach, Florida. A copy of the complete plans and specifications

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of the improvements and common elements appurtenant thereto are available for inspection by Purchasers at the office of the Developer, FAIRWINDS COVE OF HUTCHINSON ISLAND, Jensen Beach, Florida, 33457.

- (b) The wood trim, doors and walls in Purchaser's apartment are painted, but the apartment will not be decorated otherwise. Each apartment will contain carpets of Developer's selection. Purchaser's apartment is being sold unfurnished, but will be equipped in the manner shown in the plans and specifications. Appliances contained in each apartment are an electric oven and range, refrigerator, dishwasher, disposal, washer, dryer, and central heat and air conditioning. Purchaser will furnish and install all hanging lighting fixtures.
- (c) The Declaration of Condominium has been recorded among the public records of Martin County, Florida. Developer reserves the right to make changes in the Declaration provided that such changes do not decrease Purchaser's share of the common elements, change Purchaser's voting rights, or increase Purchaser's share of the common expenses.
- (d) Risk of loss before closing shall be borne by Developer.
- (e) Purchaser's apartment (has) (has not) been previously occupied.
- (f) Developer will cause FAIRWINDS COVE CONDOMINIUM OF HUTCHINSON ISLAND, INC., to make assessments for common expenses so that for the period beginning with the date upon which Developer is ready to close this sale according to the terms of this instrument and ending with the closing of the sale by Developer of the last apartment owned by it in FAIRWINDS COVE OF HUTCHINSON ISLAND, or until Developer elects to pay its pro rata share of the common expenses, whichever shall first occur, the assessments against the apartment for common expenses shall be at the rate of \$81.13 per month, and Developer shall be assessed for only that portion of the common expenses actually incurred that are in excess of the sum collected by assessments against apartments sold by Developer. If Developer elects to pay its pro rata share of the common expenses, Developer and other apartment owners will be assessed for common expenses upon the apartments owned by them in the manner provided by the Declaration of Condominium. The first assessment will be due at the closing for the period ending with the next assessment payment date following the closing. This clause shall survive the closing.

6. Evidence of Title.

- (a) Developer shall furnish to Purchaser a title insurance binder or commitment prepared by Title Assurance and Escrow, Inc. of Indialantic, Florida, which will indicate clear title to the premises is in the Developer subject only to the liens, encumbrances, exceptions, and qualifications where and therein set forth. Additionally, this title binder or commitment will further clearly indicate which of these encumbrances shall be discharged by the Developer at or before closing under this Purchase Agreement.

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- (b) The aforesaid title insurance binder or commitment shall include the recorded Declaration of Condominium and shall be certified by the title company through the date of recording said Declaration. Any further title examination or subsequent certification shall be at the expense of the Purchaser.
- (c) Purchaser shall have fifteen days from delivery of the aforesaid to examine the same. If title is found to be defective the Purchaser shall within said period notify Developer in writing specifying the defects. If the defects render the title uninsurable, Developer shall have sixty days from receipt of such notice to cure the defects, but if after said time has expired defects are not cured, Purchaser shall have the option to (1) accept title as is, or (2) demand the return of all monies paid hereunder which shall be forthwith returned to Purchaser, and thereupon Purchaser and Developer shall be released of all further obligations under this Agreement.

7. Title.

All mortgages and liens now or hereafter encumbering the apartment will be discharged or released at or prior to the closing unless assumed by Purchaser, but all rights of Purchaser under this instrument are subordinated to the lien of any mortgage placed upon the land or the condominium before the closing of the sale. Developer will convey by Statutory Warranty Deed a fee simple title to the apartment subject to the following exceptions:

- (a) Taxes for the year in which the sale is closed, if not paid.
- (b) The provisions of the Declaration of Condominium, including such rules and regulations, easements, and management contracts as shall be in force under said Declaration.
- (c) Conditions, limitations, restrictions, reservations, easements, and other matters now of record are hereafter granted by Developer and such zoning or other restrictions regarding use of the premises as may be imposed by governmental authority having jurisdiction thereof, none of which shall prohibit use of the apartment as a residence by the Purchaser as contemplated by the Declaration of Condominium.
- (d) Liens for work done or materials furnished at the request of Purchaser.

8. Closing date.

Settlement and closing on this Purchase Agreement shall occur on or before _____. If for any reason a certificate of occupancy for the unit purchased herein has not been issued by Martin County, Florida, on the above closing date, then such closing date shall be extended to a date within fifteen days after issuance of a said certificate of occupancy.

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9. Closing.

The closing shall be effected in the following manner:

- (a) The closing will occur at the office of the Developer. At the option of the Purchaser, closing of this purchase and sale shall be handled by either Title Assurance and Escrow, Inc., of Indialantic, Florida, or the law firm of Tomes and Salter, P.A., Melbourne, Florida.
- (b) The balance of the purchase price will be paid in cash, together with interest at the rate of ten percent (10%) per annum for the period of any delay caused by Purchaser.
- (c) Title to the apartment shall be conveyed by Statutory Warranty Deed subject only to the exceptions stated in this instrument.
- (d) Ad valorem taxes, less the November discount, will be prorated to the date upon which Developer is ready to close this sale according to the terms of this instrument. If the taxes for the year in which the sale is closed are assessed against the property as a whole, then the portion of those taxes apportioned to the apartment shall be the same share as the share in the common elements that are appurtenant to the apartment. In the event Developer and Purchaser agree that the taxes will be paid by FAIRWINDS COVE CONDOMINIUM ASSOCIATION OF HUTCHINSON ISLAND, INC., during November as a common expense, then the taxes apportioned to the apartment shall be assessed to Developer and Purchaser in the sums prorated to them.
- (e) All closing costs, of whatsoever kind and nature, shall be paid by the Purchaser inclusive of the Reserve Account Deposit as hereinafter mentioned and utility deposits apportioned to the Purchaser's apartment.

10. Reserve Account Deposit.

At closing, Purchaser shall be required to contribute, and shall contribute, to FAIRWINDS COVE CONDOMINIUM ASSOCIATION OF HUTCHINSON ISLAND, INC., the sum of Two Hundred Dollars (\$200.00). This contribution is for the purpose of initial and non-recurring capital expenses of said condominium association and/or to provide initial working capital to the said association.

11. Default.

- (a) By Developer. If Developer defaults in the performance of this instrument, Purchaser at his option may elect to void the Agreement and all sums paid by him shall be returned forthwith to him upon demand, and Developer shall be released from any and all further liability hereunder. Failure by Purchaser to give notice in writing to Developer of any alleged default before Developer tenders performance of any omitted act shall constitute a waiver of Developer's default.
- (b) By Purchaser. If Purchaser defaults in the performance of this contract, then Developer, if Developer is not in default at its election, may terminate this Agreement.

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In that event, it is agreed that the amount of damages suffered by Developer because of the default cannot be easily determined and shall be liquidated and paid in the following manner: The liquidated sum to be due to Developer shall be equal to all sums paid by Purchaser upon the purchase price, but not more than twenty percent (20%) of the purchase price. All sums paid upon the purchase price in excess of that liquidated amount shall be paid forthwith to Purchaser, together with a statement of Developer's election to terminate the Agreement and describing Purchaser's default.

- (c) Release. Upon the making of the payments provided in the event of default, both parties shall be released from all further obligations under this Agreement.

12. Nonassignability.

This Contract is personal to Purchaser and cannot be assigned without approval of Developer in writing.

13. Notice.

The delivery of any item and the giving of notice in compliance with the Agreement shall be accomplished by delivery of the item or notice to the party intended to receive it, or by mailing it within the United States by certified mail addressed to the address of the party stated in this Agreement. Notice or delivery by mail shall be effective when mailed.

14. Broker.

Purchaser warrants that this sale was made by

_____ and Purchaser covenants to defend and indemnify Developer against claims of any other broker.

15. Special Clauses.

16. The acceptance of the Statutory Warranty Deed above mentioned by Purchaser shall be deemed to, and shall constitute, full performance and discharge of every agreement and obligation on the part of the Developer to be performed pursuant to the provisions of this Purchase and Sales Contract, except those which survive by operation of law or are herein specifically stated to survive the delivery of said deed.

17. Proposed Tennis Courts.

Purchaser acknowledges that he is aware that the Developer may construct two lighted tennis courts on property adjacent to FAIRWINDS COVE CONDOMINIUM, which property is presently owned by the Developer. If such tennis courts are in fact constructed, the Purchaser will be required to pay his pro rata share of the cost of acquiring the site, construct the tennis courts, and the actual development and/or construction costs thereof not to exceed \$600.00. The cost of maintenance and operation of the courts will be added to the monthly assessment. By the execution

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hereof Purchaser further acknowledges that he has read the Prospectus and the attachments thereto which set forth information pertaining to the proposed tennis courts in more detail. The provisions of this Paragraph 17 shall survive execution and delivery of the Deed.

18. This Purchase Agreement shall not be recorded among the Public Records.

IN WITNESS WHEREOF, Purchaser has executed this Purchase and Sale Agreement as of the day and year first above appearing. Should the Developer accept this offer to purchase the date of execution by the Developer shall be as set forth below.

Signed in the presence of:

_____ (Seal)

_____ (Seal)

As to Purchaser

(Note: Purchaser(s) must sign the name or names in which title is to be taken.)

ACCEPTANCE OF OFFER

The undersigned, called Developer in the foregoing offer, accepts the foregoing Offer to Purchase and agrees to sell the described apartment to Purchaser at the price and on the terms and conditions set forth in the offer.

FAIRWINDS ASSOCIATES, INC.

Date: _____

By: _____

(Corporate Seal)

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RECEIPT

Receipt is acknowledged from Purchaser, this _____
day of _____, 19____, of a check in the amount of
\$ _____, as a deposit for the purchase of Apartment
No. _____, Building _____, of FAIRWINDS COVE CONDOMINIUM
OF HUTCHINSON ISLAND, subject to the terms of the Purchase
Agreement between FAIRWINDS ASSOCIATES, INC. and Purchaser.

TOMES AND SALTER, P.A.
Attorneys at Law
Escrow Agent

By: _____
Flagship Bank Building
Suite 104
1900 South Harbor City Blvd.
Melbourne, Florida 32901

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