

ARTICLES OF INCORPORATION

OF

REC 1116 PG 1875

BAY ISLES ASSOCIATION, INC.

(A Corporation Not For Profit)

In order to form a corporation under and in accordance with the provisions of the laws of the State of Florida for the formation of Corporations Not for Profit, we, the undersigned, do hereby associate ourselves together into a corporation for the purposes and with the powers hereinafter set forth, and to accomplish that end we do hereby adopt and set forth these Articles of Incorporation, viz:

ARTICLE I

NAME OF CORPORATION

The name of this corporation shall be:

BAY ISLES ASSOCIATION, INC.

hereinafter in these Articles referred to as the "Association".

ARTICLE II

PURPOSES

The general nature, objects and purposes of the Association are:

A. To accept and hold title to, and thereafter to manage and administer the use of, the common areas of that certain property commonly known as "Bay Isles", which is being developed as a planned unit development under the ordinances of the Town of Longboat Key in Sarasota County, Florida, which property is located in Sections 5, 6, 7, 8, 16 and 17, Township 36 South, Range 17 East, Sarasota County, Florida, and is more particularly described in that certain document entitled "Declaration of Maintenance Covenants and Restrictions on The Common for Bay Isles" which is to be recorded in the Public Records of Sarasota County, Florida.

REC 1116 PG 1875

Exhibit "B"

REC 1116 1879

B. To manage, operate, maintain and control the usage of all land and water areas and improvements intended for the common usage of all owners of land in "Bay Isles" including, without limitation, the private roads, sidewalks, pedestrian, bicycle and other pathways, lakes, ponds, waterways, parks, landscaping, conservation areas and other similar common areas which may be set aside by the developer of "Bay Isles" and transferred from time to time to the Association for the common use and benefit of all owners in "Bay Isles", which areas are herein collectively referred to as "Common Areas".

C. To take such action as may be deemed appropriate to promote the health, safety and social welfare of the owners of property within "Bay Isles".

D. To provide, purchase, acquire, replace, improve, maintain and/or repair all improvements including, without limitation, buildings, structures, streets, sidewalks, street lighting, landscaping, equipment, furniture and furnishings, both real and personal, related to the promotion of the health, safety and social welfare of the members of the Association as the Board of Directors in its discretion may determine necessary or appropriate.

E. To furnish or otherwise provide for private security, fire protection and such other services as the Board of Directors in its discretion determines necessary or appropriate, and to provide the capital improvements and equipment related thereto.

F. To supervise and control the specifications, architecture, design, appearance, elevation and location of all buildings, structures and improvements of any type, including houses, apartments, stores, walls, fences, swimming pools, docks, seawalls and bulkheads, antenna, grading, drainage, disposal systems and all other structures constructed, placed or permitted to remain in Bay Isles, as well as the alteration,

REC 1116 1879

1116 1880

improvement, addition or changes thereof, including landscaping surrounding the same, whenever neighborhood property owner associations or condominium associations in Bay Isles fail to do so or in the event there is no neighborhood association or non-profit corporation in existence to enforce subdivision restrictions applicable to a particular subdivided area of Bay Isles.

G. To undertake and carry out all of the duties and obligations which may be assigned to it as the master property owners association under the terms and provisions of the Resolution adopted by the Town of Longboat Key in reference to "Bay Isles", the planned unit development ordinances of the Town of Longboat Key, the aforesaid Declaration of Maintenance Covenants, or any Declarations of Restrictions applicable to subdivided portions of Bay Isles, and to insure compliance by the members of the Association with the planned unit development ordinance of the Town of Longboat Key, Florida, as the same may be applicable to Bay Isles from time to time hereafter.

H. To operate without profit and for the sole and exclusive benefit of its members..

ARTICLE III

GENERAL POWERS

The general powers that the Association shall have are as follows:

A. To purchase, accept, lease, or otherwise acquire title to, and to hold, mortgage, rent, sell or otherwise dispose of any and all real or personal property related to the purposes or activities of the Association; to make, enter into, perform and carry out contracts of every kind and nature with any person, firm, corporation or association; and to do any and all other acts necessary or expedient for carrying on any and all of the activities of the Association and pursuing any and all of the objects and purposes set

forth in these Articles of Incorporation and not forbidden by the laws of the State of Florida.

B. To establish a budget and to fix assessments to be levied against all property located in "Bay Isles" which is subject to assessment pursuant to the aforementioned Declaration of Maintenance Covenants for the purpose of defraying expenses and costs of effectuating the objects and purposes of the Association and to create reasonable reserves for such expenditures including providing a reasonable contingency fund for the ensuing year and a reasonable annual reserve for anticipated major capital repairs, maintenance and improvement, and capital replacements.

C. To enter into agreements with condominium associations and other property owners associations for the collection of such assessments.

D. To place liens against any property in "Bay Isles" for delinquent and unpaid assessments and to bring suit for the foreclosure of such liens or to otherwise enforce the collection of such assessment for the purpose of obtaining revenue for the operation of the Association's business.

E. To hold funds solely and exclusively for the benefit of the members of the Association for purposes set forth in these Articles of Incorporation.

F. To adopt, promulgate and enforce rules, regulations, Bylaws, covenants, restrictions and agreements in order to effectuate the purposes for which the Association is organized.

G. To delegate power or powers of the Association where such is deemed to be in its best interest by its Board of Directors.

H. To charge recipients for services rendered by the Association and to charge the user for use of Association property where such is deemed appropriate by its Board of

PL 1116 RS 1881

Directors.

I. To pay all taxes and other charges or assessments, if any, levied against property owned, leased or used by the Association.

J. To borrow money for the acquisition of property or for any other lawful purpose of the Association, and to make, accept, endorse, execute and issue debentures, promissory notes or other obligations of the Association for borrowed monies, and to secure the payment of such obligation by mortgage, pledge, security agreement, or other instrument of trust, or by lien upon, assignment of or agreement in regard to, all or any part of the real or personal property, or property rights or privileges of the Association wherever situated.

K. To enforce by any and all lawful means the provisions of these Articles of Incorporation, the Bylaws of the Association which may be hereafter adopted, the terms and provisions of the aforesaid Declaration of Maintenance Covenants, and, wherever applicable or appropriate, the terms and provisions of the Restrictions applicable to any portion of Bay Isles, the aforementioned Resolution adopted by the Town of Longboat Key and ordinances of the Town of Longboat Key.

L. In general, to have all powers which are or may be conferred upon a corporation not for profit by the laws of the State of Florida, except as prohibited herein.

ARTICLE IV

MEMBERS

The members of this Association shall consist of all of the owners of property located in "Bay Isles" which is subject to assessment, which property is more particularly described and defined in the aforementioned Declaration of Maintenance Covenants to be recorded in the Public Records

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of Sarasota County, Florida, and all such property owners shall be members of the Association. There shall be three classes of such members, as follows:

REC 1116 PG 1853

A. Class A Members. Class A members shall be all owners of condominium units in Bay Isles and, also, all owners of lots or other parcels of property which are located in an area where membership in a property owners' association is required, except the Class C member. Class A members shall be represented in all matters concerning the Association by a representative of the condominium association or neighborhood property owners' association to which they belong. Owners of all such property shall automatically become Class A members upon acquiring the fee simple title to said property.

B. Class B Members. Class B members shall be all property owners in Bay Isles other than condominium unit owners or owners of lots or other parcels of property which are located in an area where membership in a property owners' association is required (Class A members) and the Class C member. Owners of any property in Bay Isles which is not situated in an area where membership in a condominium or property owners' association is required shall automatically become Class B members upon acquisition of title to such property.

C. Class C Member. The Class C member shall be Arvida Corporation, a Delaware corporation, as developer of Bay Isles, or its successor, designee or assignee, if such membership is specifically assigned.

Membership of any Class A or Class B member in the Association shall automatically terminate upon conveyance or other divestment of title to such member's unit, lot or parcel, except that nothing herein contained shall be construed as terminating the membership of any member who may own two or more units, lots or parcels in Bay Isles, so long as one

unit, lot or parcel is owned by such member. Membership of the Class C member in the Association shall continue until such time as said member, in its sole discretion, submits its resignation as such Class C member or, in lieu thereof, elects to become a Class B member while it still owns property in Bay Isles by giving notice in writing to Association of its election to become a Class B member.

The interest 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 the unit, lot or parcel which is the basis of his membership in the Association.

ARTICLE V

VOTING AND ASSESSMENTS

A. Subject to the restrictions and limitations hereinafter set forth, each member of the Association, including Developer, shall have one (1) vote for each Ten Thousand Dollars of assessed value, or major fraction thereof, (as determined and assessed annually by the Property Appraiser of Sarasota County, Florida) of the property owned by such member in Bay Isles. The total votes of multiple owners of a single unit, lot or parcel shall be determined in the same manner and such votes shall be cast as hereinafter provided in subparagraph F.

B. Class A members shall be represented in this Association solely and exclusively by the Condominium Association or Neighborhood Property Owners' Association to which they belong, through a duly appointed representative thereof, such appointment to be evidenced in writing delivered to the Association. Each Condominium Association and Neighborhood Property Owners' Association in Bay Isles shall represent its members with respect to all Association matters and shall have that number of votes to cast corresponding to the total number of votes held by its individual members

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according to the formula set forth in subparagraph A, above; provided, however, that the assessed value of any condominium units owned by the Class C member shall not be included in the number and assessed value of condominium units owned by Class A members represented by a particular Condominium Association. All notices and other official communications from the Association to the Condominium Association shall be to the designated representative. Only the designated representative shall have the right to participate in the membership meetings of the Association, although any member shall have the right to attend such meetings.

C. Class B members may represent themselves at all membership meetings of the Association.

D. The Class C member shall have the right to appoint a majority of the Board of Directors until such time as it owns less than 50 acres, improved or unimproved, in Bay Isles (but exclusive of the golf course and marina areas, if owned by the Class C member). Thereafter, so long as the Class C member owns any property, developed or undeveloped (other than the golf course and marina areas), in Bay Isles, it shall have the right to appoint one Director.

E. The Secretary of the Association shall maintain a list of the members of the Association and the number of votes to which each member is entitled as determined in the manner set forth in subparagraph A above. Whenever any person or entity becomes entitled to membership in the Association, it shall become such party's duty and obligation to so inform the Secretary in writing, giving his name, address and legal description of such unit, lot or parcel; provided, however, that any notice given to or vote accepted from the prior owner of such unit or parcel before receipt of written notification of change of ownership shall be

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deemed to be properly given or received. The Secretary may, but shall not be required to, search the Public Records of Sarasota County or make other inquiry to determine the status and correctness of the list of members of the Association maintained by him and shall be entitled to rely upon the Association's records until notified in writing of any change in ownership.

F. The vote attributable to any unit, lot or parcel owned by multiple owners shall not be divided among such owners but shall be cast only by one of such owners or an agent or proxy of such owners designated by a written instrument signed by and legally binding upon all such multiple owners. Multiple owners shall be deemed to include two or more individuals, partnerships, corporations, trusts or other legal entities or any combination thereof.

G. The owners of any property subject to the terms and provisions of the aforesaid Declaration of Maintenance Covenants, but not subject to the annual maintenance assessments set forth therein, shall be non-voting members of the Association.

ARTICLE VI

BOARD OF DIRECTORS

A. The affairs of the Association shall be managed by a Board of Directors consisting of five (5) Directors. The Directors may, but need not be, members of the Association and need not be residents of the State of Florida. There shall be three (3) Directors appointed by the Class C member and a total of two (2) Directors elected by the Class A and Class B members as a class so long as the Class C member has the right to appoint a majority of the Board of Directors as provided in paragraph D of Article V hereof. Thereafter, the Class C member shall appoint one (1) Director and the remaining directors shall be elected by the Class A and

1116 #1886

Class B members acting as a class.

B. Elections shall be by plurality vote. At the first annual election to the Board of Directors, the term of office of the elected Director receiving the highest plurality of votes shall be established at two (2) years, and the term of office of the other elected Director shall be established at one (1) year. In addition, the Class C member shall appoint two (2) Directors to serve for terms of two (2) years and one (1) Director to serve for a term of one year. Thereafter, as many Directors shall be elected and appointed, as the case may be, as there are regular terms of office of Directors expiring at such time, and the term of the Directors so elected or appointed at each annual election shall be for two (2) years expiring at the second annual election following their election, and thereafter until their successors are duly elected and qualified, or until removed from office with or without cause by the affirmative vote of a majority of the members which elected or appointed them. In no event can a Board member appointed by the Class C member be removed except by action of the Class C member; nor can a Board member elected by Class A and Class B members be removed except by action of Class A and B members acting as a class.

C. The names and addresses of the members of the first Board of Directors who shall hold office until the annual meeting of the members to be held in the year 1977 and until their successors are elected or appointed and have qualified, are as follows:

John P. Siegel, 301 Gulf of Mexico Drive, Longboat Key, Fla.

Robert E. Anderson, 301 Gulf of Mexico Drive, Longboat Key, Fla.

Lawrence J. Clarke, 301 Gulf of Mexico Drive, Longboat Key, Fla.

Karl B. Block, Jr., 20th Floor, One Biscayne Tower, Miami, Fla.

George A. Diets, 1550 Ringling Boulevard, Sarasota, Fla.

ARTICLE VII

OFFICERS

REC 1116 FC 1888

A. The officers of the Association, to be elected by the Board of Directors, shall be a President, a Vice-President, a Secretary, an Assistant Secretary, and a Treasurer, and such other officers as the Board shall deem appropriate from time to time. The President shall be elected from among the membership of the Board of Directors, but no other officer need be a Director. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the office of President and Secretary (or Assistant Secretary) shall not be held by the same person. The affairs of the Association shall be administered by such officers under the direction of the Board of Directors. Officers shall be elected for a term of one (1) year in accordance with the procedure set forth in the Bylaws.

B. The Board of Directors, or the President with the approval of the Board of Directors, may employ personnel to conduct the affairs of the Association and any such person or legal entity may be so employed without regard to whether such person or entity is a member of the Association or a Director or officer of the Association, as the case may be.

C. The names of the officers who are to manage the affairs of the Association until the first annual meeting of the Board of Directors to be held in the year 1977 and until their successors are duly elected and qualified, are as follows:

President	-	John P. Siegel
Vice-President	-	Robert E. Anderson
Secretary	-	George A. Dietz
Assistant Secretary	-	Karl B. Block, Jr.
Treasurer	-	Lawrence J. Clarke

ARTICLE VIII

CORPORATE EXISTENCE

The Association shall have perpetual existence.

ARTICLE IX

BYLAWS

The first Board of Directors of the Association shall adopt Bylaws consistent with these Articles. Thereafter, the Bylaws may be altered, amended or rescinded by the Directors in the manner provided by such Bylaws.

ARTICLE X

AMENDMENT TO ARTICLES OF INCORPORATION

These Articles may be altered, amended or repealed by resolution of the Board of Directors. No amendment affecting Arvida Corporation, a Delaware corporation, or its successors or assigns as Developer of Bay Isles (as the same is defined in the Declaration of Maintenance Covenants for Bay Isles) shall be effective without the prior written consent of said Arvida Corporation, or its successor or assign, as Developer.

ARTICLE XI

REGISTERED OFFICE

The registered office of the corporation shall be at 301 Gulf of Mexico Drive, Longboat Key, Florida, 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.

ARTICLE XII

BUDGET AND EXPENDITURES

The Board of Directors shall annually adopt a budget for the operation of the Association for the ensuing year and for the purpose of levying assessments against all assessable property in Bay Isles, which budget shall be conclusive and binding upon all persons; provided, however, that the Board of Directors, may thereafter at any time approve or ratify variations from such budget in respect of expenditures.

ARTICLE XIII

SUBSCRIBERS

The names and residence addresses of the subscribers of these Articles are as follows:

John P. Siegel, 555 S. Spoonbill Dr., Sarasota, Fla.
George A. Dietz, 1620 N. Lodge Drive, Sarasota, Fla.
Lawrence J. Clarke, 7241 Bounty Drive, Sarasota, Fla.

ARTICLE XIV

INDEMNIFICATION OF OFFICERS AND DIRECTORS

A. The Association hereby indemnifies any Director or officer made a party or threatened to be made a party to any threatened, pending or completed claim, action, suit or proceeding:

(1) Whether civil, criminal, administrative, or investigative, other than one by or in the right of the Association to procure a judgment in its favor, brought to impose a liability or penalty on such person for an act alleged to have been committed by such person in his capacity of Director or officer of the Association, or in his capacity as Director, officer, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise which he served at the request of the Association, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and necessarily incurred as a result of such action, suit or proceeding or any appeal therein, if such person acted in good faith in the reasonable belief that such action was in the best interests of the Association, and in criminal actions or proceedings, without reasonable ground for belief that such action was unlawful. The termination of any such action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo

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contenders or its equivalent shall not in itself create a presumption that any such Director or officer did not act in good faith in the reasonable belief that such action was in the best interests of the Association or that he had reasonable grounds for belief that such action was unlawful.

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(2) By or in the right of the Association to procure a judgment in its favor by reason of his being or having been a Director or officer of the Association, or by reason of his being or having been a Director, officer, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise which he served at the request of the Association, against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with the defense or settlement of such action, or in connection with an appeal therein, if such person acted in good faith in the reasonable belief that such action was in the best interests of the Association. Such person shall not be entitled to indemnification in relation to matters as to which such person has been adjudged to have been guilty of negligence or misconduct in the performance of his duty to the Association unless and only to the extent that the court, administrative agency, or investigative body before which such action, suit or proceeding is held shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses which such tribunal shall deem proper.

B. The Board of Directors shall determine whether

1116 vs 1892

amounts for which a Director or officer seeks indemnification were properly incurred and whether such Director or officer acted in good faith and in a manner he reasonably believed to be in the best interests of the Association, and whether, with respect to any criminal action or proceeding, he had no reasonable ground for belief that such action was unlawful. Such determination shall be made by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding.

C. The foregoing rights of indemnification shall not be deemed to limit in any way the powers of the Association to indemnify under applicable law. Association shall have the right to provide such indemnification by insurance.

ARTICLE XV

TRANSACTION IN WHICH DIRECTORS OR OFFICERS ARE INTERESTED

A. No contract or transaction between the Association and one or more of its Directors or officers, or between the Association and any other corporation, partnership, association, or other organization in which one or more of its Directors or officers are Directors or officers, or have a financial interest, shall be invalid, void or voidable solely for this reason, or solely because the Director or officer is present at or participates in the meeting of the Board or committee thereof which authorized the contract or transaction, or solely because his or their votes are counted for such purpose. No Director or officer of the Association shall incur liability by reason of the fact that he is or may be interested in any such contract or transaction.

B. Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorized the contract or transaction.

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ARTICLE XVI

DISSOLUTION OF THE ASSOCIATION

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A. Upon expiration of the term of the aforementioned Declaration of Maintenance Covenants and Restrictions on the Commons for Bay Isles, the Association may be dissolved upon a resolution to that effect being approved by two-thirds (2/3) of the members of the Board of Directors, and, if a judicial decree is necessary at the time of dissolution, then after receipt of an appropriate decree as provided for in Section 617.05, Florida Statutes, or any statute of similar import then in effect.

B. Upon dissolution of the Association, all of its assets remaining after provision for payment of creditors and all costs and expenses of such dissolution shall be distributed in the following manner:

(1) Real property contributed to the Association without the receipt of other than nominal consideration by the Developer shall be returned to the Developer unless it refuses to accept the conveyance (in whole or in part).

(2) Dedication to any applicable municipal or other governmental authority of any property determined by the Board of Directors of the Association to be appropriate for such dedication and which the authority is willing to accept.

(3) Remaining assets shall be distributed among the members, each member's share of the assets to be determined by multiplying such remaining assets by a fraction, the numerator of which is all amounts assessed by the Association since its organization against the property which is owned by the member at that time, and the denominator of which is the total amount assessed by the Association against all properties which at the time of dissolution are part of Bay

1116 #1593

Isles. The year of dissolution shall count as a whole year for purposes of the preceding fractions.

IN WITNESS WHEREOF, the aforesaid subscribers have hereunto set their hands and seals this 16th day of April, 1976.

RC 1116 #1894

John P. Siregel

 John P. Siregel

George A. Diets

 George A. Diets

Lawrence J. Clarke

 Lawrence J. Clarke

STATE OF FLORIDA

COUNTY OF SARASOTA:

I HEREBY CERTIFY that on this 16th day of April, 1976, before me, the undersigned authority, personally appeared JOHN P. SIREGEL, GEORGE A. DIETS and LAWRENCE J. CLARKE, to me known to be the persons who executed the foregoing Articles of Incorporation, and acknowledged the execution of such instrument for the uses and purposes therein expressed.

WITNESS my hand and official seal at Sarasota, said County and State, the date aforesaid.

Book Blumstein

 Notary Public, State of
 Florida at Large



My Commission Expires:

Heavy Duty, State of Florida at Large
 Commission Expires April 12, 1978
 Issued by St. Paul Fire & Marine Insurance Co.