



Destin Gulfgate Owner's Association, Inc.
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March 2, 2011

Ms. Ann Cole
Florida Public Service Commission
Director, Division of the Commission Clerk & Adm Services
2540 Shumard Oak Blvd
Tallahassee, Florida, 32399-0850

Dear Ms. Cole:

Enclosed for filing with the Commission please find the original and seven copies of the following documents:

- 1) Destin Gulf Gate letter requesting representation by Marc Mazo
- 2) Affidavit of Marc Mazo pursuant to Rule 28-106.107 F.A.C..
- 3) Destin Gulf Gate Condominium Association, Inc., Petition for Variance or Waiver from the Individual Metering Requirement of Rule 25-6.049(5) of the Florida Administrative Code with Exhibits 1-9.

Thank you for your help in this matter.

Yours very truly,

Marc D. Mazo
Authorized Representative
Destin Gulf Gate Owners Association, Inc.

Cc: Philip Lofe'
Enclosures

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STATE OF FLORIDA
BEFORE THE PUBLIC SERVICE COMMISSION

IN RE:

DESTIN GULFGATE OWNERS
ASSOCIATION, INC

DOCKET # 110003-EU

Petitioners
_____ /

**PETITION FOR VARIANCE OR WAIVER
FROM RULE 25-6.049(5)
OF THE FLORIDA ADMINISTRATIVE CODE**

COMES NOW the Petitioner Destin Gulfgate Owners Association, Inc., and hereby petitions the Florida Public Service Commission for a variance or waiver pursuant to Section #120.542 of the Florida Statute and Section #28-104.002 of the Florida Administrative Code.

I. Applicable Rule : The applicable rule from which petitioner seeks a variance or waiver is Rule 25-6.049(5) of the Florida Administrative Code which states in pertinent part that;

(5) "Individual electric metering by the utility company shall be required for each separate occupancy unit of new commercial establishments, residential buildings, **condominiums**, cooperatives, marinas, and trailer, mobile home and recreational vehicle parks for which construction is commenced after January 1, 1981."

The literal requirements of Rule 25-6.049(5), F.A.C., provides that as a condominium, Destin Gulfgate should maintain individual electric metering for each unit of the condominium. However, a

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conflict between Section 25-6.049(5), F.A.C., and Section 25-6.049(5)(d), F.A.C., arises when the facts of this particular case are taken into consideration.

Rule 25-6.049(5)(d), F.A.C., provides an exception to the individual metering requirement. The exception applies to the following:

"For lodging establishments such as hotels, motels, and similar facilities which are rented, leased, or otherwise provided to guests by an operator providing overnight occupancy as defined in paragraph (8)(b)."

Destin Gulfgate operates in accordance with Chapter 509.242, Florida Statutes, as a Public Lodging Establishment. It meets criteria established by the legislature for a hotel and a resort condominium.

§509.242(1)(a) "Hotel-A hotel is any public lodging establishment containing sleeping room accommodations for 25 or more guests and providing services generally provided by a hotel and recognized as a hotel in the community in which it is situated".

§509.242(1)(c) "Resort Condominium - A resort condominium is any unit or group of units in a condominium, cooperative, or timeshare plan which is rented more than three times in a calendar year for periods of less than 30 days or 1 calendar month, whichever is less, or which is advertised or held out to the public as a place regularly rented for periods of less than thirty (30) days or one calendar month, whichever is less".

II. Underlying Statute F.S. 366.05(1): The applicable portion of the underlying statute indicates that the commission shall have the power to prescribe fair and reasonable rates and charges, classifications,

standards of quality measurements, and service rules and regulations to be observed by each public utility. Rule 25-6.049(5)(a), F.A.C., & Rule 25-6.049(5)(a)(3), F.A.C., have been adopted to accomplish this principle. The implementation of fair and reasonable rates and charges by the public utility companies in Florida is a goal of the Public Service Commission established by the legislature. (See Chapter 366.03, F.S.).

In addition, pursuant to docket # 810308-EU September 2, 1981, it appears that the intent of Rule 25-6.049(5)(a), F.A.C., and Rule 25-6.049(5)(a)(3), F.A.C., is to serve the public interest regarding energy conservation. Petitioner believes both the underlying statute requiring fair and reasonable rates, and the purpose of energy conservation are both better served if petitioner's facility is master metered.

III. Type of Action Requested: Petitioner believes it is a similar facility under Rule 25-6.049(5)(d), F.A.C., and therefore excluded from the individual metering requirement. However, to avoid any unnecessary confusion Destin Gulfgate requests the Commission grant a variance or waiver from the literal requirement of Rule 25-6.049(5), F.A.C. to individually meter each unit of a condominium.

IV. Facts Which Demonstrate Substantial Hardship or Violation of Principles of Fairness: Destin Gulfgate is an association which represents

investor/owners of 66 condominium units located at 1180 Scenic Highway 98, in Destin, Florida. A copy of Destin Gulf Gate's Condominium documents are attached as Exhibit "1"

Pursuant to Chapter 509.242, Florida Statutes, Destin Gulfgate is a public lodging establishment that offers transient rentals on a daily and weekly basis to the traveling public, similar to hotels and motels throughout Florida. Only 4 of the 66 condominium units at Destin Gulf Gate are used for permanent residences.

The owners at Destin Gulf Gate have employed Destin Gulf Gate Owners Association, Inc. (DGOA), to manage the rentals of the condominium units, and are obligated to pay the Association a fee for this service. The fee is based on a percentage of the transient rental income generated at Destin Gulf Gate. A copy of the standard rental agreement used is attached as Exhibit "2".

Each transient guest must pay a deposit for their stay at the Resort, and must pay the balance due for rental of the unit including appropriate state sales and local taxes upon arrival. A sample of the guest confirmation form showing deposit and all rental charges with taxes is attached as Exhibit "3".

Destin Gulfgate is registered with and licensed by the Florida Department of Business and Professional Regulation to operate transient rentals. A copy of the license is attached as Exhibit "4".

The percentage fee paid to the Association to manage the rentals includes compensation for maintaining a check-in desk, salary for a general manager, and paying for all necessary licenses and permits, including the fee mentioned above to the DBPR for a transient rental license, a fee that residential condominiums do not have to pay. Destin Gulfgate is also subject to maintenance of health and safety standards not otherwise required of residential condominiums. (See Chapter 509.211, F.S. and Chapter 509.221, F.S.). These standards require time and effort of management along with additional costs residential condominiums do not incur.

Destin Gulfgate is in the business of providing short term (daily, weekly) lodging to vacationers as do hotels and motels in the adjacent and surrounding areas. It competes directly for room night business with nearby hotels and motels from Ft. Walton Beach to Panama City Beach. To maintain market share the Association regularly advertises and promotes Destin Gulfgate with travel agents and in trade shows both in this country and abroad. In addition, a full color marketing brochure and web site with on line registration are used to promote the resort to the traveling public, and to keep the units occupied with guests. A copy of the marketing brochure is attached as Exhibit "5". A copy of the web page is attached as Exhibit "6".

Like hotels and motels, Destin Gulfgate utilizes a nationally known reservation software program to help keep the guest rooms filled. To maintain the reservation system requires manpower and capital investment. This is an added expense that Destin Gulfgate, as a "Resort Condominium" pays out of its guest rental revenue that is significantly different than residential condominiums.

The Association maintains a front desk in the lobby area of the resort for guest registration. All rental guests at Destin Gulfgate must check-in and check-out in the same manner as a hotel or motel.

Cable television service for Destin Gulfgate is provided through the Association. Each owner contributes a pro rata share of the cable expenses on a monthly basis. Pursuant to Chapter 202.125, Florida Statutes, because Destin Gulfgate is registered as a Resort Condominium and offers transient rentals at the resort, it must pay the Communications Service Tax on all cable services purchased. In contrast, residential condominiums do not pay the CST on cable services. The CST represents an expense Destin Gulfgate is obligated to pay because it is deemed commercial for CST purposes as a result of its transient rentals.

Also in contrast to purely residential condominiums, Destin Gulfgate is registered with the Florida Department of Revenue to collect and remit sales taxes on revenue realized from providing

transient rental accommodations. Based on Chapter 212.03, F.S., the department of revenue considers a facility to be primarily catering to transient rentals when more than half of the total rental units available are occupied by tenants who have a continuous residence for periods of less than three months. Where more than half of the units are occupied by tenants who have a continuous residence in excess of three months, the facility would be exempt from the transient rental tax. Since substantially all of the units at Destin Gulfgate are used to serve the transient public, sales tax on rental revenue must be paid. A sample copy of Destin Gulfgate's monthly sales tax report filed with the Florida Department of Revenue is attached as Exhibit "7".

In contrast, the rules of the Florida Public Service Commission in essence deem Destin Gulfgate to be residential. As a result, regardless of its usage characteristics, which are currently similar to hotels and motels in the area, and regardless of the cost of service for electricity, which if *master metered* would also be similar to hotels and motels in the area, it is required to take service from Gulf Power at the higher residential rate as opposed to the lower commercial rate enjoyed by area hotels, motels and other similarly situated resort condominiums (that have been master metered) that compete for the same room night business.

[If master metered Gulf Power's cost to serve Destin Gulf Gate would be reduced by eliminating the need to read individual meters and by eliminating the necessity of processing and mailing individual electric bills to owners throughout the country.]

Further evidence of hardship is found in the payroll and operating expenses of Petitioner. Destin Gulfgate has hired a general manager who supervises the rental program and is responsible for the operation and care of the resort. His job duties are similar to those persons holding the title of General Manager in any other hotel or motel of its size, including oversight and supervision of housekeeping, maintenance, security, guest services, marketing and advertising. These cost centers are not found in purely residential condominiums. The fee from rental revenue paid to the Association helps cover the cost of the General Manager's salary.

Destin Gulfgate competes with other area hotels, motels, and similarly situated resort condominiums for guest-room nights. Rates for room nights must be kept in line with the competition (See Nightly Room Rates - Exhibit "8"). Advertising dollars must also be expended to fill the needed amount of room nights. These principles exist for hotels, motels, resort condominiums and also for Destin Gulfgate based on its manner of operation. While Destin Gulfgate pays the

same rates for many of the expenses needed to operate the resort as other competing hotels, motels, and resort condominiums that meet the criteria for master metering in Rule 25-6.049(5)(g), Destin Gulfgate is significantly disadvantaged by paying a higher rate for electricity.

Rule 25-6.049(5)(g) allows a condominium that meets the following criteria to master meter:

1. The declaration of condominium requires that at least 95 percent of the units are used solely for overnight occupancy as defined in paragraph (8)(b) of this rule;

2. A registration desk, lobby and central telephone switchboard are maintained; and

3. A record is kept for each unit showing each check-in and check-out date for the unit, and the name(s) of the individual(s) registered to occupy the unit between each check-in and check-out date.

At Destin Gulfgate, only 6% of the total units are used for permanent residences. However, this number can change at any time as the condominium documents do not require any particular percentage of the units to be used for overnight occupancy.

Destin Gulfgate complies with all the other criteria except the central switchboard. Individual telephones are provided in each unit for local or emergency calls. With the proliferation of cellular service the resort has found the majority of guests

utilize their own cell phones for long distance calls.

Without being allowed to master meter the owners at Destin Gulfgate will pay 25% to 30% more for the same electric to operate its transient rental business as other hotels, motels and similarly situated resort condominiums that have been master metered. The following electric analysis is based on Gulf Power's current rate structure using an estimate based on average kwh and kw usage for one year. The analysis is intended to show what Destin Gulf Gate would pay under Gulf Power's Residential Rates vs its Commercial Rates.

DESTIN GULF GATE CONDOMINIUM ASSOCIATION
ANNUAL ELECTRIC SAVINGS PROJECTION

CURRENT BILLING - RES	VS	GENERAL SERVICE DEMAND
CUSTOMER CHARGE \$6,600.00 (66 x \$10.00 x 12months)		CUSTOMER CHARGE \$ 420.00 (New 1 meter x \$.35 x 12)
ENERGY CHARGE		ENERGY CHARGE
2,059,200 KWH x \$0.05931 <u>\$122,131.15</u>		2,059,200 KWH X \$0.03260 <u>\$ 67,129.92</u>
FUEL CHARGE		FUEL CHARGE
2,059,200 KWH X \$0.05371 <u>\$110,559.63</u>		2,059,200 KWH X \$0.05371 <u>\$110,559.63</u>
DEMAND CHARGE		DEMAND CHARGE
NA		3000 KW X \$5.42 <u>\$ 16,260.00</u>
RESIDENTIAL ELECTRIC COST <u>\$239,290.78</u>		COMMERCIAL ELECTRIC COST <u>\$194,369.55</u>
PROJECTED ANNUAL SAVINGS		\$ 44,921.23

The disparity between what Destin Gulf Gate pays on the residential rate in comparison to what other similarly situated competitors pay on the commercial rate, creates a substantial hardship on the petitioner in its effort to compete in the room rental business and pay all the associated costs, (including taxes), of operating a public lodging establishment. It also violates principles of fairness in that other hotels, motels, and master metered resort condominiums in the area will spend less money on electricity and be able to spend more on advertising or upgrading their facilities to make them more attractive to the traveling public than Destin Gulfgate.

In addition, the FPSC has followed the principle that the type of facilities exempted from the individual metering requirement are those that operate similar to hotels and motels where the occupants of the units are not billed for their use of electricity. Destin Gulfgate clearly falls into this category.

It is impractical, if nearly impossible, to attribute and bill electric usage to the daily and weekly guests of the resort. They are billed a bundled rate for the limited use of the rooms rented while vacationing at Destin Gulfgate.

V. Conservation Issue: Rule 25-6.049(5)(a) and (5)(a)(3), Florida Administrative Code, were established to serve the public interest and foster

energy conservation. The legislature also adopted Chapter 366.81, Florida Statutes, commonly known as the Florida Energy Efficiency and Conservation Act ("FEECA"), which provides that energy conservation, reduction in, and control of, the growth rates of electric consumption and of weather sensitive peak demand are of particular importance.

Rule 25-17.001, Florida Administrative Code, interprets FEECA and provides that, increasing the efficiency of the end-use consumption of electricity, to the extent it is cost effective, is a priority. The rule also establishes that reducing the growth rate of weather sensitive peak demand on the electric system to the extent cost effective, is also a priority.

The FPSC and IOU's in Florida have adhered to the philosophy that the end user will be more inclined to conserve energy if such user is made aware of his or her electric use and associated costs. Section(5)(a) of the rule follows this theory by requiring individual metering. However, the implication which can be derived from this section is that condominiums are purely residential in nature. Therefore, by requiring individual metering the owner occupant will be made aware of monthly electric usage and associated costs and will be more inclined to conserve electricity.

This theory is not applicable in the instant case since Destin Gulfgate is operating as a transient rental facility catering to the traveling public. The

owner/investors of units at Destin Gulfgate are not the ones responsible for energy conservation at the resort. The management has that responsibility just like management in nearby hotels and motels. The monthly electric bills are forwarded by the power company to approximately sixty-six owners located in all parts of the country with no ability to implement energy conservation except through the general manager of the facility.

Recognizing that timeshare resorts are similar in nature to hotels and motels, in 1997 the Commission amended Rule 25.6-049(5)(a)(3), F.A.C., to include timeshare resorts in the exception from the individual metering rule. The theory being that conservation would be better served by the resort receiving one master bill for electric instead of many individual bills. In this manner the resort manager would have more awareness of total electric usage for the timeshare resort and hopefully, as a result, pay closer attention to energy conservation.

Timeshare unit owner's in Florida generally stay in their unit for one or more weeks while on vacation. In contrast Petitioner's regular transient rental business is on average for 3-5 days. As such, its electric usage characteristics are more similar to hotels or motels than that of most timeshare resorts. Yet the owners of timeshare condominiums in this state

now derive the benefit of lower electric costs as a result of being allowed to master meter the resort.

Master Metering Enhances Energy Conservation

The FPSC has recognized that many "Resort Condominiums" are similar in nature to hotels and motels. The Commission granted a variance to the individual metering requirement for Holiday Villas II, Sundestin Resort, Jetty East, and Silver Shell, all Resort Condominiums similar Destin Gulfgate. The Commission followed the theory that the public interest in the area of energy conservation would be better served when a resort condominium operating transient rentals receives one master bill for electric instead of many individual bills.

Petitioner's representative previously conferred with Managers of Holiday Villas II, Sundestin Resort, Silver Shell and Jetty East. As a result of master metering the electricity used in the units became the responsibility of the resort managers. The managers, who previously did not see many of the individual owner's electric bills received a master bill for all the units. As a result they experienced heightened awareness of energy costs for the entire property. In addition, it gave the managers an increased ability to track energy costs and more motivation for energy conservation. The result being better staff productivity including; more conscientious effort in

setting back thermostats for unoccupied units by housekeeping, closing of blinds to reduce temperature in unoccupied units, and consideration of automatic set back controls and other conservation techniques used in hotels and motels.


VI. Conclusion - By granting Destin Gulfgate a waiver or variance from the individual metering requirements of Rule 25.6-049, F.A.C., the interests of the public relating to energy conservation would be better served. By receiving one bill each month at the facility the management would be more efficient in his efforts to control and conserve electric usage. In addition, the principles of fairness would be met in that the owner/investors at Destin Gulfgate would receive the benefits of lower electric costs due to master metering, as its owner/investor counterparts receive at timeshare resorts. Petitioner would also be able to compete with hotels, motels and similarly situated resort condominiums in the area on a more even basis as petitioner would not be paying higher costs for electric than its hotel/motel competitors.

VII. Duration of Variance or Waiver - Recognizing that the rules governing use of the units at Destin Gulfgate will not change by granting of the variance or waiver from the individual metering requirements of Rule 25.6-049, F.A.C., and understanding that petitioner's owner/investors could vote to cease all

operation as a public lodging establishment pursuant to Chapter 509.242, Florida Statutes, petitioner requests the variance or waiver be permanent with the condition that it continues to operate as a public lodging establishment in accordance with Chapter 509.242, Florida Statutes. In the event petitioner's owner/investors vote to change the operation of Destin Gulfgate and no longer allow transient rentals, the variance or waiver would terminate and the condominium units be subject to the individual metering requirements of Rule 25.6-049(5)(a), F.A.C..

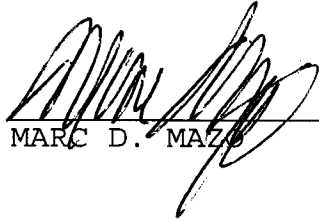
VIII - Allocation of Costs - Destin Gulfgate intends to allocate the costs of electricity to the individual condominium unit owners through a pro rata apportionment based on square footage, or through sub metering, or by some other reasonable apportionment method as required by Rule 25-6.049(6)(a), Florida Administrative Code.

WHEREFORE, for all of the foregoing reasons, Petitioner respectfully requests the Public Service Commission grant its request for a variance or waiver.



MARC D. MAZO
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Clearwater, Florida 33762
Telephone (727)573-5787
Facsimile (727)573-5675
Email - powck@aol.com
Authorized Representative
Destin Gulfgate Owners
Association, Inc.

I HEREBY CERTIFY that an original and seven (7) copies of the foregoing Petition for Variance or Waiver have been furnished by U.S. Mail this 2nd day of March, 2011, to the Public Service Commission, Attn: Ms Ann Cole, Director, Division of the Commission Clerk and Administrative Services.



MARC D. MAZO

INDEX OF EXHIBITS

EXHIBIT 1	CONDOMINIUM DOCUMENTS
EXHIBIT 2	RENTAL AGREEMENT
EXHIBIT 3	GUEST FOLIO
EXHIBIT 4	FLORIDA DEPT BUS REGULATION-LICENSE
EXHIBIT 5	MARKETING BROCHURE
EXHIBIT 6	WEB PAGE - MARKETING
EXHIBIT 7	FLORIDA SALES TAX PAYMENT
EXHIBIT 8	ROOM RENTAL RATES

42450 (94)

DECLARATION OF CONDOMINIUM
OF
DESTIN GULFGATE CONDOMINIUM
Destin, Florida

MADE this 24th day of JUNE, 1993, by DESTIN GULFGATE, INC., a Florida corporation, herein called the "Developer", for itself, its successors, grantees and assigns.

WHEREIN, the Developer makes the following declarations:

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

A. Name and Address. The name by which this condominium is to be identified is "DESTIN GULFGATE CONDOMINIUM", hereinafter called the "Condominium", and the Condominium's address is 1180 Old US 98 East, Destin, Florida 32541.

B. 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 Okaloosa County, Florida:

THAT PORTION OF BLOCK B, SILVER BEACH SUBDIVISION, OKALOOSA COUNTY, FLORIDA, AS RECORDED IN PLAT BOOK 1 AT PAGE 16 1/2 OF THE PUBLIC RECORDS OF SAID COUNTY, LYING EAST OF THE SOUTHERLY EXTENSION TO THE GULF OF MEXICO OF THIRD STREET, AND WEST OF THE SOUTHERLY EXTENSION TO THE GULF OF MEXICO OF A LINE 10 FEET EAST OF THE WEST LINE OF LOT 5, BLOCK 12, AND INCLUDING THE VACATED RIGHT-OF-WAY OF THIRD STREET LYING SOUTH OF COUNTY ROAD 2378 (FORMERLY U.S. HIGHWAY 98).

2. DEFINITIONS. The terms used in this Declaration and its exhibits shall have the meaning stated in the Condominium Act and as follows unless the context otherwise requires:

A. Apartment means a "Condominium Parcel" as defined by the Condominium Act, Florida Statutes Chapter 718.

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

PREPARED BY:
MICHAEL Wm MEAD
Attorney at Law
Post Office Drawer 1329
Fort Walton Beach, Florida 32549-1329

C. Association means Destin Gulfgate Owners Association, Inc., a not-for-profit Florida corporation, and its successors.

D. Common Elements means the portions of the condominium property which are not included in the units.

E. Common Expenses shall include expenses of administration; expenses of insurance; expenses of maintenance; operation, repair, replacement and betterment of the common elements and the portions of the apartment to be maintained by the Association; expenditures or amounts of assessments by the Association for payment of costs that are the responsibility of an apartment owner, including but not limited to costs of repair of damage to an apartment in excess of insurance proceeds, and the costs of insurance upon an apartment; expenses declared common by provisions of this Declaration and the Association's By-Laws; and any valid charge against the Condominium as a whole, including water, sewer, trash and garbage costs attributable to both the common areas and sixty-six (66) units.

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

G. Institutional Mortgagee means a bank, savings and loan association, an insurance company, a pension fund, a real estate investment trust, a mortgage banker or other like business entity, including but not limited to FNMA, GNMA or similar agencies holding a mortgage on an apartment.

H. Number and Gender are used herein so that, where the context so permits, the use of the plural shall include the singular, the singular shall include the plural and the use of any gender shall be deemed to include all genders.

I. 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, hot and cold water, heating, refrigeration, air conditioning, cable television, trash, garbage, pest control and sewage disposal.

J. Voting Interest means one vote for each apartment, which vote must be cast in the manner prescribed by the By-Laws of the Association, as well as the meaning defined in the Condominium Act.

3. DESTIN GULFGATE CONDOMINIUM DEVELOPMENT PLAN. The subject Condominium is described and established as follows:

A. Survey. The survey of the land showing the improvements on it is attached as Exhibit "A".

B. Plans. Improvements upon the land are constructed substantially in accordance with the graphic description of the improvements attached hereto as composite Exhibits "B".

C. Amendment of Plans.

(1) Alteration of Plans. Developer reserves the right to change the interior design and arrangement of all apartments, and to alter the boundaries between the apartments, as long as Developer owns the apartments so 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 provided. If Developer shall make any changes in apartments so authorized, such changes shall be reflected by amendment of this Declaration. If more than one apartment is concerned, the Developer shall apportion between the apartments, the shares and the common elements appurtenant to the apartments concerned.

(2) Amendment of Declaration. An amendment of this Declaration reflecting such authorized alteration of apartment plans by Developer needs to 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.

D. Easements.

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

(2) Easements for Encroachments. All the Condominium property shall be subject to the easements for encroachments which now exist or hereafter exist, caused by settlement or movement of a building, or caused by minor inaccuracies in building or rebuilding, which encroachments shall be permitted to remain undisturbed and such shall continue until such encroachments no longer exist.

(3) Ingress and Egress Easements. Each apartment owner of the Condominium shall have a non-exclusive easement for ingress and egress between said apartment and the public roads and streets serving the Condominium, over the halls, corridors, stairs, elevators, walks, driveways, roads, parking areas, exterior access and other portions of the common elements of the Condominium.

(4) Easements as Appurtenances. The easements and other rights created herein for an apartment owner shall be appurtenant to the apartment of that owner and all conveyances of title to the apartment shall include a conveyance of the easements

and rights as are herein provided, even though no specific reference to such easements and rights appears in any such instrument.

E. Apartment Boundaries. Each apartment shall include the part of the building containing the apartment that lies within the boundaries of the apartment, which boundaries are as follows:

(1) Upper and Lower Boundaries. The upper and lower boundaries of the apartment shall be the following boundaries extended to an intersection with the perimetrical boundaries:

(a) Upper Boundary - The horizontal plane of the undecorated finished ceiling.

(b) Lower Boundary - The horizontal plane of the undecorated finished floor.

(2) 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. When there is attached to the building a balcony, deck, porch, canopy, stairway or other portion of the building serving only the apartment being bounded, the perimetrical boundaries shall be extended to include the intersecting vertical planes adjacent to and which include all of such structures and fixtures thereon.

F. Common Elements. The common elements include the land and all of the parts of the Condominium not within the apartments.

4. THE APARTMENT. The apartments of the Condominium are described more particularly and the rights and obligations of their owners established as follows:

A. Typical Apartment Plans. The typical apartment floor plan is described generally below and is described in more detail on the graphic description of the improvements attached as Exhibit "B":

<u>Apartment</u>	<u>Description</u>
2 Bedroom Apartment	Apartment including living-dining room, kitchen, two baths, two bedrooms, deck, utility room and clothes closet

B. Apartment Numbers. The apartments of the Condominium are located in one (1) high-rise building of twelve (12) floors. The building consists of common area on the ground floor and six (6) apartments on the first through eleventh floors, for a total of sixty-six (66) apartments. The apartment number of each apartment, for floors one through eleven, is determined by numbering the apartments from one (1) upward from east to west, adding the number to the product of the number of the floor times 100. Therefore, for example, the easternmost first floor apartment is identified by number "101", the westernmost eleventh floor apartment in the building is identified by number "1106".

Summary of Unit Numbering

<u>Floor</u>	<u>Unit Number</u>
1	101
1	102
1	103
1	104
1	105
1	106
2	201
2	202
2	203
2	204
2	205
2	206
3	301
3	302
3	303
3	304
3	305
3	306
4	401
4	402
4	403
4	404
4	405
4	406
5	501
5	502
5	503
5	504

5	505
5	506
6	601
6	602
6	603
6	604
6	605
6	606
7	701
7	702
7	703
7	704
7	705
7	706
8	801
8	802
8	803
8	804
8	805
8	806
9	901
9	902
9	903
9	904
9	905
9	906
10	1001
10	1002
10	1003
10	1004
10	1005
10	1006
11	1101
11	1102
11	1103
11	1104
11	1105
11	1106

C. Appurtenances to Apartments.

(1) Common Elements and Common Surplus. The owner of each apartment shall own a .0151515 undivided share and certain interest in the condominium land, common elements, and common surplus, which share and interest is appurtenant to each apartment.

(2) Association Membership. The membership of each apartment owner in the Association and interest of each apartment owner in the funds and assets held by the Association is appurtenant to each apartment.

(3) Automobile Parking Spaces. Two (2) parking spaces will be available for each apartment as required by local planning and zoning statutes. However, the Developer reserves the right to designate certain spaces, not to exceed sixty-six (66)

spaces, as a limited common element. Use of said spaces may be designated and assigned by the Developer to certain apartments for the exclusive use of the occupants of said apartment. Spaces so designated shall be identified by displaying on the parking space, a number corresponding to the apartment number to which the space has been assigned. The exclusive right of use of said parking space shall transfer with any transfer of the apartment to which it is assigned.

(4) Voting. Each apartment shall be entitled to one (1) vote, said vote to be cast by the apartment owner in the manner prescribed by the By-Laws of the Association.

D. 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.

E. Maintenance, Alteration and Improvement. Responsibility for the maintenance for the Condominium property, and restrictions upon its alterations and improvements shall be as follows:

(1) Apartments.

(a) By the Association. The Association shall maintain, repair and replace as a common expense of this Condominium:

(1) All portions of an apartment, except interior surfaces, contributing to the support of the apartment building, which portion shall include but not be limited to the outside walls of the apartment building and all fixtures on its exterior, boundary walls of apartments, floor and ceiling slabs, load bearing columns and load bearing walls and all decks or similar facilities serving the apartment;

(2) All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services contained in the portion of an apartment maintained by the

Association; and all such facilities contained within an apartment that service part or parts of the Condominium other than the apartment within which contained;

(3) All portions of an apartment which are damaged as a result of a casualty for which the Association has secured insurance coverage; and

(4) All incidental damage caused to an apartment by such work shall be repaired promptly at the expense of the Association, provided that the Association shall have authority to require apartment owners at their expense to maintain, repair and replace screens and glass for windows and doors within their respective apartments except in case of damage for which insurance proceeds are paid under policies purchased by the Association.

(b) By the Apartment Owner. The responsibility of the apartment owner shall be as follows:

(1) To maintain, repair and replace at his expense all portions of his apartment except the portion to be maintained, repaired and replaced by the Association, or, in the event of damage resulting from casualty, that portion for which the Association has secured insurance coverage. Such shall be done without disturbing the rights of other apartment owners.

(2) Except in the event of damage resulting from casualty for which the Association has secured insurance coverage, the portions of an apartment to be maintained, repaired and replaced by an apartment owner at his expense shall include but not be limited to the following: air handling equipment for space cooling and heating for said apartment regardless of the location of the components; service equipment such as dishwasher, refrigerator, oven and stove and hot water heater, whether or not built-in; interior fixtures such as electrical and plumbing fixtures; floor coverings except the floor slab; and inside paint and other inside wall finishes and deck enclosures; and built-in cabinets.

(3) Not to paint or otherwise decorate or change the appearance of any portion of the exterior of

any apartment building, including any balcony, porch, deck or similar facility whether a part of the apartment or not, in any manner whatsoever without the prior written consent of the Board of Directors of the Association, including installation of television antennas and alterations to the balcony area to include glass or screen enclosure, installation of ceiling fans, etc.

(4) To promptly report to the Association any defects or need for repairs for which the Association is responsible.

(c) Alteration and Improvement. Except as elsewhere reserved to Developer, neither an apartment owner nor the Association shall make any alteration in the portions of any apartment building that are to be maintained by the Association, or remove any portion of such, or make any additions to them, or to do anything that would jeopardize the safety or soundness of the apartment building, or impair any easement, without first obtaining approval in writing of owners of all apartments in which such work is to be done and the approval of the Board of Directors of the Association. A copy of plans of all such work, prepared by an architect licensed to practice in this state, shall be filed with the Association prior to the start of work.

(2) Common Elements.

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

(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 the real property constituting the common elements without prior approval in writing by the owners of not less than two-thirds (66 2/3%) of the voting interests except as provided by By-Laws. Any such alteration or improvement shall not interfere

with the rights of any apartment owner without their consent. The costs of such work shall not be assessed against an institutional mortgagee that acquires its title as a result of owning a mortgage upon the apartment owned, unless such owner shall approve the alteration or improvement, and this shall be so whether title is acquired by deed or from mortgagor or through foreclosure proceedings. The share of any cost not so assessed shall be assessed to the other apartment owners in the share that their shares in the common elements bear to each other. There shall be no change in the shares or 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 improvements. The installation, replacement, and maintenance of hurricane shutters according to specifications adopted by the board of directors shall not be deemed a material alteration to the common elements.

5. 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:

A. Share of Common Expenses: Each apartment owner shall be liable for a proportionate share of the common expenses and shall share in the common surplus, such share being the same as the undivided share in the common elements appurtenant to his apartment.

B. Liability of Developer: The Developer shall not be liable for and shall be exempted from the payment of any assessments for common expenses assessed against any apartment owned by the Developer during the period beginning with the closing of the purchase of any apartment in the Condominium and terminating not later than one (1) calendar year thereafter. During this period, the Developer guarantees that the assessment for common expenses of the Condominium imposed on the apartment owners other than the Developer shall not increase over \$163.00 per month. The Developer shall pay any amount of common expenses incurred during the period and not

produced by the assessments at the guaranteed level receivable from other apartment owners. The Developer may not use any of the working capital advance paid by each unit owner at closing of his purchase. The Developer may not terminate the preceding guarantee until the

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guarantee period has elapsed in accordance with Florida Statutes 718.116(8)(b). Upon termination, the Developer shall pay assessments for common expenses for apartments owned by the Developer but shall not be required to pay the one-time working capital contribution on Developer's unsold units, paid by other owners at closing, the estimated operating budget is attached hereto as Exhibit C.

C. Interest; Application of Payment: Assessments and installments on such assessments paid on or before ten (10) days after the date when due shall not bear interest, but all sums not paid on or before ten (10) days after the date when due shall bear interest at the rate of fifteen percent (15%) per annum from the date when due until paid. All payments upon accounts shall be first applied to interest and then to the assessment payment first due.

D. Lien for Assessments: The lien for unpaid assessments (F.S. 718.116 or as same may be amended hereafter) shall also secure reasonable attorney's fees, including but not limited to, fees for appellate court representation, incurred by the Association incident to the collection of such assessments or enforcement of such lien.

E. 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 assessment of such lien.

6. ASSOCIATION: The operation of the Condominium shall be by Destin Gulfgate Owners Association, Inc., a corporation not-for-profit under the laws of Florida, which shall fulfill its functions pursuant to the following provisions:

A. Articles of Incorporation. A copy of the Articles of Incorporation of the Association is attached and made a part hereof as Exhibit D.

B. The By-Laws. The By-Laws of the Association shall be the By-Laws of the Condominium, a copy of which is attached and made a part hereof as Exhibit E.

C. Management Contract. A Management Contract providing for the initial management obligations of the Association to be performed by the Developer according to terms and conditions, all of which are specifically set forth in said Management Contract, a copy of which is attached and made a part hereof as Exhibit F. The Management Contract is subject to the Condominium Act insofar as its termination by the apartment owners is concerned.

D. Limitation Upon Liability of Association. Notwithstanding the duty of the Association to maintain and repair parts of the Condominium property, the Association shall not be liable to apartment owners for injury or damage, other than the cost of maintenance and repair, caused by any latent conditions of the property to be maintained and repaired by the Association, or caused by the elements or other owners or persons.

E. Restraint Upon Assignment of Shares in Assets. The Shares of members in the funds, assets and property rights of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his apartment.

F. 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 the Declaration.

7. INSURANCE. The insurance other than title insurance that shall be carried on the Condominium property and the property of the apartment owners shall be governed by the following provisions:

A. Authority to Purchase; Named Insured. All insurance policies upon the Condominium property shall be purchased by the Association. The named insured shall be the Association

individually and as agent for the apartment owner and their respective 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, the wall, floor and ceiling coverings, and for their personal liability and living expense, for electrical fixtures, appliances, water heaters, and built-in cabinets located within the unit, and for all components of air conditioning and heating equipment serving the unit regardless of location of components.

B. Coverage.

(1) Casualty. All buildings and improvements upon the land shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation, 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 with such deductible clauses required to obtain coverage at a reasonable cost. Such coverage shall afford protection against:

(a) Loss or damage by fire or other hazards covered by a standard extended coverage endorsement;

(b) Such other risks as from time to time shall be customarily covered with respect to buildings on the land, including but not limited to vandalism and malicious mischief, windstorm and flood insurance.

(c) Insurance policies obtained by the association on the buildings providing casualty coverage pursuant to 7(b)(1)(a) and (b) above shall not include the following property:

Air handling equipment for space cooling and heating, serving a unit (regardless of location of components) service equipment such as dishwasher, refrigerator, oven, stove, hot water heater, whether or not built-in; interior fixtures such as electrical and plumbing fixtures; floor coverings;

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and inside paint and other inside wall finishes and built-in cabinets. Further, such policies, when appropriate and possible, shall waive the insurer's right to: (a) subrogation against the Association and against the apartment owners individually and as a group, (b) benefit of the pro rata clause that reserves to the insurer the right to pay only a fraction of any loss if other insurers have issued coverage on the same risk, and (c) avoid liability for a loss that is caused by an act of the Board of Directors of the Association or a director or one or more apartment owners.

(2) Liability. 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 apartment owners as a group to an apartment owner.

(3) Workmen's Compensation. Workmen's compensation policy to meet the requirements of law.

(4) Other. Such other insurance as the Board of Directors of the Association shall determine from time to time to be desirable.

C. Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a common expense of this Condominium; provided, however, that any apartment owner who shall use or maintain his apartment in such manner as to cause a greater insurance premium to be assessed than would have been assessed if he had used his apartment as other apartment owners, then said apartment owner shall be liable for and pay a special assessment in an amount equal to the increased premium cost caused by his maintenance or use of his apartment.

D. Insurance Trustees; Share of Proceeds. All insurance policies purchased by the Association shall be for benefit of the Association and the apartment owners and their mortgagees as their interest may appear, and shall provide that all proceeds

covering property losses shall be paid to such bank located in the State of 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 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 to hold the proceeds in trust for the purposes 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:

(1) Common Elements. Proceeds on account of damage to common elements - an undivided share for such apartment owner; such share being the same as the undivided share in the common elements appurtenant to his apartment.

(2) Apartments. Proceeds on account of damage to apartments shall be held in the following undivided shares;

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

(b) When the building is not to be restored an undivided share for each apartment owner, such share being the same as the undivided share in the common elements appurtenant to his apartment divided by the total of the undivided shares in the common elements appurtenant to all apartments of the building not to be restored.

(3) Mortgages. 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 interest 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 owners and mortgagee pursuant to the provisions of this Declaration.

E. Distribution of Proceeds. Proceeds of insurance policies received by the insurance trustee shall be distributed to or for the beneficial owners in the following manner:

(1) Expense of the Trust. All expense of the insurance trustee shall be paid first or provisions made for such payment.

(2) 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, remittance 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.

(3) 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, remittance to apartment owners and their mortgagee being payable jointly to them. This is a covenant for the benefit of any mortgagee of any apartment and may be enforced by such mortgagee.

(4) 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.

F. 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.

8. RECONSTRUCTION OR REPAIR AFTER CASUALTY:

A. 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:

(1) Common Elements. 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.

(2) Apartment Building.

(a) Lesser Damage. If the damaged improvement is the apartment building and if apartments to which fifty percent (50%) of the common elements 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 sixty (60) days after the casualty it is determined by agreement in the manner elsewhere provided that the Condominium shall be terminated.

(b) Major Damage. If the damaged improvement is the apartment building and if apartments to which more than fifty percent (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 without agreement as elsewhere provided, unless within sixty (60) days after casualty the owners of seventy-five (75%) of the common elements agree in writing to such reconstruction or repair.

(3) 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.

B. Plans and Specifications. Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original buildings, 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 the apartment building, by the owners of not less than seventy-five percent (75%) of the common elements, including the owners of all damaged apartments, which approval shall not be unreasonably withheld.

C. Responsibility. If the damage is not the result of a casualty for which the Association has secured insurance coverage and is only to those parts of one apartment for 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.

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

E. 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, the funds for the payment of the costs of reconstruction and repair are insufficient, assessment shall be made against the apartment owners who own the damaged apartments, and against all apartment owners in the case of damage to common elements, 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 owner's share in the common elements.

F. Construction Funds. The funds for payment of the 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 the costs in the following manner:

(1) Association. If the total 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 \$10,000.00, 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 the costs of reconstruction and repair.

(2) 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 costs of reconstruction and repair in the following manner and order:

(a) Association - Lesser Damage. If the amount of the estimated costs of reconstruction and repair that is the responsibility of the Association is less than \$10,000.00, 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 funds shall be disbursed in the manner provided for the reconstruction and repair of major damage.

(b) Association - Major Damage. If the amount of the estimated costs of reconstruction and repair that is the responsibility of the Association is more than \$10,000.00, then the construction fund shall be disbursed in payment of such costs in the manner required by the Board of Directors of the Association upon approval of an architect qualified to practice in Florida and employed by the Association to supervise the work.

(c) 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 be advised.

(d) Surplus. It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in 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 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.

(e) 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 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 an apartment owner; and further provided that when the Association, or 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 upon disbursements in payment of costs of reconstruction and repair.

9. USE RESTRICTIONS. The use of the condominium property shall be in accordance with the following provisions as long as the condominium exists and any apartment building in useful condition exists on the land.

A. Apartments. Each of the apartments shall be occupied only as a residence either permanent or transient and for no other purpose. Except as reserved to Developer, no apartment may be divided or subdivided into a smaller unit nor any portion sold or otherwise transferred without first amending this Declaration to show the changes in the apartment to be affected. However, while the Developer is still selling units, unsold units may be used in the Developer's sales program as model units, sales offices or for any purpose deemed appropriate by the Developer in his sales promotion effort.

B. Common Elements. The common elements shall be used only for the purpose for which they are intended in the furnishing of services and facilities for the enjoyment of the apartments. However, while the Developer is still in control of the Board of Directors and is still selling units, common elements may be used in Developer's marketing program in the manner Developer sees appropriate to use such common elements.

C. 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 clothes, towels or any other items of personal property to be hung, draped or otherwise displayed on the apartment's balcony deck or patio for the purpose of drying or for any purpose in a manner which would allow said clothing, towel or other personal property to be viewed by any other person. However, any unit owner may display one portable, removable US flag in a respective way. 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 unless provisions have been made for a special assessment pursuant to paragraph 8 (C).

D. 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, modifications or repair of the condominium property shall be the same as the responsibility for the maintenance and repair of the property concerned.

E. Leasing. Entire apartments may be rented or leased only pursuant to this Declaration, the Articles and By-Laws of the Association, and provided the occupancy is only by the lessee, his family, servants or guests. No rooms may be rented except as part of an apartment or to another apartment owner.

F. Regulations. Reasonable regulations concerning the use of the condominium property may be made and amended from time to time by the Association in the manner provided by its Articles of Incorporation and By-Laws. Copies of such regulations and amendments shall be furnished by the Association to all apartment owners and residents of the condominium upon request.

G. Short-term Rentals. Short-term (less than six (6) months) transient rentals are not prohibited; however, any owner wishing to enter into an agreement with a property manager for short-term transient rental of his unit, must utilize the on-site property manager under contract with the Association as the exclusive on-site rental agency. If the Association initiates its own rental program, any owner who wishes to use a rental agency for short-term rentals must use the Association as his rental agent.

H. Registration with Office. All non-resident occupants of units (owners, owners' guests, renters, etc.) must register at the office of the Condominium within twenty-four (24) hours of arrival.

I. Proviso. Provided, however, that until Developer has completed all of the contemplated improvements and closed the sales of all the apartments of the condominium, neither the apartment owners nor the Association nor any use of the condominium property shall interfere with the completion of the contemplated improvements and the sale of the apartments. Developer may make such use of the unsold apartments and common areas as may facilitate such completion and sale, including but not limited to maintenance of a sales office in the common elements or within a unit, the showing of the property and the display of signs. The furniture and furnishings in the sales office, in all model apartments, and signs and all items pertaining to sales shall not be common elements and shall remain the property of the Developer. The Developer shall have the absolute right to rent or lease unsold condominium apartments without regard to any restrictions or limitations.

10. MAINTENANCE OF COMMUNITY INTEREST. 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

upon the land, which provisions each apartment owner covenants to observe:

A. Transfer Subject to Approval.

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

(2) Lease. There shall be no restriction on leasing apartments, except as provided in Paragraphs 9G and 10B.(1)(b).

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

(4) 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.

(5) Other Transfers. If any apartment owner shall acquire his title by any manner not considered in the foregoing subsections, the continuance of his ownership of his apartment shall be subject to the approval of the Association.

B. Approval by Association. The approval of the Association that is required for the transfer of ownership of apartments shall be obtained in the following manner.

(1) Notice to Association.

(a) 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. Such notice at the apartment owner's option may include a demand by the apartment owner that the Association furnish a purchaser of the apartment if the proposed purchaser is not approved; and if such demand is made, the notice shall be accompanied by an executed copy of the proposed contract of sale.

(b) Lease. Nothing contained in this Declaration of Condominium or the Articles or By-Laws of the Association, shall prevent an apartment owner, a group of apartment owners or the Association from renting apartments, forming a rental pool or renting apartments by any other method. For the purposes of security and facilitating emergency entry to a unit, all unit owners and/or their rental agent will furnish the Association, in the form required by the Association, the name, address and telephone number of any and all occupants.

(c) 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 this 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.

(d) 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.

(2) Certificate of Approval.

(a) Sale. If the proposed transaction is a sale, then within thirty (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 Okaloosa County, Florida, at the expense of the purchaser.

(b) Lease. No certificate of approval shall be required as a prerequisite to the leasing of an apartment.

(c) 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 thirty (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 Okaloosa County, Florida, at the expense of the apartment owner.

(3) Approval of Corporate Owner as Purchaser.

In as much as the condominium may be used only for residential purposes and a corporation cannot occupy an apartment for such use, if the apartment owner or purchaser of an apartment is a corporation, the approval of ownership by the corporation may be conditioned by requiring that all persons occupying the apartment be approved by the Association.

C. 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:

(1) Sale. If the proposed transaction is a sale and if the notice of sale given by the apartment owner shall so demand, then within thirty (30) days after receipt of such information 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:

(a) At the option of the purchaser to be stated in the agreement, the price to be paid shall be that stated in the disapproved contract to sell or shall be the fair market value

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.

(b) The purchase price shall be paid in cash.

(c) The sale shall be closed within thirty (30) days after the delivery or mailing of the agreement to purchase, or within ten (10) days after the determination of the sale price if such is by arbitration, whichever is the later.

(d) A certificate of the Association executed by its president and secretary and approving the purchaser shall be recorded in the Public Records of Okaloosa County, Florida, at the expense of the purchaser.

(e) If the Association shall fail to provide a purchaser upon the demand of the apartment owner in the manner provided, or if a purchaser furnished by the Association shall default in his agreement to purchase, then notwithstanding the disapproval, the proposed transaction 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 Record of Okaloosa County, Florida, at the expense of the purchaser.

(2) 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 thirty (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:

(a) The sale price shall be the fair market value determined by agreement between the seller and purchaser within thirty (30) days from 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.

(b) The purchase price shall be paid in cash.

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

(d) A certificate of the Association executed by its president and secretary and approving the purchaser shall be recorded in the Public Records of Okaloosa County, Florida, at the expense of the purchaser.

(e) 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 Record of Okaloosa County, Florida, at the expense of the apartment owner.

D. Mortgage. No apartment owner may mortgage his apartment nor any interest in it without the approval of the Association except to an institutional mortgagee or to a vendor to

secure a portion or all the purchase price. The approval of any other mortgagee may be upon conditions determined by the Association or may be arbitrarily withheld.

E. Exceptions. The foregoing provisions of this section entitled "Maintenance of Community Interest" shall not apply to a transfer to or purchase by an institutional mortgagee 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 through foreclosure proceedings; nor shall such provisions apply to transfer, sale or lease by an institutional mortgagee that so acquires the 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.

F. Unauthorized Transactions. Any sale, mortgage or lease not authorized pursuant to the terms of this Declaration shall be void unless subsequently approved by the Association.

11. 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:

A. 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 guest, 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 premiums occasioned by use, misuse, occupancy or abandonment of an apartment or its appurtenances, or of the common elements by the apartment owner.

B. Fines. Subject to the applicable provisions of Chapter 718, Florida Statutes, and Chapter 7D, Florida Administrative Code, the Board of Directors of the Association may upon notice and hearing before said Board, fine any offending member a sum not to exceed \$50.00 for each infraction of the provisions of this Declaration, the Articles, the By-Laws or rules and regulations of the Association. If such fines are not paid by the owner of the unit occupied by the violator within ten (10) days, the Association may enforce collection of the same by litigation.

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

D. 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, or the By-Laws shall not constitute a waiver of the right to do so thereafter.

12. SPECIFIC RIGHTS OF INSTITUTIONAL MORTGAGEES. In addition to the rights and privileges expressly granted to the mortgagees of condominium apartments in other articles of this Declaration of Condominium, and upon written demand therefor to the Association, each and every institutional mortgagee shall have the following rights and entitlements provided such mortgagee shall file

with the Association a letter stating its name and address and designating the units in which it has a security interest.

A. To be furnished with at least one copy of the annual financial statement and a report of the Association, prepared by certified public accountant designated by the Association, including a detailed statement of annual carrying charges or income collected and operating expenses, such financial statement and report to be furnished within ninety-one (91) days following the end of each fiscal year.

B. To be given written notice by the Association of the call of a meeting of the membership to be held for the purpose of considering any proposed amendment to this Declaration of Condominium, or the Articles of Incorporation and By-Laws of the Association, which notice shall state the nature of the amendment being proposed.

C. To be given notice of default by any member owning any apartment encumbered by a mortgage held by such institutional mortgagee, such notice to be given in writing and to be sent to the principal office of such institutional mortgagee or to the place which it or they may designate in writing to the Association.

D. To be given an endorsement to the policies covering the common elements requiring that such institutional mortgagee be given any notice of cancellation provided for in such policy.

E. Should the Association fail to pay such premiums when due, or should the Association fail to comply with other insurance requirements of the mortgagee(s), said institutional mortgagee(s) shall have the right, at its option, to order insurance policies and to advance such sums as are required to maintain or procure such insurance, and to the extent of the money so advanced, said mortgagee shall be subrogated to the assessment and lien rights of the Association as against the individual apartment owners for the payment of such items of common expense.

F. An institutional first mortgagee shall always be entitled to receive, in reduction of its mortgage debt that portion of insurance proceeds apportioned to its mortgaged apartment in the same share as the share in the common elements appurtenant to such apartment, in the event: (a) either insurance proceeds are not sufficient to complete restoration, reconstruction or repair and the Association has not made additional funds available for such purpose; or (b) it is determined to restore, repair or reconstruct the improvements in a manner or condition substantially different from that existing prior to the casualty and such mortgagee has not consented in writing to such change or alteration.

G. The institutional mortgagee shall be entitled to a written notification from the Association thirty (30) days prior to the effective date of:

- (1) Any change in the condominium documents; and
- (2) Any change of manager (not including change in employees of a corporate manager) of condominium.

H. Such institutional mortgagee shall be entitled to written notification from the Association of any default by the mortgagor of such apartment in performance of the mortgagor's obligations under all condominium documents which is not cured within thirty (30) days.

I. Any institutional mortgagee which comes into possession of the apartment pursuant to the remedies provided in the mortgage, foreclosure of the mortgage or deed in lieu of foreclosure, shall take the property free of any claim for unpaid assessments or charges against the mortgaged apartment which accrue prior to the time such institutional mortgagee comes into possession of the apartment (except for claims for a pro rata share of any tax or special assessment as provided for in this Declaration of Condominium).

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

A. 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 to be considered.

B. Adoption. 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, at a meeting called for this purpose. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided such approval is delivered to the secretary at or prior to the meeting. Except as elsewhere provided, such approval must be either by:

(1) Not less than two-thirds (66 2/3%) of the votes of the entire membership of the Association; or

(2) Until the election of a majority of the Directors by the owners other than the Developer, only by all of the Directors, provided the amendment does not increase the number of apartments nor alter the boundaries of the common elements.

C. Proviso. Provided, however, that no amendment shall discriminate against any apartment owner nor against any apartment or class or group of apartments, unless the apartments so affected shall consent; and no amendment shall change the configuration or size of any apartment in any material fashion 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" in any material fashion 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. It is further provided that no mortgagee may unreasonably withhold consent or joinder in any amendment materially affecting their rights or interest.

D. Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was 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 a copy of the

THE REMAINDER OF THIS PAGE HAS BEEN
INTENTIONALLY LEFT BLANK

amendment are recorded in the public records of Okaloosa County, Florida.

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

A. Destruction. If it is determined in the manner elsewhere provided that the apartment building shall not be reconstructed because of major damage, the condominium plan of ownership will be terminated without agreement.

B. 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 the notice of the meeting gives notice of the proposed termination, and if the approvals of the owners of not less than seventy-five percent (75%) of the common elements and of the record owners of all mortgages upon the apartments are obtained in writing not later than thirty (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 sixtieth (60th) day from the date of such meeting. Such approval 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:

(1) 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.

(2) Price. The sale price of each apartment shall be the fair market value determined by agreement between the seller and purchaser within thirty (30) days from the delivery or mailing of such agreement, and in the absence of agreement as 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 (2) 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.

(3) Payment. The purchase price shall be paid in cash.

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

C. 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 Okaloosa County, Florida.

D. 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.

E. Amendment. This section concerning termination cannot be amended without consent of all apartment owners and of all record owners of mortgages upon the apartments. Mortgagees shall not unreasonably withhold consent or joinder in any such amendment.

15. SEVERABILITY. The invalidity in whole or in part of any covenant or restriction, or any section, subsection, sentence,

clause, phrase or word, or other provision in this Declaration of Condominium or the exhibits thereto including the Articles of Incorporation, By-Laws and regulations of the Association shall not affect the validity of the remaining portions.

IN WITNESS WHEREOF, the Developer has executed this Declaration the day and year first above written.

DESTIN GULFGATE, INC.
a Florida corporation

By Richard R. Bennett
RICHARD R. BENNETT, President

Michael Wm Mead
MICHAEL Wm MEAD
Leila J. Evans
WITNESSES LEILA J. EVANS

STATE OF FLORIDA
COUNTY OF OKALOOSA

I HEREBY CERTIFY that on this day, before me an officer duly authorized to take acknowledgments, personally appeared RICHARD R. BENNETT to me well known to be the President of Destin Gulfgate, Inc., a Florida corporation, and he acknowledged to and before me that he executed said instrument for the purposes therein described and under authority duly vested in him by said corporation.

WITNESS my hand and official seal, this 24th day of JUNE, 1993.

Michael Wm Mead
NOTARY PUBLIC MICHAEL Wm MEAD
My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. SEPT. 8, 1994
BONDED THIRD GENERAL INS. UND. \$1,000

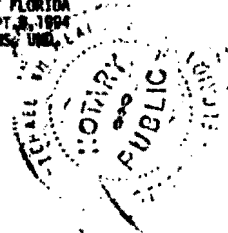


EXHIBIT "A"

PLOT OF SURVEY IN THREE SHEETS

FIRM FLOOD INSURANCE RATE MAP
COMMUNITY PANEL 12515 0005 E
MAP REVISED JANUARY 2, 1992
ZONE VE ELEVATION 9, ZONE VE ELEVATION 8
AND
ZONE X OUTSIDE 500 YEAR FLOODPLAIN
ALL IMPROVEMENTS EXCEPT DUNE CROSSOVER ARE IN ZONE X

SURVEYORS CERTIFICATE PER CHAPTER 718 FAC IS ON SEPERATE SHEET

ELEVATION REFERENCE MONUMENT 57-81-A14 ELEVATION 12599'

ENCROACHMENTS - RETAINING WALL AS SHOWN ON EAST LINE

NOTE: THERE MAY BE ADDITIONAL RESTRICTIONS THAT ARE NOT RECORDED ON THIS
PLAT THAT MAY BE FOUND IN THE PUBLIC RECORDS OF THIS COUNTY

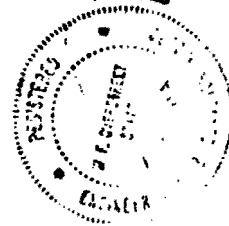
NO SEARCH OF RECORDS BY THIS SURVEYOR

SURVEY PREPARED BY
W.E. OVERSTREET LS 2032
7 HUGHES AVENUE
FORT WALTON BEACH, FL 32548

I CERTIFY THE INFORMATION SHOWN HEREON IS COR-
RECT AND IN ACCORDANCE WITH FLA FAC TO THE
BEST OF MY KNOWLEDGE AND BELIEF.

W.E. OVERSTREET
REGISTERED SURVEYOR #2032
STATE OF FLORIDA

NOT VALID
UNLESS STAMPED
WITH EMBOSSED
SEAL

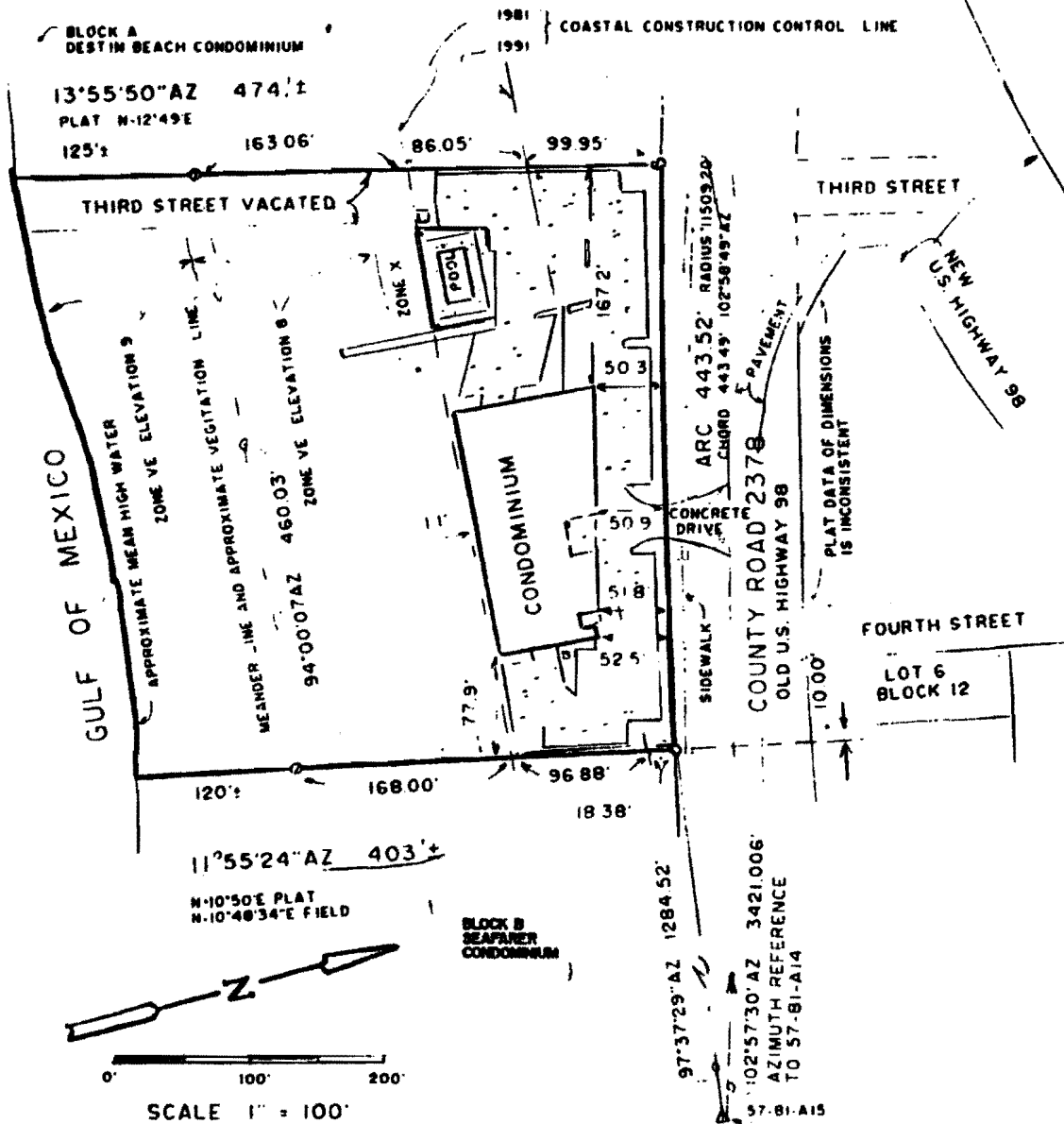


DESCRIPTION AS FURNISHED

THAT PORTION OF BLOCK B, SILVER BEACH SUBDIVISION, OKALOOSA
COUNTY, FLORIDA, AS RECORDED IN PLAT BOOK 1 AT PAGE 16 1/2
OF THE PUBLIC RECORDS OF SAID COUNTY, LYING EAST OF THE
SOUTHERLY EXTENSION TO THE GULF OF MEXICO OF THIRD STREET,
AND WEST OF THE SOUTHERLY EXTENSION TO THE GULF OF MEXICO
OF A LINE 10 FEET EAST OF THE WEST LINE OF LOT 5, BLOCK 12,
AND INCLUDING THE VACATED RIGHT-OF-WAY OF THIRD STREET
LYING SOUTH OF COUNTY ROAD 2378 (FORMERLY U.S. HIGHWAY 98).

FINAL LAND SURVEY DESTIN GULFGATE CONDOMINIUM
9 JULY 1993

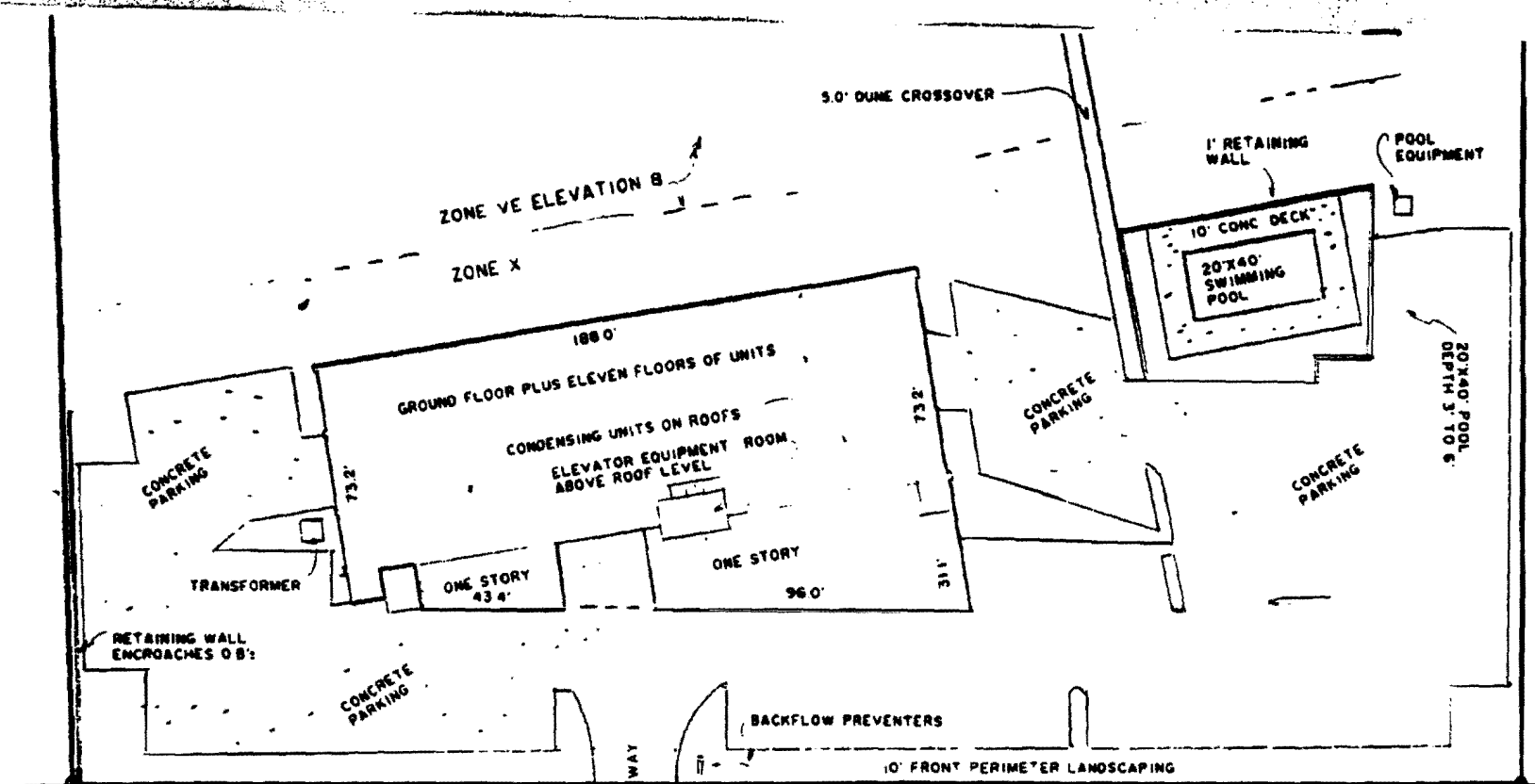
SHEET ONE OF THREE



LEGEND
 ROD STEEL ROD
 Δ FOUND 12" CONCRETE MONUMENT 57-81-A15
 ○ FOUND 0.5" ROD LB 3724
 ⊙ SET 0.5"X18" ROD LB 2032

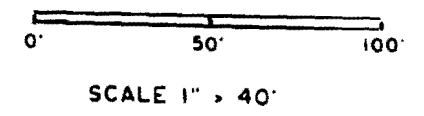
AZ RAD 29 GRID AZIMUTH
 PLAT AND FIELD MEASUREMENTS AGREE
 EXCEPT AS NOTED

THAT PORTION OF BLOCK B, SILVER BEACH SUBDIVISION, OKALOOSA COUNTY, FLORIDA, AS RECORDED IN PLAT BOOK 1 AT PAGE 16 1/2 OF THE PUBLIC RECORDS OF SAID COUNTY, LYING EAST OF THE SOUTHERLY EXTENSION TO THE GULF OF MEXICO OF THIRD STREET, AND WEST OF THE SOUTHERLY EXTENSION TO THE GULF OF MEXICO OF A LINE 10 FEET EAST OF THE WEST LINE OF LOT 5, BLOCK 12, AND INCLUDING THE VACATED RIGHT-OF-WAY OF THIRD STREET LYING SOUTH OF COUNTY ROAD 2378 (FORMERLY U.S. HIGHWAY 98).



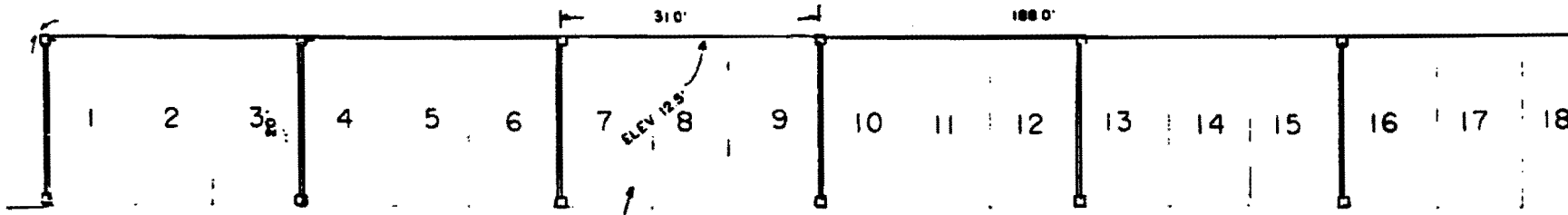
ALL ITEMS DEPICTED ON THIS SHEET
 ARE COMMON ELEMENTS
 WITH 1101 AND 1102 COMBINED INTO ONE UNIT
 PARKING REQUIRED - 65 X 2 = 130
 PROVIDED ARE 31 UNDER BUILDING AND
 99 PARKING SPACES OUTSIDE

COUNTY ROAD 2378

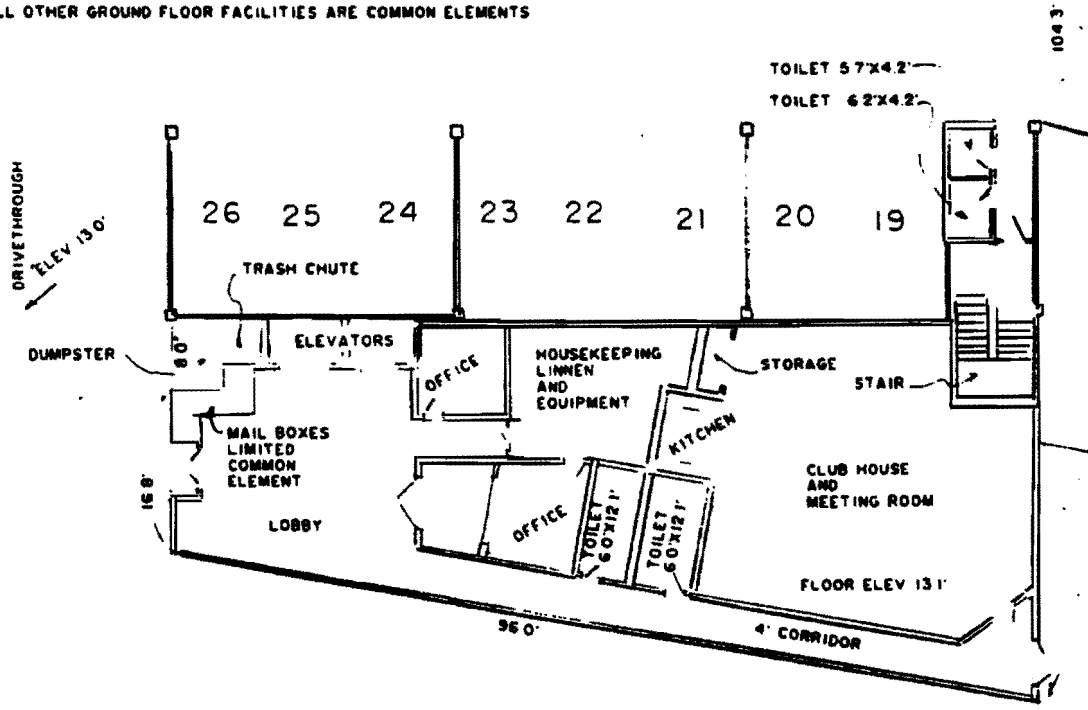
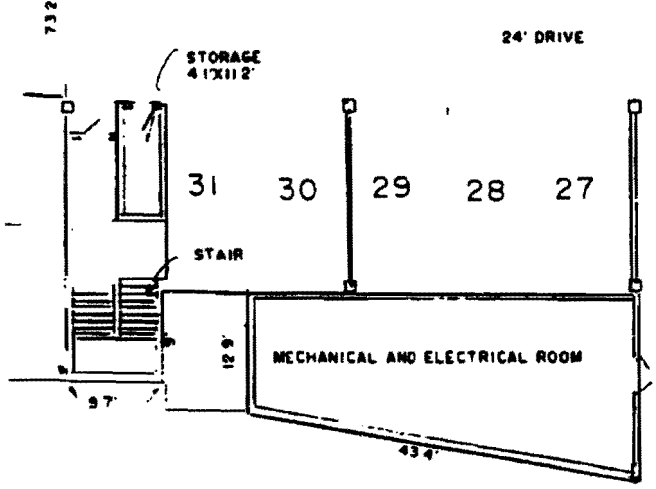


DESTIN GULFGATE CONDOMINIUM
 FINAL SURVEY SHEET 3 OF 3

OFFICIAL RECORDS
 BK 1759 PG 1116



PARKING SPACES UNDER BUILDING NUMBERED 1 THROUGH 31 ARE LIMITED COMMON ELEMENTS
 MAIL BOXES ARE LIMITED COMMON ELEMENTS
 ALL OTHER GROUND FLOOR FACILITIES ARE COMMON ELEMENTS

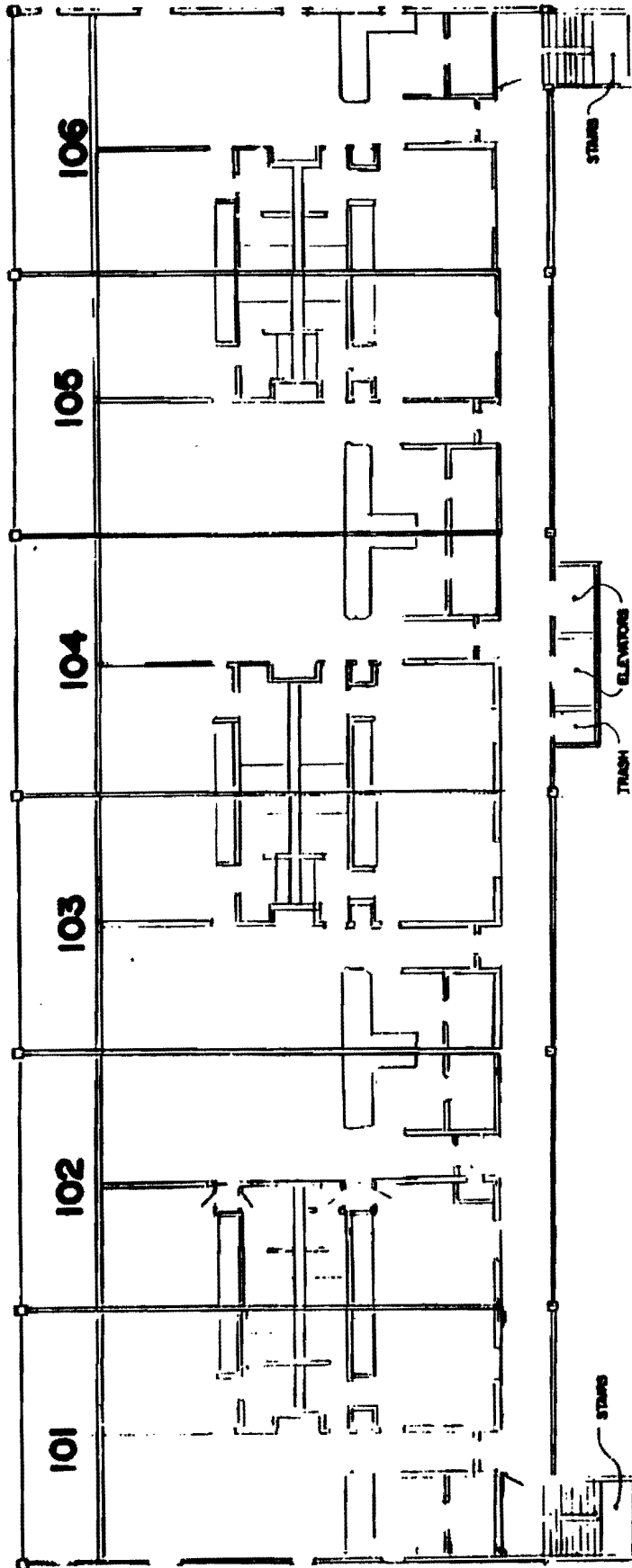


GROUND FLOOR

**DESTIN GULFGATE
 CONDOMINIUM**

EXHIBIT "B"

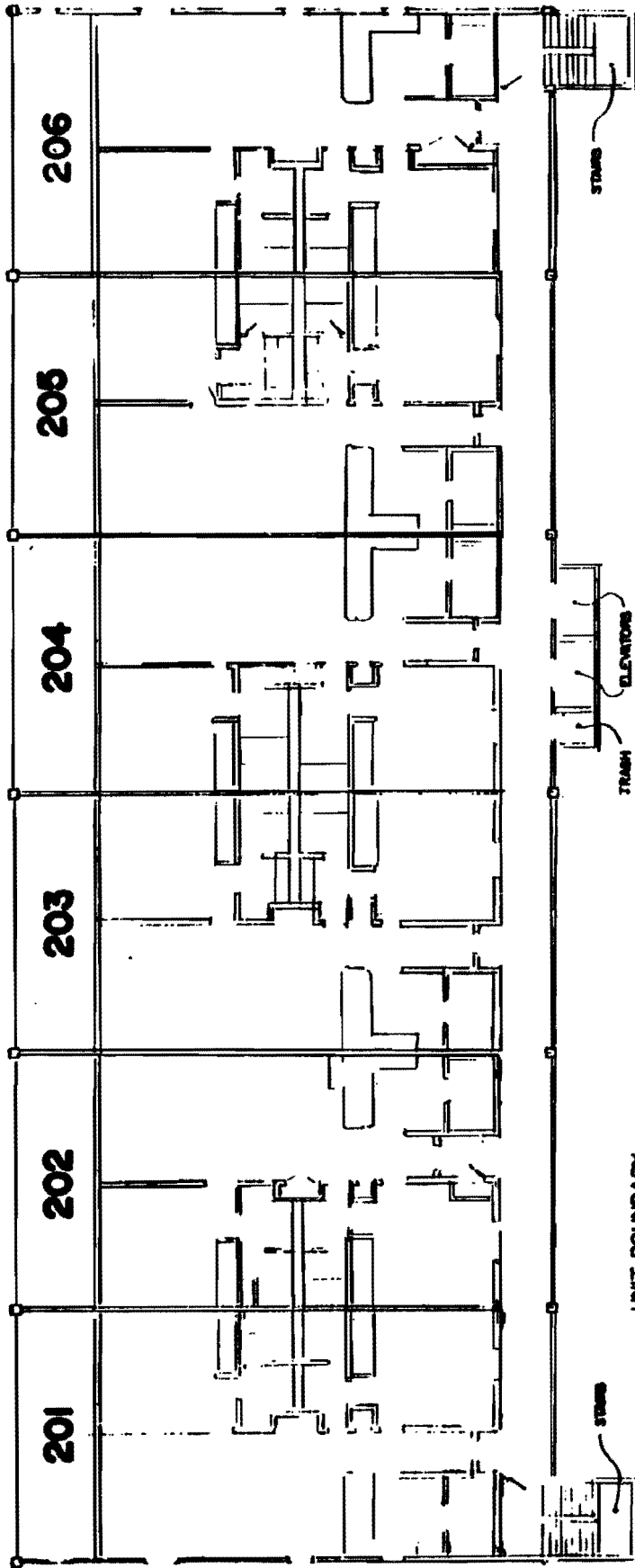
** OFFICIAL RECORDS **
 BK: 1759 PG 1117



UNIT BOUNDARY
FLOOR 23.0'
CEILING 31.0'

DESTIN GULFGATE
CONDOMINIUM

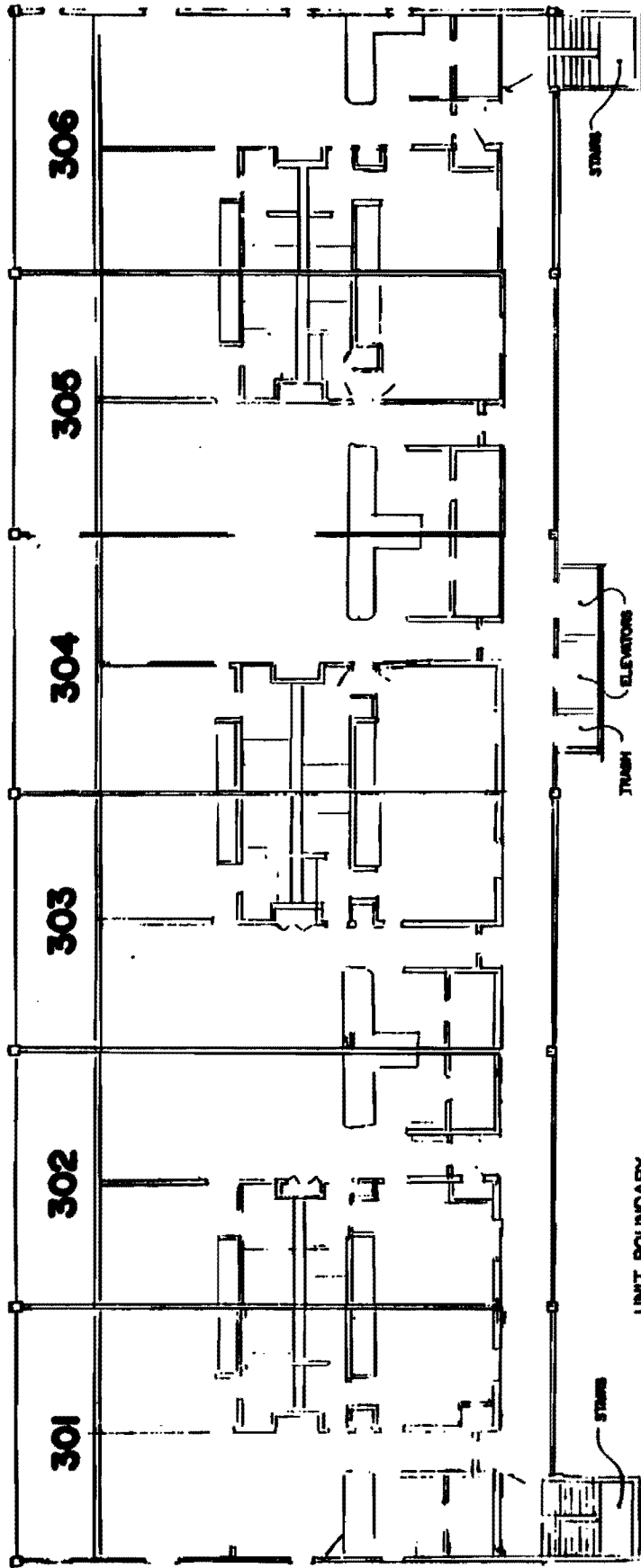
FIRST FLOOR



DESTIN GULFGATE
CONDOMINIUM

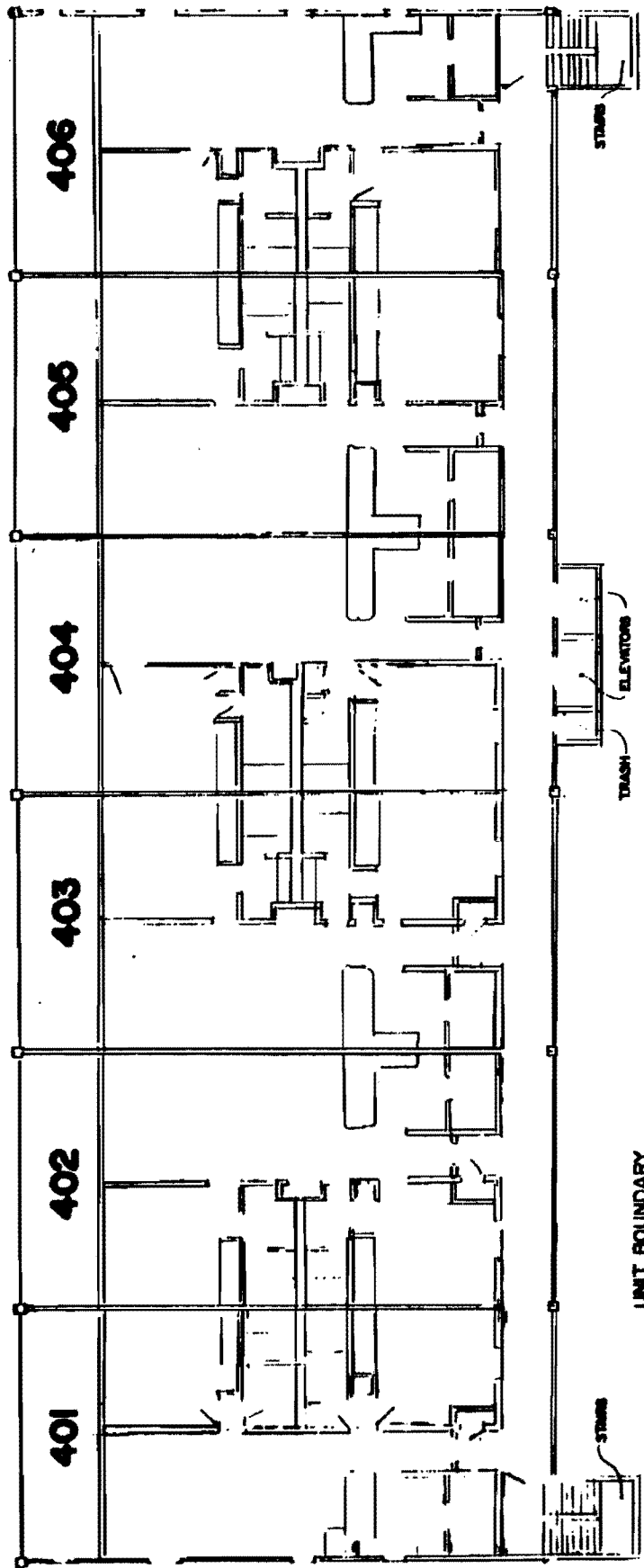
SECOND FLOOR

UNIT BOUNDARY
FLOOR 32J
CEILING 40J



DESTIN GULFGATE
CONDOMINIUM

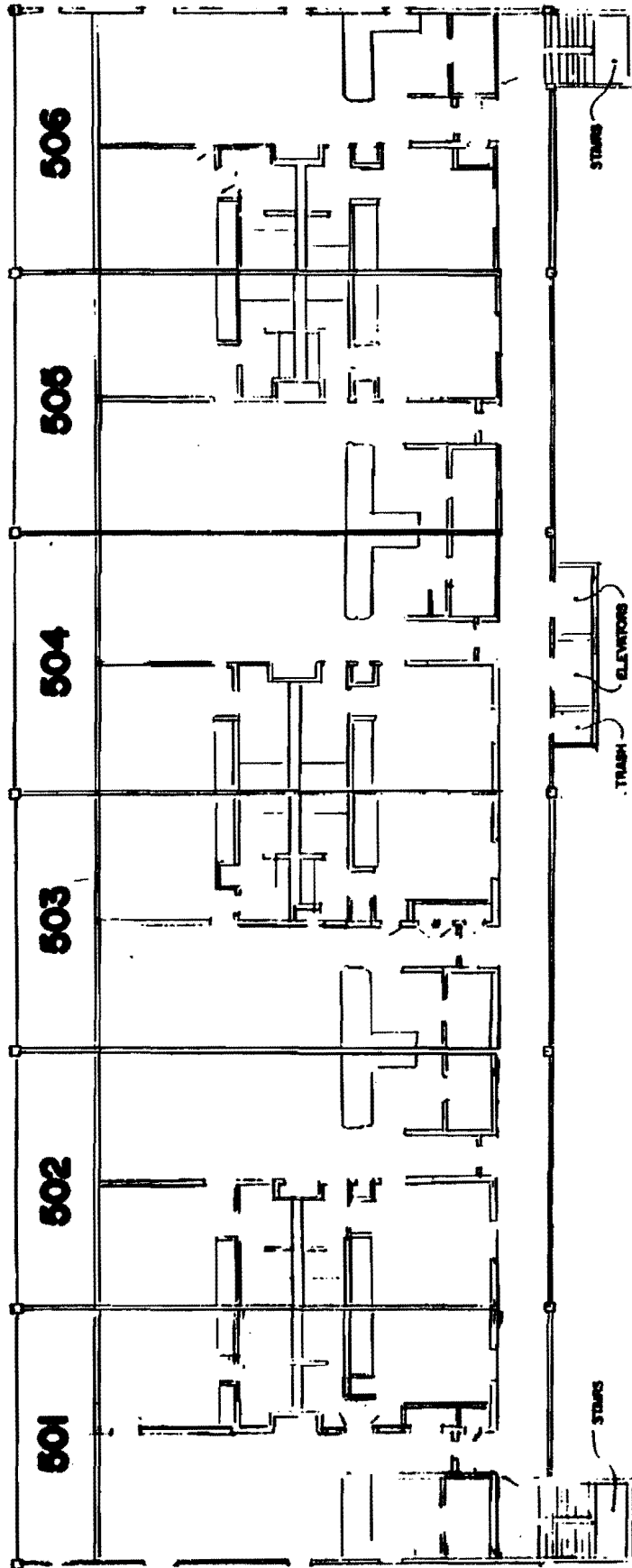
THIRD FLOOR



UNIT BOUNDARY
FLOOR 50.2'
CEILING 58.2'

DESTIN GULFGATE
CONDOMINIUM

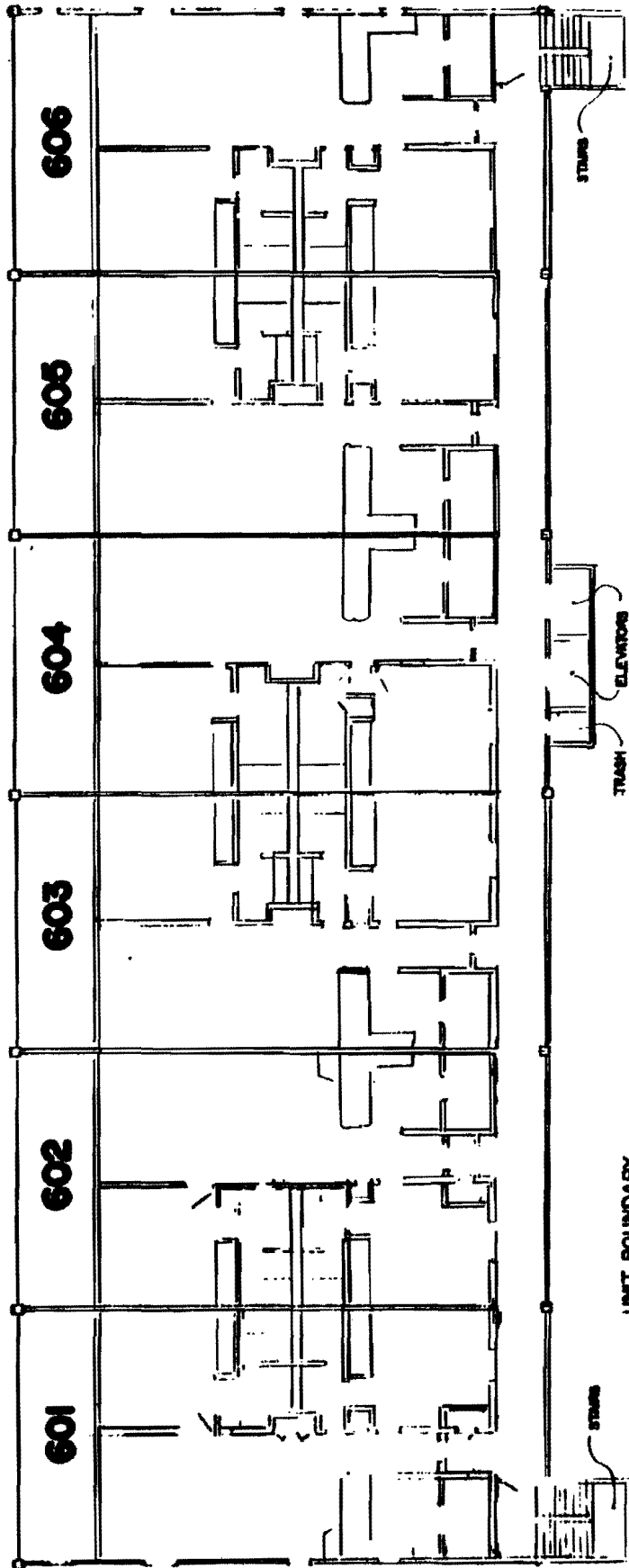
FOURTH FLOOR



UNIT BOUNDARY
FLOOR 59.3'
CEILING 67.3'

FIFTH FLOOR

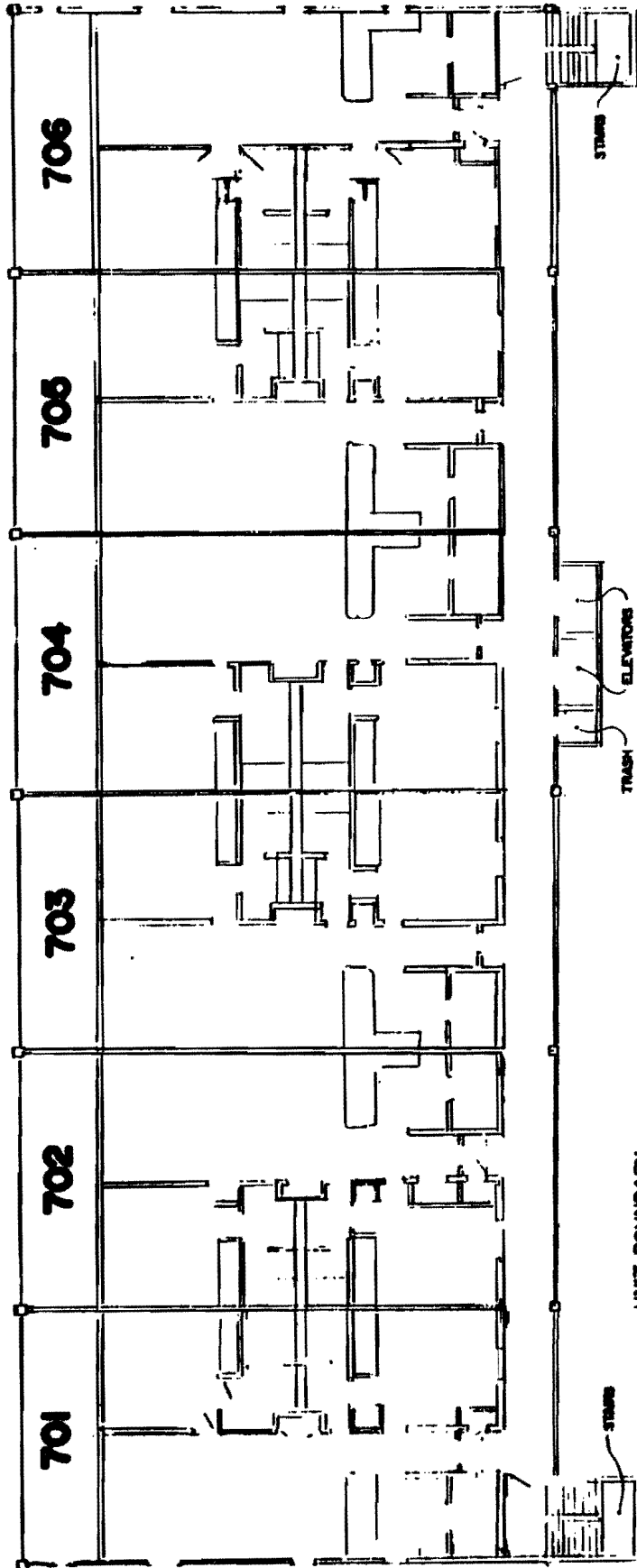
**DESTIN GULFGATE
CONDOMINIUM**



DESTIN GULFGATE
CONDOMINIUM

SIXTH FLOOR

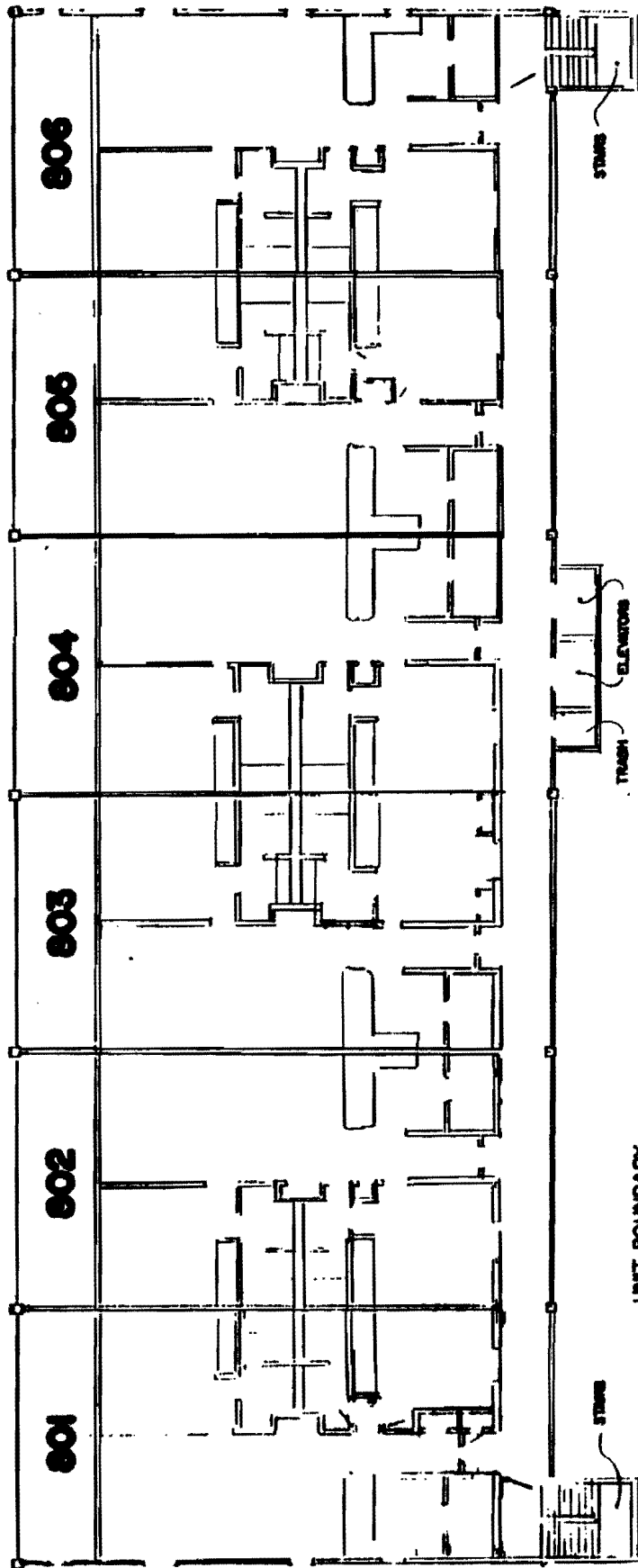
UNIT BOUNDARY
FLOOR 68.5'
CEILING 76.5'



UNIT BOUNDARY
FLOOR 77.6'
CEILING 85.6'

DESTIN GULFGATE
CONDOMINIUM

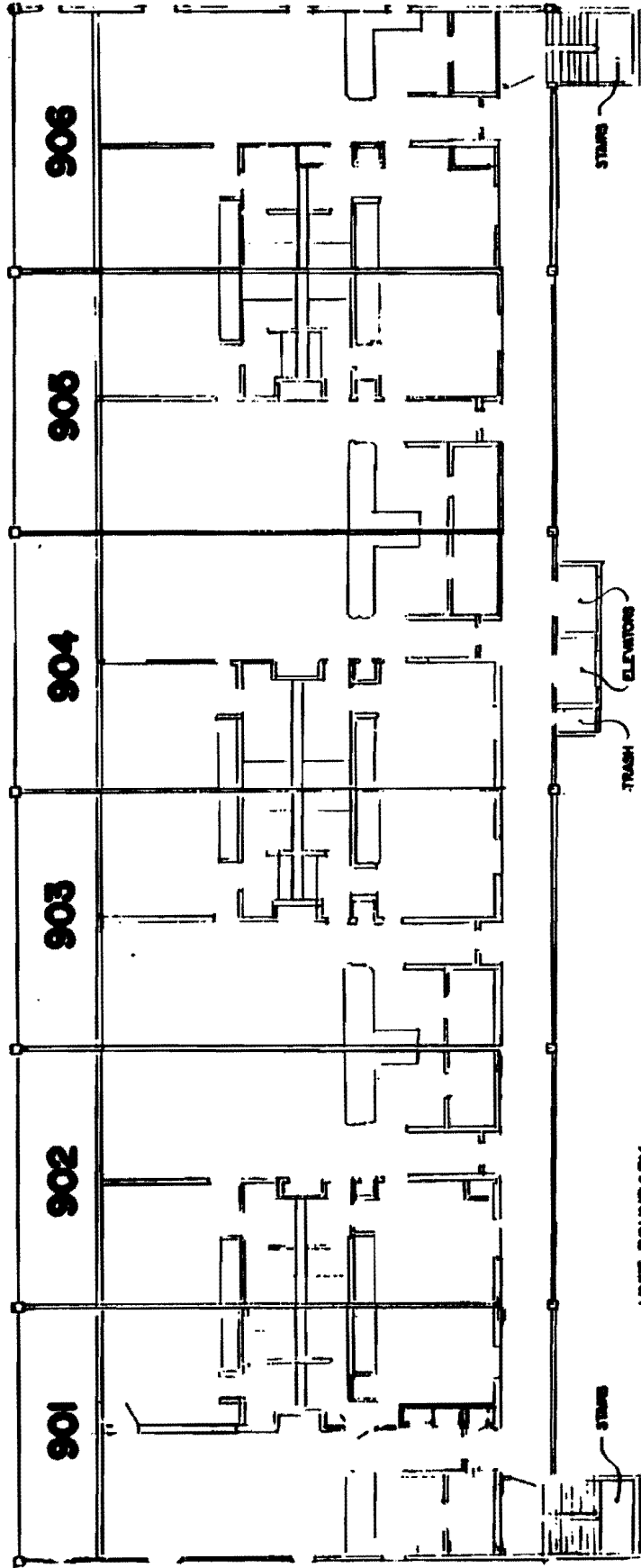
SEVENTH FLOOR



UNIT BOUNDARY
FLOOR 86.7
CEILING 94.7

**DESTIN GULFGATE
CONDOMINIUM**

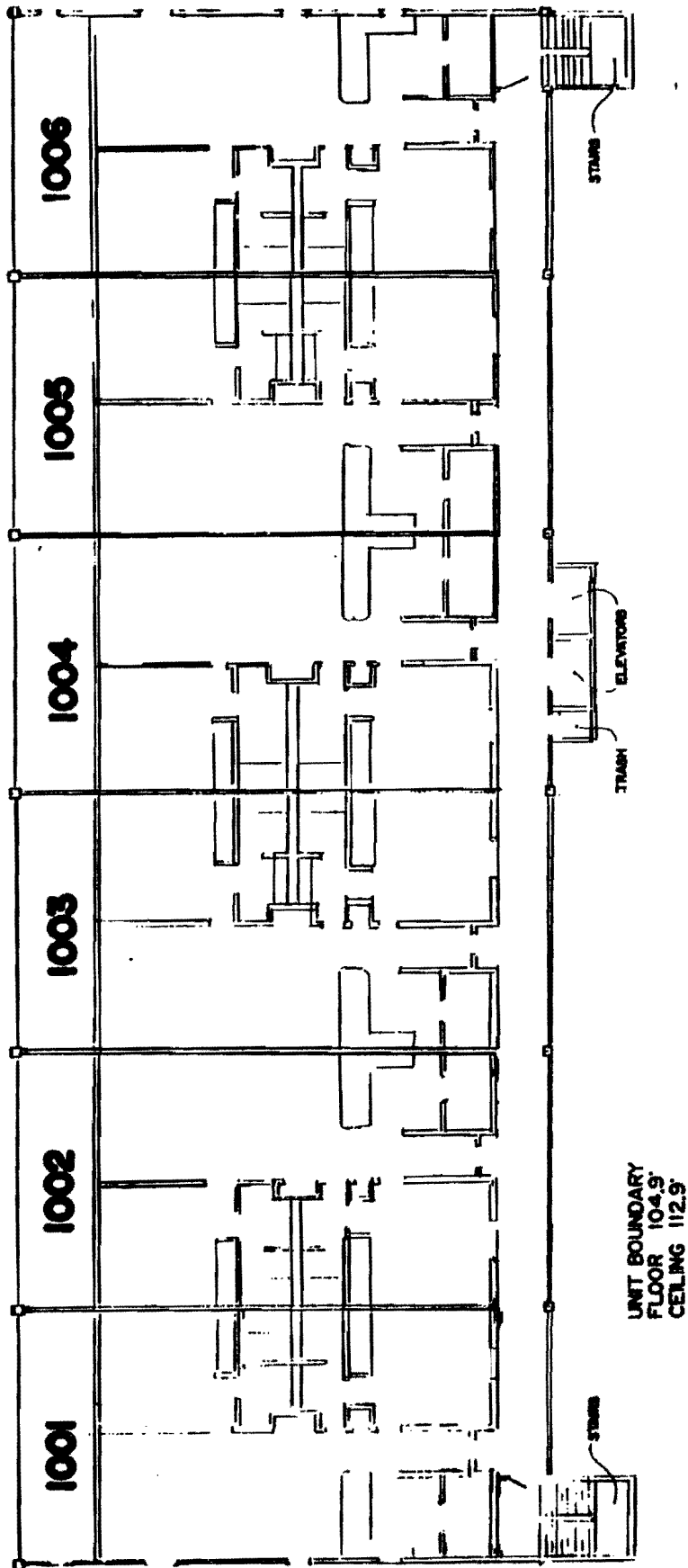
EIGHTH FLOOR



UNIT BOUNDARY
FLOOR 95.8'
CEILING 103.8'

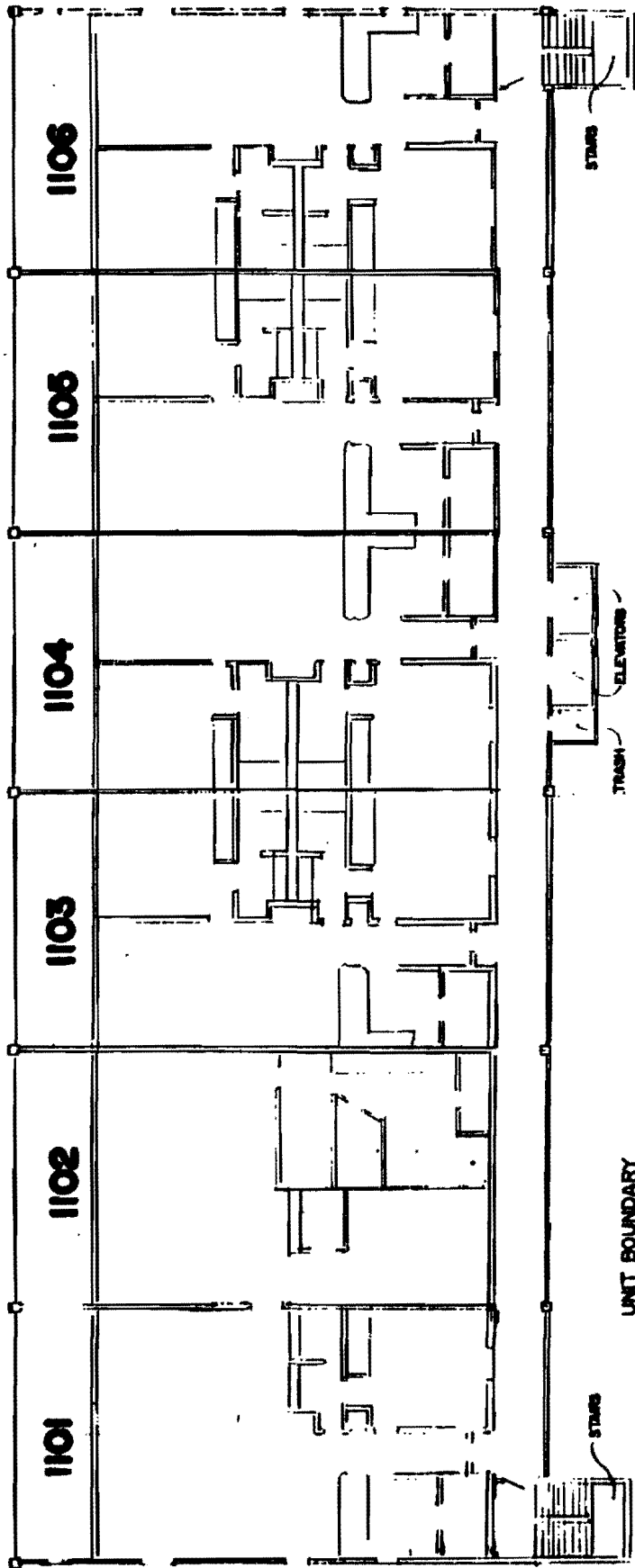
DESTIN GULFGATE
CONDOMINIUM

NINTH FLOOR



DESTIN GULFGATE
CONDOMINIUM

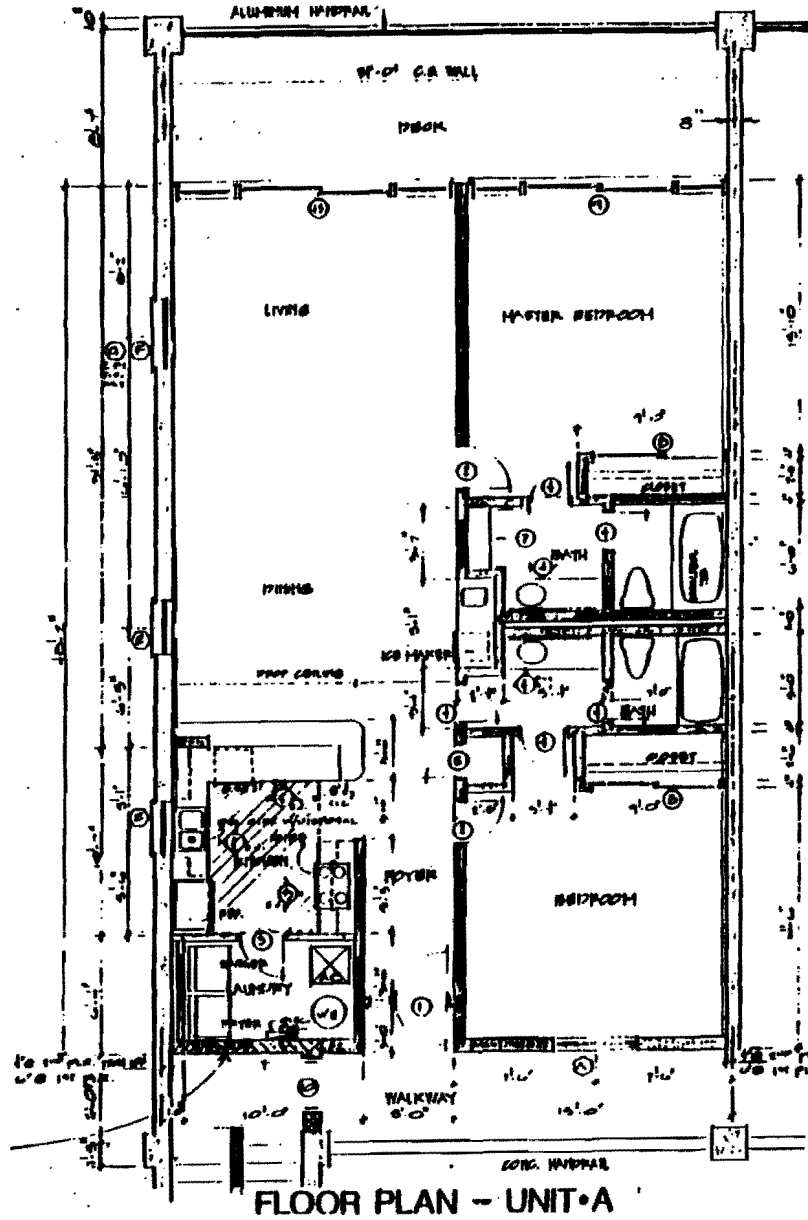
TENTH FLOOR



**DESTIN GULFGATE
CONDOMINIUM**

ELEVENTH FLOOR

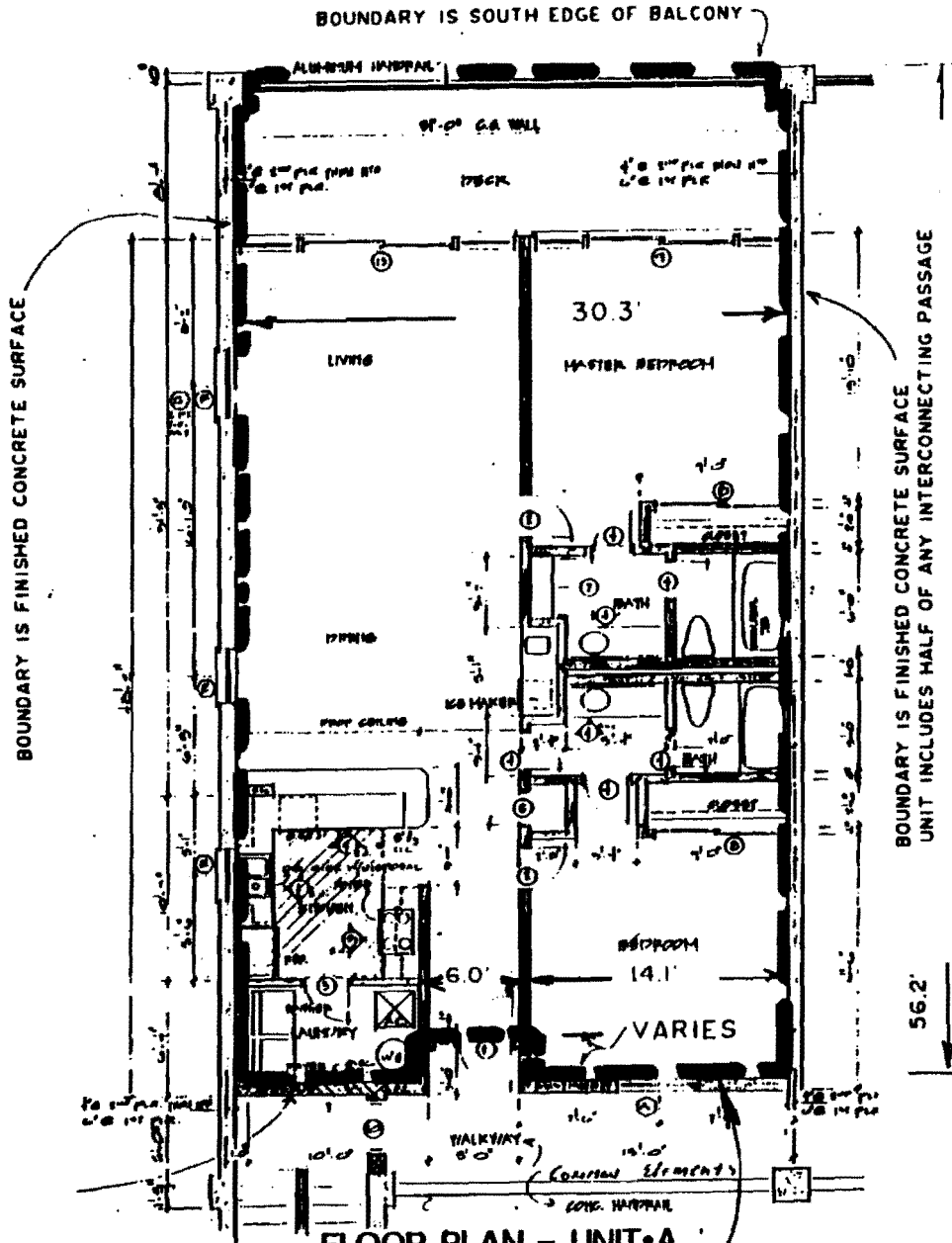
ONLY END UNITS 01 AND 06
HAVE WINDOWS



FLOOR PLAN - UNIT A

STANDARD FLOOR PLAN UNITS 01, 03, AND 05 (EXCEPT 1101)
REVERSED PLAN MIRROR IMAGE IS STANDARD FOR UNITS 02, 04, 06
EXCEPT 1102
MAJORITY OF UNITS HAVE OWNER VARIATIONS TO BASIC PLAN

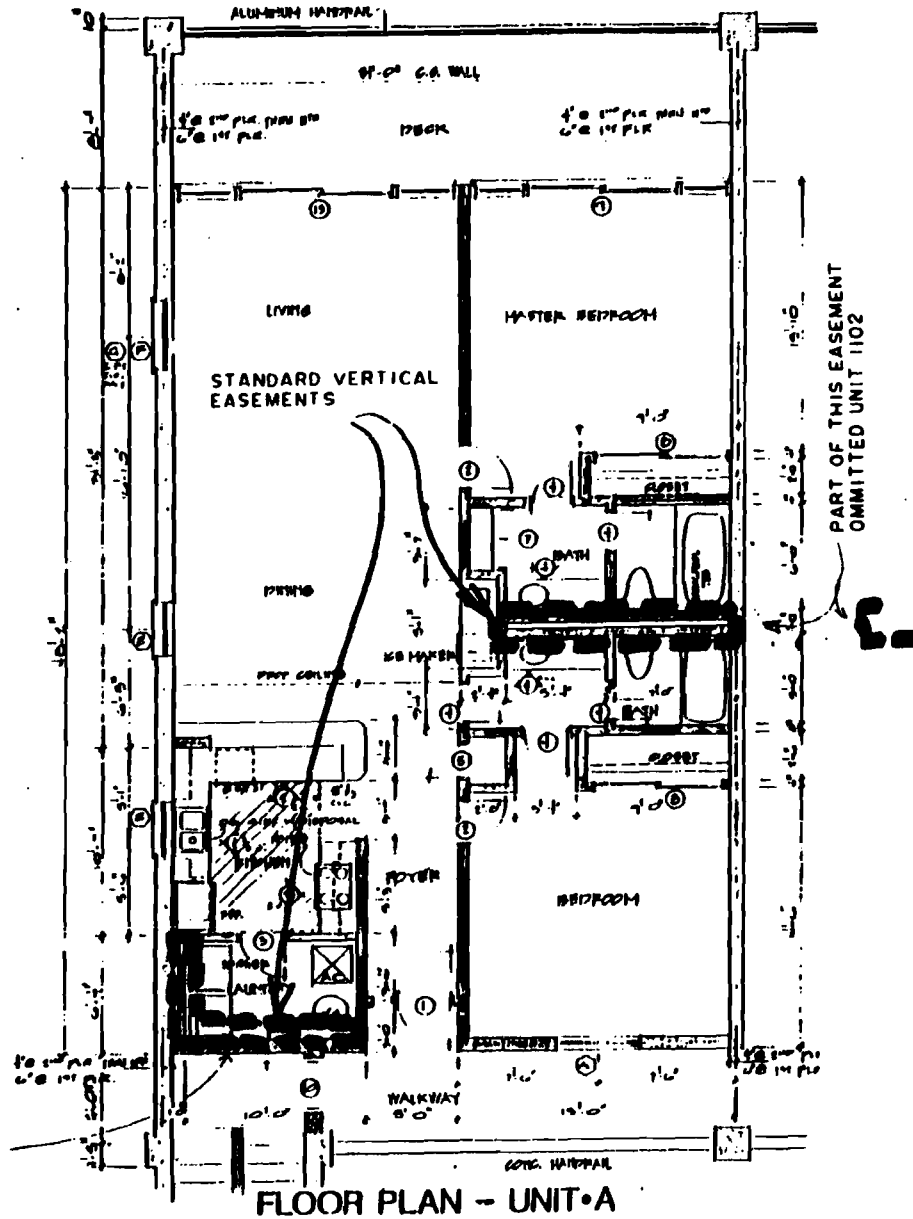
DESTIN GULFGATE CONDOMINIUM
STANDARD APARTMENT PLAN AND APPROXIMATE DIMENSIONS



FLOOR PLAN - UNIT A
UNDECORATED FINISHED INTERIOR
IS UNIT BOUNDARY

UNIT ALSO INCLUDES CONDENSING UNITS ON ROOF
LOWER BOUNDARY IS UPPER SURFACE OF CONCRETE FLOOR
UPPER BOUNDARY IS LOWER SURFACE OF CONCRETE CEILING

DESTIN GULFGATE CONDOMINIUM
PERIMETRICAL BOUNDARIES



THERE ARE VERTICAL CHASES THROUGH APARTMENTS WHICH ARE EASEMENTS
THERE ARE EASEMENTS ABOVE THE SEVEN FOOT DROP CEILING FOR FACILITIES OF APARTMENT ABOVE
MAY BE OTHER EASEMENTS TO ACCOMODATE FACILITIES AS CONSTRUCTED

DESTIN GULFGATE CONDOMINIUM
NOTES ON EASEMENTS THROUGH APARTMENT UNITS

Exhibit C

ESTIMATED OPERATING BUDGET FOR
 DESTIN GULFGATE CONDOMINIUM

FOR THE PERIOD MAY 1, 1993 TO APRIL 30, 1994

I. ESTIMATED RECEIPTS

ITEM	MONTHLY	ANNUALLY
Assessment Fees (66 units x \$163.00 per month)	\$10,758.00	\$129,096.00
Beach service	208.34	2,500.00
Vending income	125.00	1,500.00
Interest	-0-	-0-
Miscellaneous income	<u>83.33</u>	<u>1,000.00</u>
TOTAL INCOME:	\$11,174.67	\$134,096.00

II. ESTIMATED EXPENSES

Accounting	100.00	1,200.00
Legal	25.00	300.00
Annual Meeting	58.33	700.00
Building Maintenance	416.67	5,000.00
Maintenance Salaries & Taxes	1,416.67	17,000.00
Management Fee	1,100.00	13,200.00
Administrative Expenses	166.67	2,000.00
Telephone	41.67	500.00
Electricity	625.00	7,500.00
Elevator Maintenance	541.67	6,500.00
Grounds Maintenance	125.00	1,500.00
Pool Maintenance	166.67	2,000.00
Insurance	2,666.67	32,000.00
Security	666.67	8,000.00
Taxes & Licenses	25.00	300.00
Garbage Collection	500.00	6,000.00
Water & Sewer	1,333.33	16,000.00
Vending Supplies	100.00	1,200.00
Fees payable to the Division	22.00	264.00
Common Area Cleaning	83.33	1,000.00
Pest Control	108.33	1,300.00
Operating Capital	94.32	1,132.00
Rent for Recreational and other Commonly Used Facilities	-0-	-0-
Taxes upon Association Property	-0-	-0-
Taxes upon Leased Areas	<u>-0-</u>	<u>-0-</u>
TOTAL CURRENT EXPENSES:	\$10,383.00	\$124,596.00

RESERVE ACCOUNT FOR CAPITAL
 EXPENDITURES, BETTERMENTS AND DEFERRED PAYMENTS

Item	Lifetime	Estimated Replacement Costs	Monthly	Annually
Building exterior (painting/coating) 8 years		\$36,000.00	\$375.00	\$4,500.00
Roof 25 years		50,000.00	166.67	2,000.00
Parking Lot 12 years		18,000.00	125.00	1,500.00
Reserves-Other N/A		N/A	<u>125.00</u>	<u>1,500.00</u>
TOTAL RESERVES:			\$791.67	\$9,500.00
TOTAL CURRENT EXPENSES AND RESERVES:			\$11,174.67	\$134,096.00

ASSESSMENT CALCULATION

The estimated monthly assessment for each owner of a unit shall be \$163.00. The estimated yearly assessment shall be \$1,956.00.

The Developer shall not be liable for and shall be excused from the payment of any common expenses assessed against any apartment owned by the Developer during the period beginning with the closing on the sale of the first unit and terminating not later than one (1) calendar year thereafter or upon the turn over of control of the Association whichever shall first occur. During this period, the Developer guarantees that the assessments for the common expenses of the condominium imposed upon the apartment owners, other than the Developer, shall not be increased over the dollar amount stated of \$163.00 per month and the Developer shall pay any amount of common expenses incurred during the period and not produced by the assessments at the guaranteed level receivable from the other apartment owners.

EXHIBIT "D"

ARTICLES OF INCORPORATION
OF
DESTIN GULFGATE OWNERS ASSOCIATION, INC.

FILED
1993 MAR -5 AM 7:27
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

The undersigned, by these Articles associate themselves for the purpose of forming a corporation not for profit under Chapter 617, Florida Statutes, 1981, and certify as follows:

ARTICLE I

NAME. The name of the corporation shall be "DESTIN GULFGATE OWNERS ASSOCIATION, INC"., hereinafter referred to as the "Association". The principal office address of the corporation shall be 1180 Old U.S. 98 East, Destin, Florida 32541.

ARTICLE II

PURPOSE. The purpose for which the Association is organized is to provide an entity pursuant to the Condominium Act, which is Chapter 718, Florida Statutes, for the operation, management, maintenance and control of such condominium as may be submitted to its jurisdiction.

ARTICLE III

SUBMISSION TO JURISDICTION. The condominium shall be deemed to be submitted to the jurisdiction of the Association if the Declaration of Condominium of the condominium provides that the operation of the condominium shall be by the Association.

ARTICLE IV

POWERS. The powers of the Association shall include and be governed by the following provisions:

A. The Association shall have all the common law and statutory powers of a corporation not-for-profit not in conflict with the terms of these Articles or the Declaration of Condominium of the condominium operated by the Association.

B. The Association shall have all of the powers and duties set forth in the Condominium Act and these Articles and the Declaration of Condominium of the condominium operated by the

Association, provided, however, that the Condominium Act as amended from time to time, shall at all times be superior to and take precedence over the Declaration, Articles and By-Laws of the Association. The Association shall have all of the powers and duties reasonably necessary to operate a condominium pursuant to the Declaration of Condominium operated by the Association and as it may be amended from time to time, including but not limited to the following:

- (1) To hold title to and own fee simple or other lesser interest in real, personal or mixed property, wherever situated.
- (2) To make and collect assessments against the members as apartment owners to defray the costs, expenses and losses of any other business, enterprise, venture or property interest of the Association.
- (3) To use the proceeds of the assessments in the exercise of these powers and duties.
- (4) To maintain, repair, replace and operate the property of the condominium operated by the Association or the property of the Association.
- (5) To purchase insurance upon the property of the condominium operated by the Association or the property of the Association and insurance for the protection of the Association and its members as apartment owners.
- (6) To reconstruct improvements after casualty and to further improve the property of the condominium operated by the Association or the property of the Association.
- (7) To make and amend the reasonable regulations respecting the use of the property in the condominium operated by the Association or the property of the Association.
- (8) To approve or disapprove the transfer, mortgage and ownership of the apartments as may be provided by the Declaration

of Condominium of the condominium operated by the Association and by the By-Laws.

(9) To enforce by legal means the provisions of the Condominium Act, the Declaration of Condominium of the condominium operated by the Association, or for the use of the property owned by the Association.

(10) To contract for the management of the condominium operated by the Association and to delegate to such contractor all powers and duties of the Association except such as are specifically required by the Declaration of Condominium of such condominium to have approval of the Board of Directors or the membership of the Association or those members of the Association who are apartment owners in such condominium.

(11) To contract with Destin Gulfgate, Inc., a Florida corporation, its successors and assigns.

(12) To contract for the management or operation of portions of common elements of the condominium operated by the Association which may be susceptible to separate management or operation, and to lease such portions.

(13) To employ personnel to perform the services required for proper operation of the Association of the condominium operated by the Association.

(14) To hire attorneys or other professionals for the purpose of bringing legal action or enforcing rights in the name of and on behalf of the individual condominium apartment owners where such actions or rights are common to all of the condominium apartment owners; and to bring such action in the name of and on behalf of all condominium owners.

C. All funds and the title of all properties acquired by the Association and their proceeds shall be held in trust for the members in accordance with the provisions of the Declaration of Condominium of the condominium operated by the Association and by the By-Laws of the Association.

D. The powers of the Association shall be subject to and be exercised in accordance with the provisions of the Declaration of Condominium of the condominium operated by the Association and by the By-Laws of the Association.

ARTICLE V

MEMBERS. A. The members of the Association shall consist of the subscribers to these Articles of Incorporation and all of the record owners of apartments in Destin Gulfgate Condominium and after termination of any condominium, shall consist of those who are members at the time of such termination and their successors and assigns.

B. After receiving approval of the Association required by the Declaration of Condominium of the condominium operated by the Association, change of membership in the Association shall be established and recorded in the public records of Okaloosa County, Florida, by a deed or other instrument establishing a record title to an apartment in the condominium and the delivery to the Association of an exact copy of such instrument. The owner designated by such instrument thus becomes a member of the Association and the membership of the prior owner is terminated.

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

D. The owner of each apartment shall be entitled to at least one (1) vote as a member of the Association. The exact number of votes to be cast by owners of an apartment and the manner of exercising voting rights shall be determined by the By-Laws of the Association.

ARTICLE VI

DIRECTORS. A. The affairs of the Association will be managed by a Board consisting of not less than three (3) directors nor more than nine (9) directors, the exact number to be determined

in the manner provided in the By-Laws. Directors need not be members of the Association.

B. Directors of the Association shall be elected in the manner determined by the By-Laws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the By-Laws.

C. The first election of Directors shall not be held until required by Section 718.301 of the Condominium Act, or until the Developer elects to terminate its control of the Association and condominium operated by it, whichever occurs first. The directors named in these Articles shall serve until first election of directors, and any vacancies in their number occurring before the first election shall be filled by the remaining directors. If both the Developer and unit owners other than the Developer are entitled to representation on the board of administration, recall of directors, vacancies on the board created by any reason, and elections shall be in accordance with the applicable provisions of Chapter 718, Florida Statutes, in accordance with Chapter 7D of the Florida Administrative Code.

D. The names and addresses of the members of the first Board of Directors shall hold office until their successors are elected and have qualified or until removed are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Richard R. Bennett	4 Second Avenue Shalimar, Florida 32579
Roland D. Guidry	174 Country Club Road Shalimar, Florida 32579
W. C. Merrill, Jr.	1940 Seville Drive Pensacola, Florida 32503
F. O. Dickerson	402 W. Lloyd Street Pensacola, Florida 32501

ARTICLE VII

OFFICERS. The affairs of the Association shall be administered by the officers designated in the By-Laws. The officers shall be elected by the Board of Directors at its first meeting

following the annual meeting of the members of the Association and shall serve at the pleasure of the Board of Directors. The names and addresses of the officers who shall serve until their successors are designated by the Board of Directors are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Richard R. Bennett President	4 Second Avenue Shalimar, Florida 32579
Roland D. Guidry Secretary	174 Country Club Road Shalimar, Florida 32579
W. C. Merrill, Jr. Vice President	1940 Seville Drive Pensacola, Florida 32503
F. O. Dickerson Treasurer	402 W. Lloyd Street Pensacola, Florida 32501

ARTICLE VIII

INDEMNIFICATION. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him in connection with any proceeding or any settlement of any proceeding 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 when the director or officer is adjudged guilty of willful misfeasance in the performance of his duties. The foregoing right of indemnification shall be in addition to and not exclusive of all of the rights to which such director or officer may be entitled. The directors shall be authorized to purchase directors and officer liability insurance providing coverage to the officers and directors of the Association at the expense of the Association.

ARTICLE IX

BY-LAWS. The first By-Laws of the Association shall be adopted by the Board of Directors and may be altered, amended or rescinded by the Board of Directors or the members of the Association in the manner provided by the By-Laws.

ARTICLE X

AMENDMENTS. Amendments to the Articles of Incorporation shall be proposed and adopted in the following manner:

A. 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.

B. A resolution for the adoption of a proposed amendment may be proposed either by the Board of Directors 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 provided such approval is delivered to the secretary or assistant secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be by not less than seventy-five percent (75%) of the votes cast in accordance with the provisions of the By-Laws and the Articles of Incorporation, provided that the total number of votes cast in favor of amendment shall be a majority of the voting interests of the Association.

C. Provided, however, that no amendment shall make any changes in the qualifications for membership nor the voting rights of members without approval in writing by all members and the joinder of all record owners of mortgages upon any condominium operated by the Association. No amendment shall be made that is in conflict with the Condominium Act or the Declaration of Condominium of the condominium operated by the Association.

D. Provided, further, that no amendment shall abridge, limit or alter the rights reserved by or granted to Destin Gulfgate, Inc., a Florida corporation, its successors or assigns, or any successor developer, by these Articles, the Declaration of Condominium of the condominium operated by the Association or by the By-Laws of the Association without the prior written consent of Destin Gulfgate, Inc., a Florida corporation, its successors or assigns, or a successor developer.

E. A copy of each amendment shall be certified by the Secretary of State and recorded in the public records of Okaloosa County, Florida.

ARTICLES XI

TERM. The term of the Association shall be perpetual.

ARTICLES XII

SUBSCRIBERS. The names and addresses of the subscribers of these Articles of Incorporation are as follows:

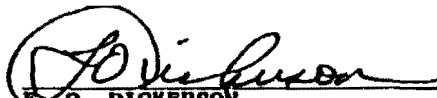
NAME	ADDRESS
Richard R. Bennett	4 Second Avenue Shalimar, Florida 32579
Roland D. Guidry	174 Country Club Road Shalimar, Florida 32579
W.C. Merrill, Jr.	1940 Seville Drive Pensacola, Florida 32503
F. O. Dickerson	402 W. Lloyd Street Pensacola, Florida 32501

IN WITNESS WHEREOF, the subscribers have affixed their signatures this 25th day of February, 1993.


RICHARD R. BENNETT (SEAL)


ROLAND D. GUIDRY (SEAL)


W. C. MERRILL, JR. (SEAL)


F. O. DICKERSON (SEAL)

STATE OF FLORIDA
COUNTY OF OKALOOSA

Before me, the undersigned officer, duly authorized to take acknowledgements, personally appeared RICHARD R. BENNETT, who being by me first duly cautioned and sworn upon oath, deposes and says he signed the above Articles of Incorporation for the conditions and purposes therein stated, ~~who is personally known to me~~, or who produced a Florida Driver's License as identification, and who did not take an oath.

WITNESS my hand and official seal, this 25th day of February, 1993.

Marilyn L. Wentworth
NOTARY PUBLIC

My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. JULY 19, 1998
BONDED THRU GENERAL INS. CO.

STATE OF FLORIDA
COUNTY OF OKALOOSA

Before me, the undersigned officer, duly authorized to take acknowledgements, personally appeared ROLAND D. GUIDRY; who being by me first duly cautioned and sworn upon oath, deposes and says he signed the above Articles of Incorporation for the conditions and purposes therein stated, who is personally known to me and who did not take an oath.

WITNESS my hand and official seal, this 19th day of February, 1993.

Marilyn L. Wentworth
NOTARY PUBLIC

My Commission Expires:

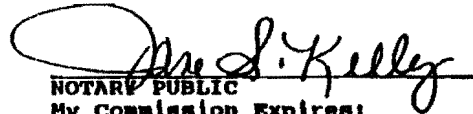
NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. JULY 19, 1998
BONDED THRU GENERAL INS. CO.

STATE OF FLORIDA
COUNTY OF ESCAMBIA

Before me, the undersigned officer, duly authorized to take acknowledgements, personally appeared W. C. HERRILL, JR., who being by me first duly cautioned and sworn upon oath, deposes and says he signed the above Articles of Incorporation for the conditions and

purposes therein stated, who is personally known to me, ~~or who~~ produced _____ as identification, and who did not take an oath.

WITNESS my hand and official seal, this 18th day of February, 1993.


NOTARY PUBLIC

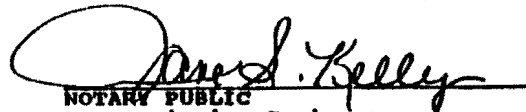
My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. JUNE 24, 1993
BONDED THRU GENERAL INV. UND.

STATE OF FLORIDA
COUNTY OF ESCAMBIA

Before me, the undersigned officer, duly authorized to take acknowledgements, personally appeared F. O. DICKERSON, who being by me first duly cautioned and sworn upon oath, deposes and says he signed the above Articles of Incorporation for the conditions and purposes therein stated, who is personally known to me, ~~or who~~ produced _____ as identification, and who did not take an oath.

WITNESS my hand and official seal, this 18th day of February, 1993.


NOTARY PUBLIC

My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. JUNE 24, 1993
BONDED THRU GENERAL INV. UND.

Exhibit E

BY-LAWS

OF

DESTIN GULFGATE OWNERS ASSOCIATION, INC.
a corporation not-for-profit under the
laws of the State of Florida

1. PURPOSE. These are the By-Laws of DESTIN GULFGATE OWNERS ASSOCIATION, INC., called "Association" in these By-Laws, a corporation not-for-profit under the law of the State of Florida. The Association has been organized for the purpose of providing for the operation, management, maintenance, control and administration of such condominium as may be submitted to the jurisdiction of the Association, and is, with regard to such condominium, the legal entity created pursuant to Chapter 718, Florida Statutes, called the Condominium Act in these By-Laws.

2. OFFICES. The office of the Association shall be at 1180 Old US 98 East, Destin, Florida 32541.

3. FISCAL YEAR. The fiscal year of the Association shall be July 1 through June 30.

4. SEAL. The seal of the corporation shall bear the name of the Association, the word "Florida" and the words "corporation not for profit", and the year of the incorporation, 1990, an impression of which is as follows:



5. MEMBERS MEETING. The annual members meeting shall be held at the office of the corporation or some other location designated by the Board of Directors at 2:00 P.M., on the third Saturday in October of each year for the purpose of electing directors and transacting any other business authorized to be transacted by the members.

6. SPECIAL MEETING. Except as required by the Condominium Act, as amended, special meetings shall be held whenever called by the President or Vice-President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members entitled to cast ten percent (10%) of the votes of the entire membership.

7. NOTICE. Except as required by the Condominium Act, as amended, notice of all members' meetings stating the time and the place and the agenda objects for which the meeting is called, shall be given by the President or Vice President or Secretary. Written notice of such meetings shall be given to each unit owner and shall be posted in the Board of Directors-designated specific location on the condominium or association property at least fourteen (14) days prior to all meetings. Unless a unit owner waives in writing the right to receive notice of any meeting by mail, the notice of the meeting shall be sent by mail to each unit owner, and the Post Office Certificate of Mailing shall be retained as proof of such mailing. Notice of any meeting may be waived before or after the meetings.

8. QUORUM. A quorum of members meeting shall consist of persons entitled to cast a majority of the votes of the entire membership. The acts approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the act of the members, except when approval by a greater number of members is required by the Declaration of Condominium of the condominium operated by the Association, the Articles of Incorporation of the Association or these By-Laws. In determining whether a quorum is present, proxies may be counted as persons present.

9. MEMBERS VOTE. At any meeting of the members, the owner of each apartment or his designated proxy shall be entitled to cast one (1) vote for each apartment he owns, for all matters except electing directors. Election of Directors will be by written ballot cast prior to or at the annual meeting of members; proxy voting is not allowed for election of directors.

10. MULTIPLE OWNERSHIP. If an apartment is owned by one (1) person, or jointly by a husband and wife, his/their right to vote shall be established by the record title to his/their apartment. If

an apartment is owned by more than one (1) person, other than a husband and wife jointly, the person entitled to cast the vote for the apartment shall be designated by a certificate signed by all of the record owners of the apartment and filed with the Secretary of the Association. If an apartment is owned by a corporation, the person entitled to cast the vote for the apartment shall be designated by a certificate signed by the President or Vice President of the corporation and filed with the Secretary of the Association. Any certificate shall be valid until revoked or until superseded by a subsequent certificate or a change in the ownership of the apartment concerned. A certificate designating a person entitled to cast the vote of an apartment may be revoked by any owner of that apartment.

If such a certificate is not on file, the vote of such owner shall not be considered in determining the requirement for a quorum, nor for any other purpose. The designated person entitled to cast a vote shall be the only person authorized to appoint a proxy. However, no certificate is necessary for voting when unit is owned by husband and wife. In that event, either may vote in person or by proxy.

11. PROXIES. Votes may be cast in person or by proxy, except for election of directors which must be by written ballot. A proxy may be made by any person entitled to vote (i.e., a single owner, a husband or wife joint owner, or a voter designated in a voting certificate) and shall be valid only for the particular meeting designated in the proxy and any lawfully adjourned meeting, and must be filed with the Secretary before the appointed time of the meeting or any adjournment of the meeting.

12. LACK OF QUORUM. If any meeting of members cannot be organized because a quorum is not present, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

13. ORDER OF BUSINESS. The order of business at annual meetings and as far as practical at other members' meeting shall be:

- a. Election of Directors - Collection of ballots not yet cast, counting of ballots, and announcement of results of election.
- b. Election of a meeting chairperson.
- c. Call of the roll and certifying of proxies.
- d. Proof of notice of meeting or waiver of notice.
- e. Reading and disposal of any unapproved minutes.
- f. Report of officers.
- g. Report of committees.
- h. Unfinished business.
- i. New business.
- j. Adjournment.

14. RESERVATION OF CONTROL BY DEVELOPER. Until required by Section 718.301 of the Condominium Act or until Destin Gulfgate, Inc., its successors or assigns or any subsequent Developer, herein called "Developer", elects to terminate its control of the Association and the condominium operated by it, whichever occurs first, the proceedings of all meetings of members of the Association shall have no effect unless approved by the Board of Directors.

15. NUMBER OF DIRECTORS. While the Developer is allowed to appoint a majority of the directors as provided in the Declaration and the Condominium Act, the number of directors shall be set by majority vote of the directors. At the meeting of the members at which the Developer relinquishes control of the Association to the members and the members other than the Developer elect a majority of the directors, the number of directors shall be set a seven (7).

16. ELECTION OF DIRECTORS. Election of directors shall be conducted by written ballot in compliance with Chapter 718, Florida Statutes, Chapter 7D, Florida Administrative Code, and in the following manner:

- a. Election of directors shall be held at the annual members meeting. In even-numbered years, four (4) directors will be elected. In odd-numbered years, three (3) directors will be elected.

b. The election shall be by secret written ballot and by a plurality of the votes cast. The owner of each apartment shall be entitled to cast a vote for each of as many candidates as there are vacancies to be filled. There shall be no cumulative voting. If the number of candidates who file notices of intent to run or arenominated is equal to or less than the number of vacancies that exist on the board of directors, an election and balloting are not required.

c. Except as to vacancies provided by removal of directors by members, vacancies in the Board of Directors occurring between annual meeting of the members shall be filled by the remaining directors.

d. Any director may be removed by concurrence of a majority vote of the entire membership at a special meeting of the members called for that purpose or by agreement in writing by a majority of all condominium unit owners. The vacancy on the Board of Directors so created shall be filled either by: 1) the affirmative vote of the majority of the remaining directors if less than a majority of the board members are removed, or 2) if a majority of the directors are removed, the vacancies shall be filled in accordance with procedural rules to be adopted by the Division of Florida Land Sales, Condominiums, and Mobile Homes, said rules to provide procedures governing the conduct of the recall election as well as the operation of the association during the period after a recall but prior to the recall election.

e. Provided, however, that notwithstanding the provision of paragraph 16 (a) through (e) above and paragraph 17 below to the contrary, until required by the Condominium Act including Section 718.301 thereof, or until the Developer elects to terminate its control of the Association, whichever occurs first, the directors of the Association shall serve, and in the event of vacancies the remaining directors shall be filled by the Developer.

f. If both the Developer and unit owners other than the Developer are entitled to representation on the board of administration, recall of directors, vacancies on the board created by any reason, and elections shall be in accordance with the applicable provisions of Chapter 718, Florida Statutes, in accordance with Chapter 7D of the Florida Administrative Code.

17. DIRECTOR'S TERM. The term of each director's service shall extend for two years until the annual meeting of the members at which his successor is duly elected and qualified or until he is removed in the manner elsewhere provided. To initiate staggered terms as provided in paragraph 16a, above, some of the directors elected at the first meeting in which the members other than the

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Developer elect a majority of the directors shall be elected for two year terms and some directors shall be elected for one year terms.

18. DIRECTORS ORGANIZATIONAL MEETING. The organizational meeting of a newly elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary.

19. REGULAR MEETING. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors. Notice of regular meetings shall be given to each director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

20. SPECIAL MEETINGS Special meetings of the directors may be called by the President and must be called by the Secretary at the written request of one-third (1/3) of the directors. Not less than three (3) days notice of meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

21. OPEN MEETINGS. Meetings of the Board of Directors shall be open to all apartment owners and notices of meetings shall be posted at the Board of Directors-designated specific location on the condominium property conspicuously forty-eight (48) hours in advance for the attention of apartment owners except in an emergency.

22. WAIVER OF NOTICE Any director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

23. QUORUM. Subject to the provisions of paragraph 25 of these By-Laws, a quorum at director's meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of directors is required by the Declaration of Condominium of the condominium operated by the Association, the Articles of Incorporation of the Association and these By-Laws.

24. ADJOURNED MEETINGS. If at any meeting of the Board of Directors there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice.

25. JOINER IN ACTION TAKEN AT MEETING. A member of the Board of Directors may join by written concurrence in any action taken at a meeting of the Board of Directors by signing or otherwise concurring in the minutes of that meeting but such concurrence may not be used for the purposes of creating a quorum unless the provisions of telephonic participation by absentee board members are fully complied with in accordance with the Chapter 718, Florida Statutes (The Condominium Act).

26. PRESIDING OFFICER. The presiding officer of directors' meetings shall be the chairman of the board if such an officer has been elected; and, if none, the President shall preside. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

27. ORDER OF BUSINESS. The order of business at a directors' meeting shall be:

- a. Calling of roll.
- b. Proof of due notice of meeting.
- c. Reading and disposal of any unapproved minutes.
- d. Report of officers and committees.
- e. Election of officers.
- f. Unfinished business.
- g. New business.
- h. Adjournment.

28. DIRECTORS' COMPENSATION. Directors' fees or other compensation, if any, shall be determined by the members.

29. POWERS AND DUTIES OF THE BOARD OF DIRECTORS. All of the powers and duties of the Association existing under the Condominium Act, the Declaration of Condominium of the condominium operated by the Association, the Articles of Incorporation of the Association and these By-Laws shall be exercised exclusively by the

Board of Directors, its agents, contractors or employees, subject only to the approval by apartment owners when such approval is specifically required.

30. OFFICERS. The executive officers of the Association shall be a President, who shall be a director; a Vice President, who shall be a director; a Treasurer, a Secretary and an Assistant Secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the directors at any meeting. Any person may hold two (2) or more offices except that the President shall not also be the Secretary or an Assistant Secretary. The Board of Directors from time to time shall elect such other officers and designate their powers and duties as the Board shall find to be necessary or convenient to manage the affairs of the Association.

31. PRESIDENT. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties usually vested in the office of President of an Association, including but not limited to the power to appoint committees from among the members from time to time, as he in his discretion may determine appropriate, to assist in the conduct of the affairs of the Association.

32. VICE PRESIDENT. The Vice President in the absence or disability of the President shall exercise the powers and perform the duties of the President. He also shall assist the President generally and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

33. SECRETARY. The Secretary shall keep the minutes of all proceedings of the directors and the members in a businesslike manner and available for inspection by apartment owners and directors at all reasonable times. He shall attend to the giving and serving of all notices to the members and directors and other notices required by law. He shall have custody of the seal of the Association and affix it to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the

office of Secretary of an Association as may be required by the Directors or the President. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.

34. TREASURER. The Treasurer shall have custody of all property of the Association, including funds, securities and evidence of indebtedness. He shall keep the books of the Association in accordance with good accounting practices; and he shall perform all other duties incident to the office of Treasurer.

35. OFFICER COMPENSATION. The compensation of all officers and employees of the Association shall be fixed by all the directors. The provision that directors' fees shall be determined by members shall not preclude the Board of Directors from employing a director as an employee of the Association nor preclude the contracting with a director for the management of the condominium operated by the Association, the Association or any portions of the property thereof.

36. FISCAL MANAGEMENT. Provisions for fiscal management of the Association as set forth in the Declaration of Condominium of the condominium operated by the Association and the Articles of Incorporation shall be supplemented by the following provisions:

a. Accounts. The receipts and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:

(1) Current expenses, which shall include all receipts and expenditures for the year for which the budget is made including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves, to additional improvements or to operations. The balance in this fund at the end of each year shall be applied to reduce the assessments for current expense for the succeeding year.

(2) Capital surplus for deferred maintenance, which shall include funds for maintenance items that occur less frequently than annually.

(3) Capital surplus for replacement, which shall include funds for repair or replacement required because of damage, depreciation or obsolescence.

(4) Betterments, which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the common elements, or be owned by the Association for the uses and benefit of the members.

(5) Operations, which shall include the gross revenues, if any, from the use of the common elements, or other property of the Association. Only the additional direct expense required by the revenue-producing operation will be charged to this account, and any surplus from such operation shall be used to reduce the assessments for current expenses in the year following the year in which the surplus is realized. Losses from operations shall be met by special assessments against apartment owners, which assessments may be made in advance in order to provide a working fund.

b. Budget. The Board of Directors shall adopt a budget for each fiscal year that shall include the estimated funds required to defray the common expenses and to provide and maintain funds for the foregoing accounts and reserves according to good accounting practices as follow:

(1) Current expense.

(2) Reserve for deferred maintenance.

(3) Reserve for replacement.

(4) Betterments, which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the common elements of any condominium operated by the Association or property of the Association.

(5) Operations, the amount of which may be to provide a working fund or to meet losses.

(6) Copies of the budget and proposed assessments shall be transmitted to each apartment owner not less than fourteen (14) days prior to the meeting of the Board of Directors at which the proposed budget will be considered for

adoption, together with a notice of that meeting. If the budget is amended subsequently, a copy of the amended budget shall be furnished to each member.

(7) Each apartment owner shall be given written notice of the time and place of any meeting at which the Board of Directors are to consider adoption of the budget and such meeting shall be open to the apartment owners.

c. Assessments. Assessments against the apartment owners for their shares of the items of the budget shall be made for the fiscal year annually in advance on or before the last day of the fiscal year preceding the year for which the assessments are made, and such assessments shall be due in equal, quarterly installments on the first day of each month of each quarter of the year for which the assessments are made. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and quarterly installments on such assessments shall be due on each installment payment day until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors if the accounts of the amended budget do not exceed the limitations for that year. Any account that does exceed the limitations shall be subject to the approval of a majority of the voting interests of the Association, as elsewhere required in these By-Laws.

37. ACCELERATION OF ASSESSMENT INSTALLMENTS UPON DEFAULT.

If an apartment owner shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installments for the remainder of the budget year of the assessments by filing a claim of lien and upon notice to the apartment owner, and then the unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than ten (10) days after the delivery of the notice to the apartment owner, or not less than twenty (20) days after the mailing of such notice to him by registered or certified mail, whichever shall occur first. If no claim of lien is filed, assessment may be accelerated only to the

end of the budget quarter.

38. ASSESSMENT OF EMERGENCIES. Assessments for common expenses of emergencies that cannot be paid from the annual assessment or from a properly amended budget for common expenses shall be made only after notice of the need for such is given to the apartment owners concerned. After such notice and upon approval in writing by a majority of the voting interests, the assessment shall become effective, and shall be paid in such manner as the Board of Directors of the Association may require in the notice of assessment.

39. DEPOSITORY. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Directors and in which the monies from such accounts shall be drawn only by checks signed by such persons as are authorized by the Directors.

40. FINANCIAL STATEMENT. An accounting of the financial transactions of the Association shall be made annually by a certified public accountant, and a copy of such report shall be furnished to each member and to the Division of Florida sales, Condominiums, and Mobile Homes not later than the 1st day of the fourth month of the year following the year for which the report is made. Such accounting shall comply with the applicable provisions of the Condominium Act and with Chapter 7D of the Florida Administrative Code.

41. BONDS. Fidelity bonds shall be required by the Board of Directors upon all Officers and Directors, and other persons who handle or are responsible for Association funds. The amount of such bonds shall be in compliance with Chapter 718, Florida Statutes, and Chapter 7D, Florida Administrative Code. The premiums of such bonds shall be paid by the Association.

42. PARLIAMENTARY RULES. Robert's Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Declarations of Condominium, Articles of Incorporation or these By-Laws.

43. ARBITRATION OF DISPUTES. The provisions of Chapter 718, Florida Statutes, dealing with mandatory non-binding arbitration

shall apply to disputes such as: the authority of the Board of Directors to require an owner to take any action, or not to take any action, involving that owner's unit; the authority of the Board of Directors to alter or add to a common area; the failure of the Board of Directors to hold properly noticed and conducted meetings or elections; the refusal of management to allow unit owners to inspect Association books or records; and other similar disputes.

44. FINES. In addition to all remedies provided in the Declaration of Condominium of the condominium operated by the Association, the Articles of incorporation and these By-Laws, the Board of Directors of the Association may, subject to the provisions of Chapter 718, Florida Statutes and Chapter 7D, Florida Administrative Code, and upon notice and hearing before said Board, fine any offending member a sum not to exceed \$50.00 for each infraction.

of the provisions of said Declaration, Articles, By-Laws or rules and regulations of the Association. Provided, however, that such a fine may be imposed subject to the following provisions:

a. The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing after reasonable notice of not less than fourteen (14) days and said notice shall include:

(1) A statement of the date, time and place of the hearing;

(2) A statement of the provisions of the Declaration, association By-laws, or association rules which have allegedly been violated; and

(3) A short and plain statement of the matters asserted by the association.

b. The party against whom the fine may be levied shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the association.

c. No fine will become a lien against a unit.

45. FIRE AND LIFE SAFETY CODE. Applicable fire and life safety codes must be complied with; the board of directors may accept a certificate of compliance from a licensed electrical contractor or electrician as evidence of compliance.

46. AMENDMENTS. These By-Laws may be amended in the following manner:

a. 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.

b. A resolution adopting 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:

(1) Not less than two-thirds (66 2/3%) of the votes cast at a meeting of the membership, provided that all other requirements of notice, statement of purpose and other requirements

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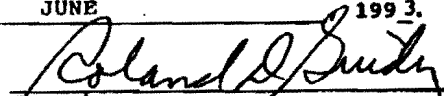
of these By-Laws regarding meetings have been met, and provided that the total number of votes cast in favor of amendment shall represent a majority of the voting interests of the Association.

(2) Until the first election of a majority of directors by owners other than the Developer, by seventy-five (75%) percent of the directors.

47. PROVISO. Provided, however, that no amendment shall discriminate against any apartment owner nor against any apartment of class or group of apartments unless the apartment owner so affected shall consent. No amendment shall be made that is in conflict with the Articles of Incorporation or the Declaration of Condominium.

48. EXECUTION AND RECORDING. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment of the Declaration and By-Laws, 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 Okaloosa County, Florida.

The foregoing were adopted as the By-Laws of DESTIN GULFGATE OWNERS ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, at the first meeting of the Board of Directors on the 24th day of JUNE 1993.


Secretary

APPROVAL OF BY-LAWS


President



EXHIBIT F

MANAGEMENT CONTRACT

MADE this 24th day of JUNE, 1993, between DESTIN GULFGATE OWNERS ASSOCIATION, INC., a corporation not-for-profit under the laws of the State of Florida, hereinafter called "ASSOCIATION", and DESTIN GULFGATE, INC., hereinafter called "MANAGER".

WHEREAS, it is agreed as follows:

1. PURPOSE: ASSOCIATION is the governing body for Destin Gulfgate Condominium, located in Okaloosa County, Florida, and is the owner, in trust for its members, of certain use rights and privileges (all of which are set forth in more detail in the Declaration of Condominium of Destin Gulfgate Condominium). Said property is referred to in the Declaration of Condominium and hereinafter in this Contract as "Common Elements" and includes but is not necessarily limited to the tennis court, pool, parking areas, driveways, planted areas, and the part of the buildings which are Common Area and office areas. MANAGER is the Developer of the condominium and is familiar with the proposed operation of the condominium. This Agreement is to provide for the maintenance and operation of the condominium by MANAGER as the agent of the ASSOCIATION. In accordance with Chapter 718.3025 (1) (3), Florida Statutes, disclosure is hereby provided that Developer, while in control of the Association, will be the management contractor under the terms and provisions of this agreement.

2. TERM. The term of this Agreement shall begin with the date on which first closing of the sale of an apartment in Destin Gulfgate Condominium takes place and shall terminate on the date determined by the MANAGER or two (2) calendar years subsequent to its beginning date, whichever occurs first. This Agreement is subject to the Condominium Act as far as its termination by the apartment owners is concerned.

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. In order to provide for such maintenance and operation, MANAGER shall employ a minimum of one (1) full time employee to perform and/or to supervise the performance of the services, obligations and responsibilities according to the time schedule and at the cost set forth as follows:

Services to be performed and supervised by MANAGER	Frequency of Performance	Cost Basis	Amount of each Apartment's annual management fee to be allocated to each service *
Hire and supervise necessary employees to maintain and operate condominium and community property	As required	Actual cost incurred	53.00
Maintain and repair condominium and community property	As required	Actual cost incurred	34.00
Promulgate rules and regulations for community property	Annually and more often if necessary	None	10.00
Initiate necessary action to force residents to comply with rules and regulations	As required	Actual cost incurred	3.00
Purchase tools, equipment and supplies necessary to maintain and operate condominium and community property	As required	Actual cost incurred	3.00
Keep insurance in force	As required	Actual cost incurred	3.00
Maintain ASSOCIATION'S financial records, books and accounts	Quarterly, more often if necessary	None	68.00
Maintain records to describe services hereunder	Quarterly, more often if necessary	None	4.00
Prepare operating budget for condominium, and community property	Annually	None	4.00

Collect all funds and maintain bank accounts	Quarterly, more often if necessary	None	12.00
Investigate prospective purchasers	As required	None	3.00
Make and collect special assessments	As required	None	3.00
			<hr/>
			200.00

*The amount shown in this column is the portion of the management fee allocated to each individual apartment and is based on the fact that the total monthly management fee is \$1,100.00 and the annual management fee is \$13,200.00 for 66 apartments. The management fee represents only compensation paid to the MANAGER of the services performed and/or supervised by the MANAGER. For the estimated cost of maintaining, operating and administering the condominium and the community property, reference should be made to the estimated operating budget for the first year's operation of the ASSOCIATION, a copy of which is Exhibit G to the Declaration of Condominium.

B. The MANAGER will provide a responsible person or persons who will be elected as officer or officers of the ASSOCIATION in order that the maintenance and operation of the condominium shall be conducted in the name of the ASSOCIATION.

C. All funds collected by the MANAGER from assessments against apartment owners shall be deposited in bank accounts of the ASSOCIATION and the person or persons furnished by MANAGER for the purpose of withdrawing funds shall be authorized by the ASSOCIATION to withdraw funds from such accounts and pay the cost of maintaining, operating and administering the condominium Common Elements.

4. COSTS (GUARANTY OF OPERATING BUDGET). All direct costs of the maintenance, operation and administration of the condominium Common Elements including the services of the MANAGER'S employees directly engaged in such work shall be paid by MANAGER from funds of the ASSOCIATION. Developer has provided each member of the ASSOCIATION with an estimated operating budget for the first year's operation of the condominium, a copy of which is included as Exhibit G to the Declaration of Condominium, and the Developer has guaranteed the ASSOCIATION and each of its members (other than Developer) that for a period of not longer than one (1) calendar year after the

inception of this Contract, the total assessment for common expenses of the condominium imposed on the apartment owners shall not increase over the dollar amount of \$163.00 per month. While the above stated guarantee of operating budget is in force, the Developer shall be excused from the payment of assessments for common expenses on apartments owned by it and the Developer shall pay any amount of common expenses incurred during the period of guaranty that is not produced by assessments at the guaranteed level receivable from other apartments owners. The Developer reserves the right to terminate this guarantee at any time and upon termination the Developer shall pay assessments for common expenses for apartments owned by it the same as any other apartment owner.

5. **ASSIGNMENT.** This Contract shall be fully assignable by the MANAGER provided that MANAGER give notice of such assignment to the ASSOCIATION.

DATED the day and year first above written.

Attest: *Colandrea Guidry*
Secretary

DESTIN GULFGATE OWNERS ASSOCIATION,
INC.

BY: *Charles R. Beames*
President

ATTEST: *Sec. Merrill B.*
Secretary

DESTIN GULFGATE, INC.

BY: *Charles R. Beames*
President

SURVEYOR'S CERTIFICATE

STATE OF FLORIDA
COUNTY OF OKALOOSA

BEFORE ME, the undersigned authority duly authorized to administer oaths and take acknowledgements, personally appeared W.E. OVERSTREET, after first being sworn, deposes and says:

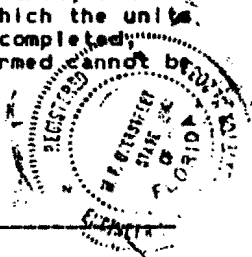
1. That he is a duly registered surveyor under the laws of the State of Florida, his Certificate of Registration being Number 2032.

2. That the construction of the improvements described by the survey and the graphic description of the improvements attached to the Declaration of Condominium of DESTIN GULFGATE CONDOMINIUM is substantially complete so that such material, together with the provisions of the Declaration describing the condominium property, is an accurate representation of the location and approximate dimensions of the improvements, and the identification, location and approximate dimensions of the common elements and each unit can be determined from these materials.

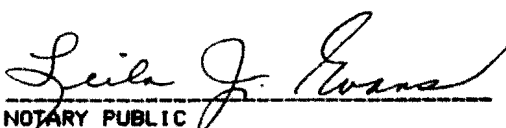
3. I further certify that all currently planned improvements of which I am informed, including, but not limited to, landscaping, utility services and access to the unit, and common-element facilities serving the building in which the units to be conveyed are located have been substantially completed, except South end of dune crossover, which I am informed cannot be completed until November (after turtle season).

Further Affiant sayeth not.


W.E. OVERSTREET
Registered Surveyor No. 2032



Sworn th and subscribed before me this July ^{4th} day of July, 1993 by W.E. OVERSTREET, who is personally known to me and who did take an oath.


NOTARY PUBLIC
My Commission Expires



**CONSENT OF MORTGAGE TO DECLARATION OF
CONDOMINIUM FOR DESTIN GULFGATE CONDOMINIUM**

SUNSHINE BANK, a Florida banking corporation, and the holder of a mortgage dated June 16, 1992, and recorded June 17, 1992, in Official Records Book 1677, Page 762, of the Public Records of Okaloosa County, Florida, does hereby consent to the filing of the forgoing Declaration in accordance with the Section 718.104 of the Condominium Act.

SUNSHINE BANK

BY *Robert J. Saxer*
ROBERT J. SAXER, Senior Vice President

Signed, sealed and delivered
in our presence as witnesses:

April B. Wilson
April B. Wilson

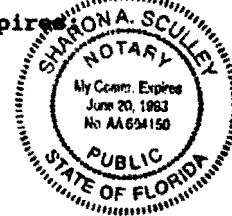
Sharon A. Sculley
Sharon A. Sculley

STATE OF FLORIDA
COUNTY OF OKALOOSA

The foregoing instrument was acknowledged before me this 25th day of June, 1993, by Robert J. Saxer as Senior Vice President of SUNSHINE BANK, a Florida banking corporation, on behalf of said banking corporation, who is personally known to me.

Sharon A. Sculley
Notary Public SHARON A. SCULLEY

My Commission Expires



PREPARED BY:
MICHAEL WM MEAD
Attorney at Law
Post Office Drawer 1329
Fort Walton Beach, Florida 32549-1329

ws/consent.frm

CONSENT OF MORTGAGE TO DECLARATION OF
CONDOMINIUM FOR DESTIN GULFGATE CONDOMINIUM

KATHERINE H. DICKERSON and JANE H. MERRILL, as Trustees under Land Trust Agreement, dated November 16, 1987, the holder of a mortgage dated December 3, 1991, and recorded December 4, 1991, in Official Records Book 1639, Page 1871, of the Public Records of Okaloosa County, Florida, do hereby consent to the filing of the forgoing Declaration in accordance with the Section 718.104 of the Condominium Act.

Katherine H. Dickerson
KATHERINE H. DICKERSON, Trustee
under Land Trust Agreement, dated
November 16, 1987

Jane H. Merrill
JANE H. MERRILL, Trustee under
Land Trust Agreement, dated
November 16, 1987

Signed, sealed and delivered
in our presence as witnesses:

Michael Wm Mead
MICHAEL Wm MEAD
Leila J. Evans
LEILA J. EVANS



STATE OF FLORIDA
COUNTY OF OKALOOSA

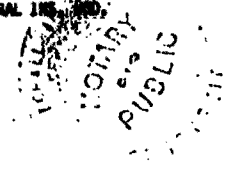
The foregoing instrument was acknowledged before me this 24th day of June, 1993, by KATHERINE H. DICKERSON and JANE H. MERRILL, as Trustees under Land Trust Agreement, dated November 16, 1987, who are personally known to me.

Michael Wm Mead
Notary Public MICHAEL Wm MEAD

My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. SEPT. 9, 1994
BONDED THRU GENERAL INS. CO.

PREPARED BY:
MICHAEL Wm MEAD
Attorney at Law
Post Office Drawer 1329
Fort Walton Beach, Florida 32549-1329



ws/consent2.frm

FILE# 1270434
OKALOOSA COUNTY, FLORIDA

REC: JUL 12 1993 @ 3:01 PM
NEWMAN C BRACKIN, CLERK

DESTIN GULFGATE OWNERS ASSN.
 1180 Scenic Highway 98
 Destin, Florida 32541
 (850) 837-3556 (888) 234-4853

**** DEPOSIT CONFIRMATION ****

February 21, 2011

Reservation # 113336

Johnson-GR Cruises & Tours
 1446 East Marco Polo Rd
 Phoenix, AZ 85024

Thank you for choosing Destin Gulfgate for your stay. Your deposit of \$350.00 has been applied to your reservation. Please review the following information:

Arrive: Sunday, June 19, 2011 # Of Adults
 Depart: Sunday, June 26, 2011 # Of Children
 Condo: DGG# 303

Number of Nights: 7 Rate per Night: \$ 321.43

Total Accommodations	\$2,250.00		Payments Received	
Sales & Local Tax	\$247.50	12/14/10	Credit	Visa \$350.00
Subtotal with Tax	\$2,497.50	02/21/11	Transfer	\$350.00
			from	
			Reservation	

Total Other Charges \$ 0.00

Total Cost of Reservation \$2,497.50

Payments Received \$700.00

Final Payment due on Arrival \$1,797.50

WE ACCEPT MASTERCARD, VISA, DISCOVER, TRAVELER'S CHECKS, CASH, CASHIER'S CHECKS AND MONEY ORDERS ONLY, PERSONAL CHECKS ACCEPTED FOR A WEEK OR LONGER STAY.

*** Long Term stays require checks or Cash only ***

I/WE DO HEREBY AGREE THAT MY CREDIT CARD WILL BE CHARGED FOR ANY DAMAGE OR ADDITIONAL CLEANING REQUIRED DUE TO MY OCCUPANCY. WE WILL ENDEAVOR TO PLACE YOU IN THE CONDO IN WHICH YOU WERE ORIGINALLY ASSIGNED, HOWEVER, DUE TO MAINTENANCE PROBLEMS OR OTHER UNFORESEEN SITUATIONS, WE CANNOT GUARANTEE A SPECIFIC CONDO. SUBLETTING IS NOT ALLOWED.

DISORDERLY CONDUCT ON THE BEACH OR ANYWHERE ON PROPERTY IS A CAUSE FOR EVICTION AND OR FORFEITURE OF DAMAGE DEPOSIT.

CHECK-IN TIME IS BETWEEN 4:00 AND 5:00 P.M.
 CHECK-OUT TIME IS AT 10:00 A.M.
 SORRY, NO PETS, ALL UNITS ARE NON-SMOKING
 ALL RATES ARE SUBJECT TO CHANGE.

ADVANCE DEPOSITS WILL BE PLACED IN AN INTEREST BEARING ESCROW ACCOUNT AND ALL INTEREST WILL ACCRUE TO DESTIN GULFGATE OWNER'S ASSOCIATION, INC. DESTIN GULFGATE IS NOT RESPONSIBLE FOR VALUEABLES LEFT IN VEHICLES OR CONDO.

GUEST SIGNATURE _____ DATE _____

You can now Book on-line at www.destingulfgate.com



RENTAL MANAGEMENT AGREEMENT

This Agreement is made as of December 15, 2007, by and between DESTIN GULFGATE OWNERS ASSOCIATION, INC, a Florida Not For Profit Corporation, 1180 Scenic Highway 98, Destin, Florida 32541 ("AGENT"), and the party(s) that owns ("OWNER") Destin

Gulfgate Condominium Unit No. _____ ("Property");

Name(s) of OWNER

Address of OWNER

RECITALS

WHEREAS, OWNER wishes to engage the exclusive services of AGENT to offer OWNER's Property for rental pursuant to AGENT'S Rental Management Program; and

WHEREAS, AGENT wishes to provide such services to OWNER;

NOW THEREFORE, in consideration of the terms and conditions herein set forth, the parties agree as follows.

TERMS & CONDITIONS

1. RENTAL MANAGEMENT PROGRAM.

OWNER will make available for rental, and AGENT will offer for rental, OWNER's Property. The services provided by AGENT to OWNER shall include without limitation obtaining tenants, managing OWNER'S Property, collecting rental income, servicing accounts, advertising and promoting Destin Gulfgate, and providing (i) accounting reports within ten (10) days after the end of the month (with a 2 day grace period), and (ii) a completed IRS Form 1099-MISC ("Miscellaneous Income") at year-end.

2. MANAGEMENT FEES.

For its services, AGENT shall be entitled to a management fee of (i) 22% of the gross rental income on rentals for a period of less than thirty (30) consecutive days; (ii) 18% of the gross rental income on rentals of thirty (30) consecutive days or more; and (iii) 15% of the gross rental income on rentals of six (6) months or more.

3. FURNISHINGS.

OWNER agrees to furnish, at OWNER's expense, the Property with furnishings substantially as listed in the Basic Furnishings List (Exhibit A), and OWNER agrees to maintain, at OWNER'S expense, such furnishings and other interior items (e.g., carpets, rugs or other floor coverings, painted or wallpapered walls, and appliances and fixtures) in good repair and working order, and in a clean and suitable condition free of excessive wear, as determined by the Rental Committee ("Rental Standards").

Working in cooperation with the Rental Committee and/or various members thereof, AGENT shall periodically inspect OWNER's Property and furnishings. If AGENT determines that the Property or furnishings are not in substantial compliance with the Basic Furnishings List, or are not up to the Rental standards, OWNER shall be notified of such non-compliance as follows:

- 1st Notice AGENT will send OWNER written notice requesting that specific action be undertaken (e.g., that certain items either be repaired, refurbished or replaced) to bring the Property into compliance.

- 2nd Notice Fifteen (15) days after the 1st Notice, the Chair of the Rental Committee or a member of the Interior Monitoring Committee will send OWNER a written notice requesting OWNER to either personally visit or call the author by telephone, to discuss the situation.

- 3rd Notice Fifteen (15) days after the 2nd Notice, the Rental Committee Chair will send OWNER a written notice advising that the deficiency be corrected within thirty (30) days or some other specified period of time, or the Property will be removed from the rental program until the deficiency has been corrected and approved by AGENT or the Rental Committee.

4. MAINTENANCE, REPAIRS and SUPPLY REPLACEMENTS.

OWNER must maintain a credit balance of \$300.00 in their account to pay for maintenance and repairs of the Property, and for the replacement of supplies such as blenders, coffee makers, and vacuum cleaners as needed.

AGENT is authorized to keep the Property suitable for occupancy, and toward that end, is authorized to arrange for the necessary maintenance and repair of OWNER's Property, its furnishings, appliances and other fixtures. Such maintenance and repairs shall not exceed \$100.00 without the prior approval of OWNER, except (i) when immediate action is required to avoid greater damage, (ii) to maintain the goodwill of a current rental tenant, or (iii) to prepare the unit for the imminent arrival of a new rental tenant.

AGENT is prohibited by law from making any disbursement which would result in a negative balance in OWNER'S account. In the event maintenance is necessary during a time when OWNER's account does not contain sufficient funds to cover the expense, AGENT shall directly bill OWNER, and OWNER shall pay the incurred expense within thirty (30) days of receipt of the bill therefor.

AGENT is authorized to offer a tenant up to a 20% discount on rental rates in the event of a failure of a major appliance (e.g., stove, heating/cooling system, refrigerator) or in the event of disruption of essential services to the Property. If acceptable repairs cannot be made in a timely manner, the tenant may transfer to a comparable Property and OWNER shall be entitled only to rents earned and collected for the period that the tenant occupied OWNER's Property.

5. AGENT.

a). Rental Schedule. AGENT shall offer OWNER's Property for rental according to the following rental schedule:

(i) Weekly only (Saturday-to-Saturday) from Memorial Day weekend through Labor Day weekend, and during Spring Break week(s), or at AGENT's discretion to rent as many days as possible if not otherwise booked.

(ii) Daily, weekly and monthly for the remainder of the year.

b). Damage Deposit. AGENT shall collect from each rental tenant, prior to the occupancy of any unit, a damage deposit, or a credit card number and authorization, in the amount of \$500.00.

c). Unit Inspections. AGENT shall inspect each unit for damages as soon as reasonably practicable after each tenant vacates the unit. Agent, at its sole discretion, shall deduct from the damage deposit, or charge the credit card, an amount needed to cover the cost to repair any damage to the premises, or the cost of additional cleaning in the case of extremely soiled units. Loss of items such as kitchenware, linens, ashtrays, small accessories and other like items is anticipated, and AGENT is not responsible for any such loss due to damage or theft.

d). Deep Cleans. AGENT is authorized to perform a Deep Clean on the Property (Exhibit B) at least every 12 months, or as needed, for which OWNER agrees to pay the prescribed cost.

e). Delinquencies. It is important for AGENT's fiscal soundness that OWNER promptly pay regular assessments, special assessments or other similar charges on or before first day of the month in which they are due. If OWNER's payment is 25 days past due or longer, AGENT is authorized to pay such assessments, and/or other charges (including late charges, interest and reasonable attorney fees) from OWNER's account, including rental proceeds. If OWNER's account does not contain sufficient funds to fully pay the charges, AGENT may proceed to fully implement its COLLECTION POLICY FOR DELINQUENT ACCOUNTS ("Collection Policy") (Exhibit C) according to its terms and prescribed schedule.

If AGENT becomes aware that the Property's utilities are subject to being discontinued or disconnected for non-payment, AGENT is authorized to pay such charges (including late charges, and interest) from OWNER's account, including rental proceeds. If AGENT makes any such payment, AGENT shall promptly notify OWNER, and OWNER shall fully reimburse AGENT within 10 business days of receipt of such notice for any funds paid by AGENT over and above those obtained from OWNER's account. Any funds so advanced by AGENT for payment of OWNER's utility bill shall be subject to the Collection Policy if not timely reimbursed as provided herein (where the "due date" is deemed the tenth (10th) business day following OWNER's receipt of notice of AGENT's payment).

f). Linen Pool. Linens necessary for the rental operation of the Property (Exhibit D) have been purchased by AGENT and will be retained as part of AGENT's rental linen pool.

6. OWNER.

a). Licensing Fees. OWNER shall pay any licensing fees required by state or federal agencies relative to the Property (currently a one-time sales tax registration fee of \$5.00).

b). Linen Set-up Fee. OWNER shall pay AGENT a one-time linen set up fee of \$650.00.

c). Utility Payment. OWNER shall be responsible for paying for all utilities for the Property.

d). Agent's Cleaning and Linen Service. OWNER agrees to utilize AGENT's designated cleaning and linen service, the costs of which will be deducted from the rental income and will be reflected in the monthly report to the OWNER. The cost of the routine cleaning is currently \$75.00 per cleaning. In order to maintain consistent cleaning results, OWNER must use AGENT's cleaning service following each occupancy.

e). Rental Management Agreement and Related Documents. All rental owners including OWNER will periodically receive from AGENT (typically at or shortly after the Annual Meetings in November) a new Rental Management Agreement and related documents, such as the "SUPPLEMENTAL INFORMATION" form (Exhibit E), which contain new or revised provisions adopted by the Rental Committee. OWNER must execute and return these documents to AGENT by the due date specified by AGENT in order for the Property to continue to be listed in the Rental Program. AGENT requires this Agreement to be returned no later than December 15, 2007.

f). Long-Term Occupancy Inspections. AGENT is authorized to inspect OWNER's Property after each 30-consecutive-day occupancy. If the inspection reveals a cleaning by the staff is required, such cleaning will be arranged by AGENT and the tenant will be charged the cleaning fee.

g). High Speed Internet. OWNER must have wireless high-speed Internet and telephone service, and use the long distance carrier as designated by the AGENT.

h). Beach Service Contract. In the event the Rental Committee enters into a third-party Beach Service Contract which establishes a pricing schedule for beach set-ups for owners, owners' guests and rental guests, and which provides that rental owners shall pay for their respective rental guests' set-ups, OWNER agrees that AGENT may deduct the charges for OWNER's rental guests from OWNER's rental proceeds.

i). Honoring Rental Reservations. OWNER may not bump a rental reservation within 90 days of said reservation. OWNER will be offered the option of renting another unit if available should this situation occur. OWNER is advised to reserve their unit as far ahead as possible, with the option of canceling their personal booking, rather than bumping a current reservation which may cause problems with a rental guest.

j). Insurance. OWNER shall carry personal liability insurance in the amount of at least \$300,000 on the Property, or \$500,000 if available, and upon request shall provide AGENT with a certificate evidencing such coverage. AGENT strongly encourages OWNER to also carry an umbrella policy for an additional \$1,000,000 of coverage.

k). Sale of Property. In the event OWNER decides to sell the Property, OWNER shall notify AGENT of his or her intent to sell and coordinate all showings through AGENT. If the Property is listed with a real estate firm other than AGENT, all showing must be coordinated with AGENT.

7. "NO PET" POLICY.

The Rental Program has a strict NO PET policy for rental guests. Only OWNERS are permitted to bring a single pet (small dogs only) into Destin Gulfgate, in accordance with the procedure set forth below. OWNER agrees to pay for the additional cleaning expenses incurred and charged to OWNER's account. Any future rental guests in that Property will be advised that a pet has stayed there.

- OWNER shall notify AGENT in advance if a pet is going to be brought into OWNER's unit.
- Upon arrival all bedspreads shall be placed in plastic bags provided by AGENT'S office and placed on a shelf inside the closet.
- If pet hair or odor is detected on the bedspreads, OWNER will be notified and the bedspreads cleaned and charged to the owners account.
- At departure, the carpet will be cleaned and charged to the OWNER's account.
- Any additional cleaning required as a result of the pet's presence will be charged to the OWNER's account.
- The unit will be held off the rental program for an extra day, unless OWNER departs by 9:00 a.m. so the carpet can be cleaned before a same day arrival.
- Any OWNER's pet which causes a complaint from guests or other owners will be subject to removal.

8. RENTAL COMMITTEE REVIEWS.

The following matters, among others, are subject to annual or other periodic review by the Rental Committee, and may therefore change from year to year:

- the management fees to which AGENT is entitled for its services (§ 2);
- the maximum discount AGENT may offer guests for major appliance failures (§ 4);
- the rental schedule (§ 5.a);
- the amount of damage deposit (§ 5.c);
- the amount charged OWNER for deep cleans (§ 5.e);
- the amount charged OWNER for routine cleanings (§ 6.d).

9. COMPLIANCE WITH LAWS AND REGULATIONS.

As required by law, the Property shall be leased and managed by AGENT without regard to an owner's or prospective tenant's race, color, religion, national origin, sex or familial status. AGENT also agrees to manage the Property and the handling of funds in a manner that complies fully with all applicable requirements set forth in Florida and/or federal laws and regulations, including the requirements of the Florida Department of Business and Professional Regulation, Division of Hotels and Restaurants and Division of Real Estate.

10. NOTICE.

Any notice required or permitted hereunder shall be in writing and shall be personally delivered, or sent by United States certified mail, return receipt requested, or by a recognized overnight courier service which in the ordinary course of its business maintains a record of receipt for each of its deliveries, to the parties at the respective addresses set forth above, and shall be deemed given upon personal delivery, two business days after depositing with the U.S. Postal Service, or one day after depositing with such courier service.

11. CONSISTENT WITH OTHER DOCUMENTS.

Nothing in this Agreement is intended to supersede the Destin Gulfgate Condominium Docs or By-Laws, and if any provision of this Agreement contradicts or is inconsistent with any provision in such documents, the latter shall prevail.

12. EFFECTIVE TERM.

This instrument shall be effective as a legal and binding contract upon proper signing by both parties, and shall supersede any prior rental agreement executed by the parties pertaining to the Property.

This Agreement shall continue in force until (i) canceled by either party upon sixty (60) days prior notice, or (ii) superseded by a future rental agreement executed by the parties pertaining to the Property.

OWNER and AGENT hereby execute this Agreement on this _____ day
of _____, 200__.

OWNER

AGENT

EXHIBITS

- Exhibit A – Basic Furnishings List
- Exhibit B – Deep Clean List
- Exhibit C – Collection Policy for Delinquent Accounts
- Exhibit D – Housekeeping Linen List
- Exhibit E – Supplemental Information Form

EXHIBIT A

DESTIN GULFGATE
BASIC RENTAL FURNISHINGS LIST
FURNITURE AND ACCESSORIES FOR RENTAL UNITS

DINING ROOM:

TABLE AND SIX CHAIRS
PICTURE
CENTERPIECE FOR TABLE

LIVING ROOM:

SOFA
LOVESEAT OR 2 SIDE CHAIRS
COFFEE TABLE
2 SIDE TABLES
PICTURE ABOVE THE SOFA
2 SIDE TABLE LAMPS
1 FLOOR PLANT OR FLOOR LAMP
TELEVISION (BASIC 27" SCREEN) WITH DVD/VCR PLAYERS AND REMOTE
STEREO WITH CD PLAYER
SOME TYPE OF WINDOW TREATMENT
***RECLINER RECOMMENDED

MASTER BEDROOM:

KING BED
2 SIDE TABLES
2 SIDE TABLE LAMPS
PICTURE ABOVE BED
DRESSER OR ENTERTAINMENT CENTER WITH DRAWERS
FLORAL ARRANGEMENT OR OTHER DECORATIVE ACCESSORIES
TELEVISION (BASIC 21" SCREEN) WITH DVD/VCR AND REMOTE
SIDE CHAIR
SOME TYPE OF WINDOW TREATMENT

GUEST BEDROOM:

2 QUEEN OR DOUBLE BEDS (QUEENS RECOMMENDED)
1 SIDE TABLE
1 SIDE TABLE LAMP
DRESSER
1 DRESSER LAMP
2 PICTURES
FLORAL ARRANGEMENT OR OTHER DECORATIVE ACCESSORIES
TELEVISION (BASIC 19" SCREEN) WITH VCR AND REMOTE
SOME TYPE OF WINDOW TREATMENT

*****DVD PLAYER**

KITCHEN:

**WIRELESS TELEPHONE WITH ANSWERING MACHINE
PAINT, WALLPAPER, STENCILING OR FAUX PAINTING
4 BAR STOOLS
***PLEXIGLASS UNDER THE BAR**

FOYER:

**PAINT OR WALLPAPER
SIDE TABLE
MIRROR OR PICTURE
FLORAL ARRANGEMENT OR OTHER DECORATIVE ACCESSORIES**

BATHROOMS:

**PAINT OR WALLPAPER, STENCILING OR FAUX PAINTING
2 PICTURES
FLORAL ARRANGEMENT OR OTHER DECORATIVE ACCESSORIES**

*****THESE ITEMS ARE RECOMMENDED**

EACH BATHROOM:

**1 HAIRDRYER
1 WASTE BASKET
1 SOAP DISH & CUP
1 SHOWER CURTAIN & LINER (AS NEEDED)
1 BOWL BRUSH AND HOLDER**

HOUSEWARES:

**DINNERWARE 12 PIECE FULL SERVICE INCLUDING SERVING PIECES
FLATWARE 12 PIECE FULL SERVICE INCLUDING STEAK KNIVES
GLASSWARE 3 PIECE SERVICE FOR 8 AND 8 WINE GLASSES
COOKWARE SET OF 3 PANS, 1 LARGE SHRIMP POT & 2 FRYING PANS**

KITCHEN EQUIPMENT:

2 OVENPROOF BOWLS (1 LG, 1 SM)	1 13 X 9 BAKING PAN
1 SALAD BOWL SET	1 12-CUP MUFFIN PAN
2 POT HOLDERS	1 KITCHEN SALT/PEPPER SET 1
SET MIXING BOWLS	1 SET KITCHEN UTENSILS
1 ICED TEA PITCHER	1 SILVERWARE TRAY
2 CUTTING BOARDS	1 PAPER TOWEL HOLDER
1 SET MEASURING CUPS AND SPOONS	1 KITCHEN WASTE BASKET
1 PAIR OF TONGS	1 BROOM/DUST PAN
1 SET REFRIGERATOR STORAGE CONTAINERS	1 SPONGE MOP
2 RUBBER SPATULAS (LG & SM)	1 PLASTIC BUCKET
1 WING-TYPE CORK SCREW	1 CREAMER & SUGAR SET

1 WING-TYPE CAN OPENER
1 BOTTLE OPENER
1 COLANDER
2 COOKIE SHEETS (LG & SM)
1 PIZZA PAN
2 CAKE PANS

1 GRATER
1 SET CUTLERY
1 DISH DRAINER
1 PAIR SCISSORS

MAJOR APPLIANCES:
WASHER & DRYER
MICROWAVE OVEN

MINOR APPLIANCES:

1 TOASTER
1 AUTOMATIC DRIP COFFEE MAKER
1 HAND MIXER
1 IRON & IRONING BOARD
***TOASTER OVEN
***CROCK POT

1 ELECTRIC ALARM CLOCK
1 VACUUM CLEANER
1 ELECTRIC CANOPENER
1 BLENDER

Deleted:

MISCELLANEOUS:

1 HEAVY DUTY PLUNGER
1 FIRE EXTINGUISHER (2A 10BC)

1 LAUNDRY BASKET
1 FOLD-UP DRYER RACK

BALCONY:

4 OUTDOOR CHAIRS PER BALCONY
1 OUTDOOR TABLE

2 OUTDOOR CHAISE LOUNGE
1 SMALL END TABLE

ALL THE ABOVE ITEMS CAN BE PURCHASED FOR YOU AND PLACED IN YOUR UNIT BY THE RENTAL DEPARTMENT

DESTIN GULFGATE OWNERS ASSN.

1180 Scenic Highway 98

Destin, Florida 32541

(850) 837-3556 (888) 234-4853

** DEPOSIT CONFIRMATION **

February 21, 2011

Reservation # 113587

Lisa Lee
1165 McElvain Rd
Hanson, KY 42413

Thank you for choosing Destin Gulfgate for your stay. Your deposit of \$350.00 has been applied to your reservation. Please review the following information:

Arrive: Saturday, April 02, 2011 # Of Adults 1
Depart: Thursday, April 07, 2011 # Of Children 4
Condo: DGG# 102

Number of Nights: 5 Rate per Night: \$ 204.00

Total Accommodations	\$1,020.00		Payments Received		
Sales & Local Tax	\$112.20	02/03/11	Credit	Discover	\$350.00
Subtotal with Tax	<u>\$1,132.20</u>				

Total Other Charges \$ 0.00

Total Cost of Reservation \$1,132.20

Payments Received \$350.00

Final Payment due on Arrival \$782.20

WE ACCEPT MASTERCARD, VISA, DISCOVER, TRAVELER'S CHECKS, CASH, CASHIER'S CHECKS AND MONEY ORDERS ONLY, **PERSONAL CHECKS ACCEPTED FOR A WEEK OR LONGER STAY.**

*** Long Term stays require checks or Cash only ***

I/WE DO HEREBY AGREE THAT MY CREDIT CARD WILL BE CHARGED FOR ANY DAMAGE OR ADDITIONAL CLEANING REQUIRED DUE TO MY OCCUPANCY. WE WILL ENDEAVOR TO PLACE YOU IN THE CONDO IN WHICH YOU WERE ORIGINALLY ASSIGNED, HOWEVER, DUE TO MAINTENANCE PROBLEMS OR OTHER UNFORESEEN SITUATIONS, WE CANNOT GUARANTEE A SPECIFIC CONDO. SUBLETTING IS NOT ALLOWED.

DISORDERLY CONDUCT ON THE BEACH OR ANYWHERE ON PROPERTY IS A CAUSE FOR EVICTION AND OR FORFEITURE OF DAMAGE DEPOSIT.

CHECK-IN TIME IS BETWEEN 4:00 AND 5:00 P.M.

CHECK-OUT TIME IS AT 10:00 A.M.

SORRY, NO PETS, ALL UNITS ARE NON-SMOKING

ALL RATES ARE SUBJECT TO CHANGE.

ADVANCE DEPOSITS WILL BE PLACED IN AN INTEREST BEARING ESCROW ACCOUNT AND ALL INTEREST WILL ACCRUE TO DESTIN GULFGATE OWNER'S ASSOCIATION, INC. DESTIN GULFGATE IS NOT RESPONSIBLE FOR VALUEABLES LEFT IN VEHICLES OR CONDO.

GUEST SIGNATURE

Confirmed

DATE

2/3/2011

You can now Book on-line at www.destingulfgate.com



STATE OF FLORIDA

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

DIVISION OF HOTELS AND RESTAURANTS
1940 NORTH MONROE STREET
NORTHWOOD CENTRE
TALLAHASSEE FL 32399-1015

850-487-1395

DESTIN GULFGATE OWNERS ASN INC
DESTIN GULFGATE CONDOMINIUM
1180 SCENIC HWY 98
DESTIN FL 32541

Congratulations! With this license you become one of the nearly one million Floridians licensed by the Department of Business and Professional Regulation.

Every day we work to improve the way we do business in order to serve you better. For information about our services, please log onto www.myfloridalicense.com.

Our mission at the Department is: License Efficiently, Regulate Fairly. We constantly strive to serve you better so that you can serve your customers.

License stamp area containing: STATE OF FLORIDA, DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION, CND5600375, 05/13/10 090433486, GROUP RESORT CONDOMINIUM (2006), DESTIN GULFGATE OWNERS ASN INC, DESTIN GULFGATE CONDOMINIUM, IS LICENSED under the provisions of Ch.509 FS., Expiration date: JUN 1, 2011, L10051300188

DETACH HERE

AC# 4961891

STATE OF FLORIDA

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
DIVISION OF HOTELS AND RESTAURANTS

SEQ# L10051300188

Table with columns: DATE, BATCH NUMBER, LICENSE NBR, NBR. OF UNITS: 65

The GROUP RESORT CONDOMINIUM (2006) Named below IS LICENSED Under the provisions of Chapter 509 FS. Expiration date: JUN 1, 2011 NON-TRANSFERABLE

DESTIN GULFGATE OWNERS ASN INC
DESTIN GULFGATE CONDOMINIUM
1180 SCENIC HWY 98
DESTIN FL 32541

CHARLIE CRIST GOVERNOR

CHARLIE LIEM INTERIM SECRETARY

DISPLAY AS REQUIRED BY LAW



*Luxurious and Spacious Two Bedroom
Two Bath Units Sleeps 6-8 People*

465' of Sugar White, Pristine Beach

Sparkling Beachside Pool

30' Private Balconies

Washers and Dryers in ALL Units

Free High Speed Internet Access

Free Beach Service March through October

Beachside Picnic & Grill Area

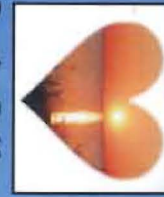
*Meeting Room for Parties and
Wedding Receptions*

Exercise Room

Wet Bars with Ice Machines



Destin Gulfgate
1180 Scenic Hwy 98
Destin, FL 32541
888-234-4853 toll free
850-837-3556 phone
850-654-7828 fax
www.destingulfgate.com



*A Beautiful
Beach Front
Condominium*

**Close To Everything
In Destin**

888-234-4853
www.destingulfgate.com



Destin Gulfgate's
beaches are sugar white and
less crowded than most on this
breathtaking shoreline.

*The water is a crystal clear
Emerald Green.*



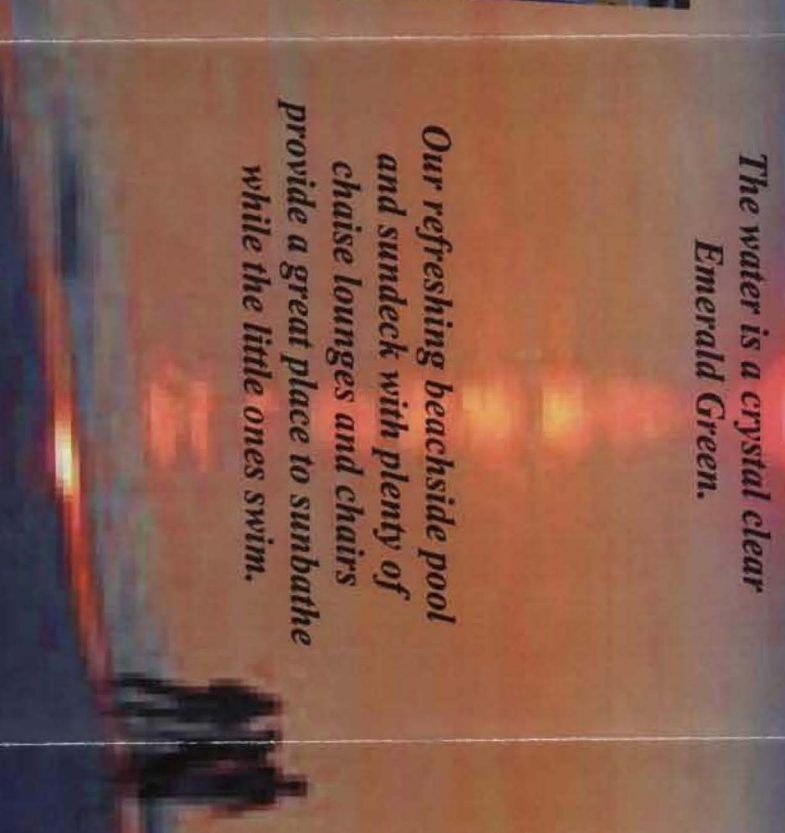
*Our refreshing beachside pool
and sundeck with plenty of
chaise lounges and chairs
provide a great place to sunbathe
while the little ones swim.*



**Toll Free Reservations
1-888-234-4853
Or Book On-Line
www.destingulfgate.com**



**ALL Units Non-Smoking
Sorry... No Pets!
Daily - Weekly - Monthly
Walk-Ins Welcome!**





FIRST CLASS ACCOMMODATIONS IN PARADISE

Destin Gulfgate's luxurious, beautiful beachfront condos are among the largest in Destin and offer the ultimate family beach vacation anywhere along the Emerald Coast. All condo units have panoramic beach views overlooking the Gulf of Mexico. Each has a 30' private balcony offering breathtaking views of Destin's pristine sugar-white beaches and the sparkling crystal clear waters of the Gulf.

Destin Gulfgate guests enjoy a luxurious beachside pool, free beach set-up (March 1st through October 31st), free high speed wireless Internet, a meeting and wedding reception facility, beach bar, gated access, and more.

Book your stay at Destin's ultimate vacation rental destination now...experience condominiums on the Florida's most beautiful beaches! Destin Gulfgate is the perfect place for your beachfront wedding. Our meeting room has a fully equipped kitchen and seats up to 50 guests.

Check out Destin 24 hours, 7 days a week from our [live web cam](#). While visiting Destin Gulfgate, friends and family can log on and view you and the family on the beach!

Come see why Destin Gulfgate is ranked #1 by past guests on Trip Advisor for Destin!

SPECIALS

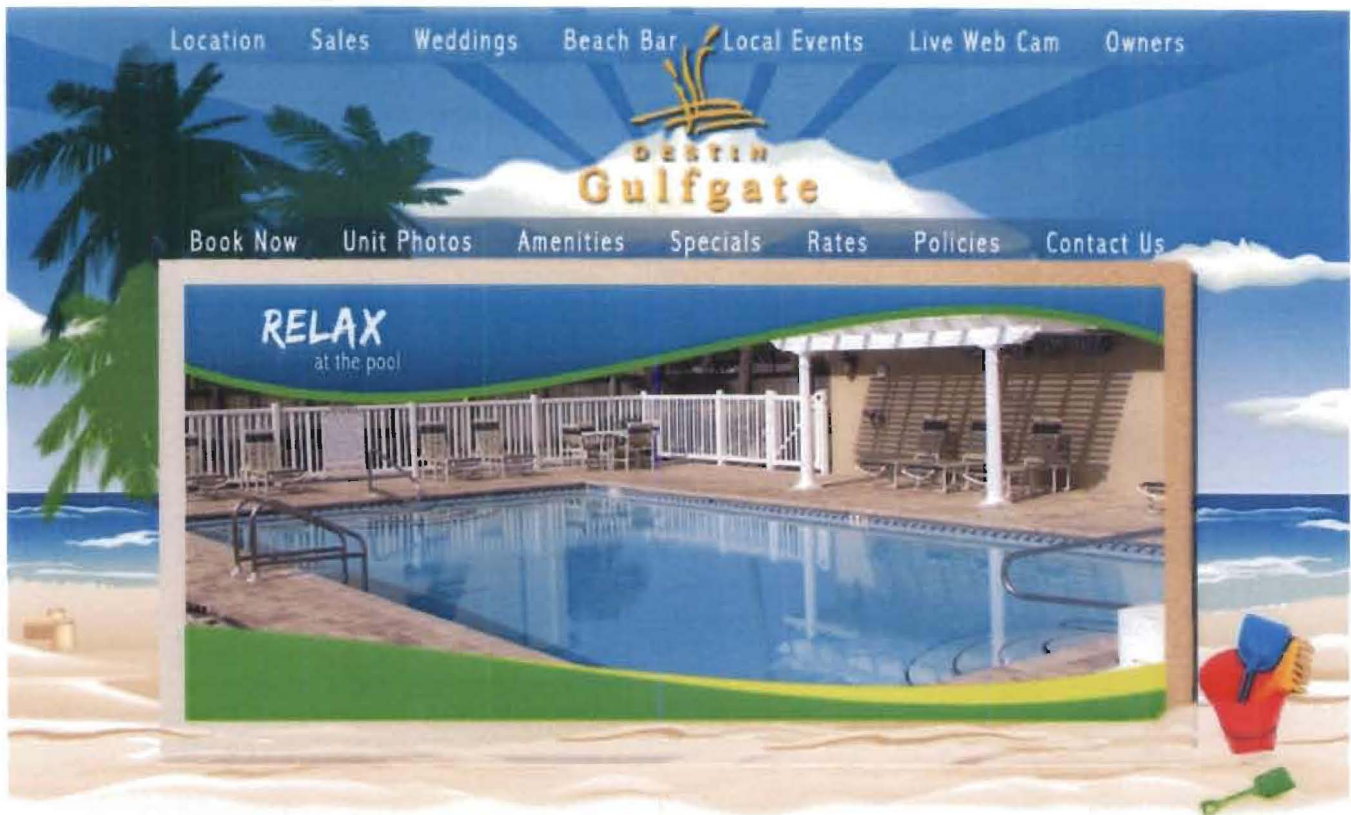


LIVE WEB CAM



1180 Scenic Highway 98 | Destin, FL 32541
(888) 234-4853 Toll Free | (850) 837-3556 | (850) 654-7828 Fax
E-mail: rentals@destingulfgate.com

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SPECIALS



Fares From \$79 Each Way With Vision Airlines...Plus 15% Off Gulfgate Promotion

Combine Vision Airlines terrific rates with the #1 rated condominium in Destin (*three years consecutively according to Trip Advisor*) and discover a value that is unsurpassed. You will not want to miss out on this incredible offering. [Click here to view departing cities.](#)

Mention promotion code "VISION" and receive 15% off your next Destin Gulfgate Vacation!



FREE Night!

Back By Popular Demand...Stay Three or Four Nights and Receive One Night FREE!



Save 20% On Your Gulfgate Stay

Walk In Special...Check Us Out Before Checking in ANYWHERE ELSE!

TOP RANKED



LIVE WEB CAM





Home

Book Now

Availability

Features

Rates

Find Us

Floorplan

Unit Photos

Web Camera

Meeting Room

Local Events

Specials

Weddings

Sales

Policies

Contact Us

Owners

AccuWeather.com

23°F

Destin

Our Policies

Reservation Policy

An advance reservation deposit of \$350 (\$500 for monthly) per reservation is required at time of booking. The advance reservation deposit will be applied toward rental fees. Visa, Master Card, and Discover are accepted and are required to be on file at check in. In the event that a credit or debit card is not available at booking, a check will be accepted for the reservation deposit within 14 days of booking. In the event a credit or debit card is not available at check-in, a cash security deposit of \$500 will be required at check-in. Cash security deposits are not applied toward rent and will be refunded within 30 days after departure, net of any charges for damages to the unit, cancellation fees, or other incidental charges.

We are family oriented and will not honor reservations for un-chaperoned student groups. **We DO NOT rent to singles under the age of 25 years without a parent. Quiet hours are between 10 p.m. and 10 a.m.** Reservations made under false pretenses will result in denial of admittance or eviction, and forfeiture of deposit and rent. **NO PET POLICY. Security deposit will be forfeited if a pet is found or evidence is found on property or in unit.**

ALL UNITS ARE NON-SMOKING. Guests will be charged for carpet cleaning, furniture, drape cleaning and/or deodorizing or the possible forfeiture of the full damage deposit if any evidence of smoking is found in your unit. Damage deposits may be charged for units left in a disorderly manner including excessive amounts of trash and dirty dishes, spills on carpet, or other problems which would cause an unusual amount of cleaning time.

Reservation Cancellation Policy

Short term reservations (daily and weekly) cancelled less than 30 days of arrival will forfeit the full reservation deposit. Cancellations made more than 30 days of arrival will forfeit half of their reservation deposit. Reservation changes made more than 30 days prior to arrival will not be penalized. Reservation cancellations made within 24 hours of booking will be given a full refund of reservation deposit.

Monthly reservations cancelled less than 90 days of arrival will forfeit the full reservation deposit. Cancellations made more than 90 days of arrival will forfeit half of their reservation deposit. Any change that results in a shortened stay must be made at least 60 days before arrival to avoid forfeiting the deposit.

GUARANTEED CHECK IN TIME IS 4:00 – 5:00 P.M.

*If your Unit is Available earlier, we will be happy for you to Check-in.
If you arrive early, you are welcome to enjoy the pool and beach
prior to check-in.*

CHECK OUT TIME IS 10:00 A.M.

Destin Gulfgate

1180 Scenic Highway 98 • Destin, FL 32541 USA
1-888-234-4853 Toll free • 850-837-3556 • 850-654-7828 Fax
E-mail: rentals@destingulfgate.com

State of Florida Department of Revenue

DOR Home | LogOut or Exit | Print Page
State of Florida Tax Return

Help
2/5/2011 1:27:54 PM E.T.
Account #: S56031095

Confirmation Number: 110205169294

DR-15

Certificate Number	Collection Period	Confirm Date and Time
56-8012087786-4	01/2011	02/05/2011 1:27:54 PM ET

Location Address

1180 SCENIC HIGHWAY 98
DESTIN, FL 32541-8628

DESTIN GULFGATE OWNERS
ASSOCIATION INC
1180 SCENIC HIGHWAY 98
DESTIN, FL 32641-8628

Debit Date:	2/8/2011
Amount for Check:	\$2627.45
Bank Routing Number:	065300279
Bank Account Number:	*****1722
Bank Account Type:	Checking
Corporate/Personal:	Corporate

I hereby authorize the Department of Revenue to process this ACH transaction and to debit the checking account identified above. I understand there may be service charges assessed on any transactions not honored by my bank.

Signature:	Philip Lofe
Phone Number:	850-837-3556
Email Address:	phillip@destingulfgate.com

Florida	1. Gross Sales	2. Exempt Sales	3. Taxable Amount	4. Tax Collected
A. Sales/Services	\$ 150.00	\$ 0.00	\$ 150.00	\$ 9.00
B. Taxable Purchases			\$ 0.00	\$ 0.00
C. Commercial Rentals	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
D. Transient Rentals	\$ 45940.90	\$ 1800.00	\$ 44140.90	\$ 2648.45
E. Food & Beverage Vending	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

5. Total Amount of Tax Collected	\$ 2657.45
6. Less Lawful Deductions	\$ 0.00
7. Total Tax Due	\$ 2657.45
8. Less Est. Tax Pd/DOR Cr Memo	\$ 0.00
9. Plus Est. Tax Due Current Month	\$ 0.00
10. Amount Due	\$ 2657.45
11. Less Collection Allowance	\$ 30.00
12. Plus Penalty	\$ 0.00
13. Plus Interest	\$ 0.00
14. Amount Due with Return	\$ 2627.45

You have chosen not to donate your collection allowance to education.

Receipt for Tourist Development Tax Payment to Okaloosa County, FL

Receipt #27456

Taxpayer: Destin Gulfgate (Destin94)
Receipt Date: 2/5/2011 12:22 PM
AsOf/Postmark Date: 2/5/2011
Accounting Date: 2/4/2011
Payment Type: E-Check
Account: Trustmark National Bank
 (****1722)
Reference:
Total Paid: \$2,184.55
E-Payment Convenience Fee: \$0.00
Grand Total: \$2,184.55

Returns Paid

Account	Return Period	Amount Paid
94 Destin Gulfgate	January 2011 R	\$2,184.55

Return Reporting Period - January 2011 R

Due Date: 2/21/2011

Account Number: 94

Account Name: Destin Gulfgate

Mailing Address:
 1180 Scenic Hwy. 98 Destin, FL 32541

Prior Paid Amount: \$2,184.55

Balance Due: \$0.00

Return Item	Paper Coupon
1. Gross Rental Receipts:	\$46,090.90
2. Exempt Rental Receipts:	\$1,800.00
3. Taxable Rental Receipts:	\$44,290.90
4. Total Tax :	\$2,214.55
5. Less - Collection Allowance:	\$30.00
6. Plus Penalty:	\$0.00
7. Plus Interest:	\$0.00
Total Amount Due:	\$2,184.55

Receipt#	Date	Owed	Paid	Remaining Balance
27456	2/4/2011	\$2,184.55	\$2,184.55	\$0.00

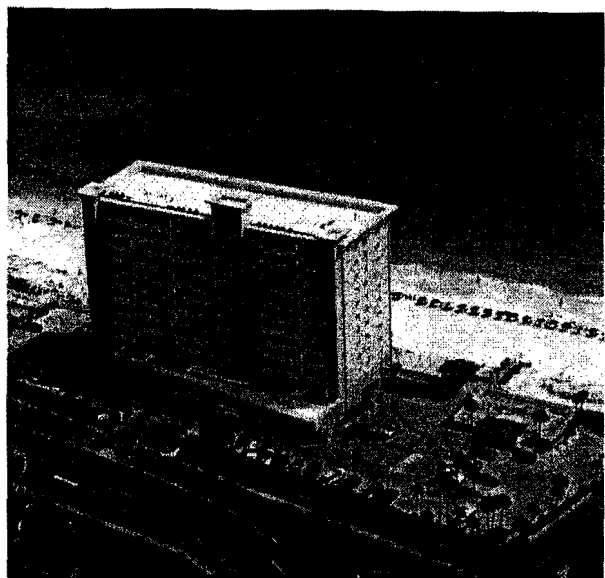


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850-837-3556

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2011 Rental Rates in US



SPRING

March 1st to May 27th

Daily	Weekly	Monthly
\$255	\$1,530	\$2,595-\$3,495

SUMMER

May 27th to July 2nd

July 9th to July 30th

Daily	Weekly	Monthly
\$350	\$2,250	N/A

PEAK SUMMER

July 2nd to July 9th

Daily	Weekly	Monthly
\$375	\$2,450	N/A

LATE SUMMER

July 30th to August 13th

Daily	Weekly	Monthly
\$250	\$1,595	N/A

FALL

August 13th to October 31st

Daily	Weekly	Monthly
\$200	\$1,295	\$3,495

WINTER

November 1st to December 31st

Daily	Weekly	Monthly
\$165	\$990	\$1,795

January 1st to February 28th, 2012

Daily	Weekly	Monthly
\$165	\$990	\$2,095

View Our SPECIALS

www.destingulfgate.com