

ORIGINAL

COST RECOVERY GROUP, INC.

14252 Puffin Court, Clearwater, Florida 33762
Tel: 727-573-5787, Fax: 727-573-5675, E-MAIL: powck@aol.com

030974 - EU

October 7, 2003

Ms. Blanca S. Bayo
Florida Public Service Commission
Director, Division of the Commission Clerk
& Administrative Services
2540 Shumard Oak Blvd
Tallahassee, Florida, 32399-0850

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COMMISSION
CLERK

Dear Ms. Bayo:

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

1) St. Maarten at Silver Shells Condominium Association, Inc., Petition for Variance or Waiver from the Metering Requirement of Rule 25-6.049(a) of the Florida Administrative Code with Exhibits 1-12.

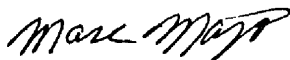
09775-03 2) St. Maarten at Silver Shells Condominium Association letter requesting representation by Marc Mazo.

09776-03 3) Affidavit of Marc Mazo pursuant to Rule 28-106.107 F.A.C..

Please acknowledge your receipt and the date of filing, as well as the docket number assigned to the petition, on the duplicate copy of this letter. A self addressed stamped envelope has been provided for your convenience.

Thank you for your help in this matter.

Yours very truly,



Marc D. Mazo
Authorized Representative
St. Maarten at Silver Shells CA

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STATE OF FLORIDA
BEFORE THE PUBLIC SERVICE COMMISSION

IN RE:

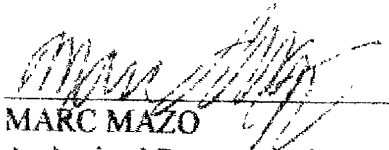
St. Maarten at Silver Shells
Condominium Association, Inc.

Docket # 030974-EU

Petitioner
_____ /

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

Respectfully Submitted by:



MARC MAZO
Authorized Representative
St. Maarten at Silver Shells
Condominium Association, Inc.
14252 Puffin Court
Clearwater, Florida 33762
Voice: 727-573-5787
Fax: 727-573-5675
Email: powck@aol.com

DOCUMENT NUMBER DATE

09774 OCT-8 8

FPSC-COMMISSION CI FRN

STATE OF FLORIDA
BEFORE THE PUBLIC SERVICE COMMISSION

IN RE:

ST MAARTEN AT SILVER SHELLS
CONDOMINIUM ASSOCIATION, INC.

DOCKET NUMBER 030974-EU

Petitioners
_____ /

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

COMES NOW the Petitioner St. Maarten at Silver Shells Condominium Association, Inc., (hereinafter referred to as St Maarten) 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)(a) of the Florida Administrative Code which states in pertinent part;

(5)(a) "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 Rule 25-6.049(5)(a) provide that St. Maarten should maintain individual electric metering for each unit of the condominium. However, a conflict between Section 25-6.049(5)(a) and Section 25-6.049(5)(a)(3) arises when the facts of this particular case are taken into consideration.

St. Maarten operates in accordance with Chapter 509.242 of the Florida Statutes as a Public Lodging Establishment. It meets

the majority of the criteria for a hotel defined in Chapter 509.242(a), Florida Statute, and all of the criteria for a "Resort Condominium" defined in Chapter 509.242(c).

Pursuant to Statute, 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 advertises and holds out to the public as a place regularly rented for periods of less than 30 days or 1 calendar month, whichever is less.

Chapter 509.242(a) Florida Statutes defines a hotel as 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.

Section 25-6.049(5)(a)(3) of the rule provides certain exceptions to the individual metering requirement of the rule. In pertinent part the exception states:

(5)(a)(3) "For electric used in specialized-use housing accommodations such as hospitals, nursing homes, living facilities located on the same premises as, and occupied operated in conjunction with, a nursing home or other health care facility providing at least the same level and types of services as a nursing home, convalescent home, facilities certificated under Chapter 651, Florida Statutes, college dormitories, convents, sorority houses, fraternity houses, *motels, hotels, and similar facilities.*" (Emphasis Supplied)

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) & 25-6.049(5)(a)(3) 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 F.S. 366.03.

In addition, pursuant to docket # 810308-EU September 2, 1981, it appears that the intent of Rule 25-6.049(5)(a) and Rule 25-6.049(5)(a)(3) 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 in fact, petitioner's facility is master metered.

III. Type of Action Requested: Petitioner believes it is a similar facility under Rule 25-6.049(5)(a)(3) and therefore excluded from the individual metering requirement. However, to avoid unnecessary delays and any possible confusion St. Maarten requests the Commission grant a variance or waiver from the literal requirement of Rule 25-6.049(5)(a) wherein condominiums must be individually metered, and allow St. Maarten to master meter the facility.

IV. Facts Which Demonstrate Substantial Hardship or Violation of Principles of Fairness: St. Maarten is an association which represents investor/owners of 102 condominium units at Silver Shells Resort and Spa, located at 15000 Emerald Coast Parkway in Destin, Florida. A copy of St. Maarten's Condominium documents are attached as Exhibit "1"

Pursuant to Chapter 509.242 of the Florida Statutes, St. Maarten 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 two of the 102 condominium units at St. Maarten are used for permanent residences.

St. Maarten has retained the services of Resort Property Management and Resort Quest d/b/a Abbott Realty (also know as Abbott Resorts), to manage the rentals of the units at St. Maarten. Both Report Property Management and Abbott Realty are registered with and licensed by the Florida Department of Business and Professional Regulation to operate transient rentals at St. Maarten. A copy of Resort Property Management's license is attached as Exhibit "2", and Abbott Realty's license is attached as Exhibit "3".

St. Maarten pays a percentage of the rental income derived from the transient rental of the units at St. Maarten to Resort Property Management and Abbott for the units that each company is responsible for renting. This fee is in part to cover the cost of the DBPR license that each of the rental companies must maintain on behalf of St. Maarten. Resort Property Management handles approximately 80 rental units while Abbott Realty handles 20 rental units. Abbott's license is a collective group dwelling as it also operates rentals for other resort condominiums. See Exhibit "3"

The percentage fee paid from rental income to Resort Property Management also 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 that residential

condominiums do not have to pay. St. Maarten is also subject to maintenance of health and safety standards not otherwise required of residential condominiums. (See Chapter 509.211 and Chapter 509.221). These standards require time and effort of management along with additional costs residential condominiums do not incur.

Resort Property Management and Abbott, on behalf of St. Maarten, are engaged in the business of providing short term (daily, weekly) lodging to vacationers as do hotels and motels in the adjacent and surrounding areas. They compete directly for room night business with nearby hotels and motels from Ft. Walton Beach to Panama City Beach. To maintain market share Resort Property Management regularly advertises and promotes St. Maarten with travel agents and in trade shows both in this country and abroad. Resort Property Management uses a full color marketing brochure to promote St. Maarten to the traveling public and keep the units occupied with guests. A copy of Resort Property Managements marketing information for St. Maarten at Silver Shell is attached as Exhibit "4". Abbott also uses a color brochure to market the rentals at Silver Shells. A copy is attached as Exhibit "5". In addition, like hotels and motels, Resort Property Management and Abbott utilize their national reservation system to help keep the guest rooms at St. Maarten filled. To maintain the reservation systems require manpower and capital investment. This is an added expense that St. Maarten, as a "Resort Condominium" pays out of its guest rental revenue that is significantly different than residential condominiums

Resort Property Management maintains a front desk in the lobby area of the Silver Shells Resort and Spa for guest registration. All rental guests of St. Maarten must check-in and check-out in the same manner as a hotel or motel.

Located in the same building as the front desk and check-in area are, 1) The Spa at Silver Shells, and 2) The Grille at Silver Shells. The Spa offers an array of services including Massage Therapy, Hydrotherapy, Seaweed and Mud Body Wraps, Aroma Therapy, as well as personal beauty services of skin care, hair care, and nail care. Attached as Exhibit "6" is a copy of the full collar marketing brochure used for the Spa. Also located in the same building is The Grille at Silver Shells, a full service restaurant catering to Silver Shell owners, tenants, guests, and the general public. Exhibit "7" is a copy of the menu offered by the Grille.

Guest rooms at St. Maarten may be reached through a central PBX located at the check-in desk. Calls can ring directly into the switchboard and be transferred to the guest rooms in a similar fashion to a hotel or motel. Guest rooms are furnished with calling instructions located on the face plate of the telephones as is common practice in many hotels and motels. Telephone charges are listed in compliance with the Department of Business Regulation, the FCC, and the PSC. A copy of the guest telephone information is attached as Exhibit "8". To maintain this type of telephone operation, which is similar to most modern day hotels and motels, requires an investment of capital and time and effort of management.

Cable television services for St. Maarten are provided through the Silver Shell Master Association. St. Maarten contributes its share of the cable expenses on a monthly basis. Pursuant to Chapter 202.125, Florida Statutes, because St. Maarten is registered as a Resort Condominium and offers transient rentals at the resort, it must pay the new 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 St. Maarten is obligated to pay because it is deemed commercial by the legislature with respect to the Communication Service Tax.

Also in contrast to purely residential condominiums, Resort Property Management and Abbott Resorts are registered with the Florida Department of Revenue to collect and remit sales taxes on revenue realized from providing transient rental accommodations at St. Maarten. 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 100 of the 102 units at St. Maarten are used to serve the transient public, sales tax on rental revenue must be paid.

In contrast, the rules of the Florida Public Service Commission in essence deem St. Maarten 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 and motels that compete for the same room night business.

[If master metered Gulf Power's cost to serve St. Maarten would be reduced by eliminating the need to read 102 individual meters each month and by eliminating the necessity of processing and mailing individual electric bills to 102 owners throughout the country.]

Further evidence of hardship is found in the payroll and operating expenses of Petitioner. Resort Property Management has hired a general manager who handles rentals 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. St. Maarten pays Resort Property Management a fee that covers the cost of the General Managers salary.

St. Maarten competes with other hotels and motels in the area for guest-room nights. Rates for room nights must be kept in line with the competition. Advertising dollars must also be expended to fill the needed amount of room nights. These principles exist for hotels and motels and also exist for St.

Maarten based on its manner of operation. While St. Maarten pays the same rates for many of the expenses needed to operate the resort as other competing hotels and motels pay to operate their establishments, St. Maarten is significantly disadvantaged by paying a higher rate for electricity.

Without being allowed to master meter its facility, St. Maarten will pay approximately 25% to 30% more for the same electric to operate as nearby hotels and motels. (See Electric Rate Analysis Attached as Exhibit "9"). This creates a substantial hardship on the petitioner in its efforts 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 and motels in the surrounding 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 St. Maarten.

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. St. Maarten 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 St. Maarten.

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 PSC 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 St. Maarten is operating as a transient rental facility catering to the traveling public. The owner/investors of units at St. Maarten 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 over one hundred two owners located in all parts of the country with no ability to implement energy conservation except through the management 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) 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.

Results Show Master Metering Enhances Energy Conservation

The FPSC has recognized that "Resort Condominiums" are similar in nature to hotels and motels. The Commission granted a variance to the individual metering requirement for Holiday Villas II in 1998, and Sundestin Resort in 2001, both Resort

Condominiums like St. Maarten. 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.

Attached as Exhibit "10" and Exhibit "11", are letters from the manager of Holiday Villas II Marcus Paula, and the manager of Sundestin Resort Lino Maldonado, which shows that the FPSC position allowing "Resort Condominiums" that operate similar to hotels and motels to master meter, has in fact been successful by serving the goal of energy conservation. The letters show that as a result of receiving one master electric bill the electricity used in the units became an item included in the annual budget of the association and a responsibility of the resort managers. In both cases the managers, who previously did not see the individual owners electric bills, experienced heightened awareness of energy costs for all the unit owners, an increased ability to track energy costs, and more productive effort in energy conservation and control of electricity expenses including; better productivity with staff in setting back thermostats for unoccupied units, 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 St. Maarten 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

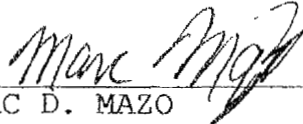
month at the facility the management would be more efficient in his efforts to control and conserve electric usage. In addition, the principles of fairness would be met in that the owner/investors at St. Maarten would receive the benefits of lower electric costs due to master metering, as its owner/investor counterparts receive at timeshare resorts. Petitioner would also be able to compete with hotels and motels 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 St. Maarten will not change by granting of the variance or waiver from the individual metering requirements of Rule 25.6-049, and understanding that petitioner's owner/investors could vote to cease all operation as a public lodging establishment pursuant to Chapter 509.242 of the 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 of the Florida Statutes. In the event petitioner's owner/investors vote to change the operation of St. Maarten 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).

VIII - Allocation of Costs - St. Maarten intends to allocate the costs of electricity to the individual condominium unit owners through a pro rata apportionment based on square

footage, or by 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
14252 Puffin Court
Clearwater, Florida 33762
Telephone (727) 573-5787
Facsimile (727) 573-5675
Authorized Representative
St. Maarten at Silver Shells
Condominium Association

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 7th day of October, 2003, to the Public Service Commission, Attn: Ms Blanca s. Bayo, Director, Division of the Commission Clerk and Administrative Services.



MARC D. MAZO

St. Maarten at Silver Shells
A Condominium

PROSPECTUS

Silver
Shells
BEACH RESORT

PROSPECTUS
FOR
ST. MAARTEN AT SILVER SHELLS, A CONDOMINIUM

1. THIS PROSPECTUS (OFFERING CIRCULAR) CONTAINS IMPORTANT MATTERS TO BE CONSIDERED IN ACQUIRING A CONDOMINIUM UNIT.
2. THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO ALL REFERENCES, ALL EXHIBITS HERETO, THE CONTRACT DOCUMENTS, AND SALES MATERIALS.
3. ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. REFER TO THIS PROSPECTUS (OFFERING CIRCULAR) AND ITS EXHIBITS FOR CORRECT REPRESENTATIONS.

ST. MAARTEN AT SILVER SHELLS, A CONDOMINIUM

PROSPECTUS SUMMARY

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4. THE CONDOMINIUM IS CREATED AND IS BEING SOLD AS FEE SIMPLE INTERESTS.
5. THERE IS A LIEN OR LIEN RIGHT AGAINST EACH UNIT TO SECURE THE PAYMENT OF ASSESSMENTS OR OTHER EXACTIONS COMING DUE FOR THE USE, MAINTENANCE, UPKEEP OR REPAIR OF THE RECREATIONAL OR COMMONLY USED FACILITIES OF SILVER SHELLS PROPERTY OWNERS ASSOCIATION ("MASTER ASSOCIATION"). THE UNIT OWNER'S FAILURE TO MAKE THESE PAYMENTS MAY RESULT IN FORECLOSURE OF THE LIEN.
6. RECREATIONAL FACILITIES MAY BE EXPANDED OR ADDED WITHOUT CONSENT OF UNIT OWNERS OR ANY ASSOCIATION.
7. THERE IS A CLUB MEMBERSHIP ASSOCIATED WITH THIS CONDOMINIUM.
8. MEMBERSHIP IN THE RECREATIONAL FACILITIES CLUB IS MANDATORY FOR UNIT OWNERS.
9. THE DEVELOPER HAS THE RIGHT TO RETAIN CONTROL OF THE ASSOCIATION AFTER A MAJORITY OF THE UNITS OF THE CONDOMINIUM HAVE BEEN SOLD.

ST. MAARTEN AT SILVER SHELLS, A CONDOMINIUM

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ST. MAARTEN AT SILVER SHELLS, A CONDOMINIUM

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PROSPECTUS
FOR
ST. MAARTEN AT SILVER SHELLS, A CONDOMINIUM

INTRODUCTION

The information in this Prospectus is provided pursuant to Florida Statutes § 718.504, in order to acquaint you, a prospective purchaser, with certain pertinent information concerning this Condominium and to aid you in your decision to purchase a Unit.

SILVER SHELLS BEACH RESORT (the "Project") is a real estate project being developed along the Gulf of Mexico adjacent to Henderson Beach State Recreation Area in Destin, Okaloosa County, Florida. The Developer of **SILVER SHELLS BEACH RESORT** is Silver Shells Corporation. St. Maarten at Silver Shells, a Condominium is one of the independent condominiums which comprise **SILVER SHELLS BEACH RESORT**.

1. **DESCRIPTION OF THE PROJECT.**

1.1. **St. Maarten at Silver Shells, a Condominium.** **Silver Shells Beach Resort** will be developed in stages and this offering is limited to that stage of the Project which is planned as St. Maarten at Silver Shells, a Condominium. This stage of development includes one building, which contains one hundred two (102) residential Units and twelve (12) Cabana Units. Reference to the overall planned Project is made only for the purpose of disclosing the Developer's present plans which may or may not be adhered to. This offering pertains only to St. Maarten at Silver Shells, a Condominium, as is more fully described later in this Prospectus.

1.2. **General Project.** If ultimately developed as presently planned, **Silver Shells Beach Resort** may include up to 490 residential Units in six (6) separate condominium buildings, together with ancillary structures, facilities and amenities incident thereto. Such ancillary structures, facilities and amenities are described as "Common Properties" herein, and will be administered by a non-profit corporation created under Florida law called Silver Shells Property Owners Association, Inc. (the "Master Association"). Such facilities and amenities may include but are not limited to, parking areas, roadways, pedestrian walkways, outdoor swimming pool and pool deck, maintenance building, landscaping, green space, and various recreational facilities and amenities, all to be used and enjoyed by the owners of all of the property developed within the Project known as **SILVER SHELLS BEACH RESORT**.

The Project comprises approximately 30 acres on the Gulf of Mexico. There is a possibility that an additional 15 acres might be added to the Project, upon which might be constructed as many as 250 to 350 additional condominium Units, which would be a part of

SILVER SHELLS BEACH RESORT, and the Condominium Associations would be members of the **SILVER SHELLS PROPERTY OWNERS ASSOCIATION, INC.** Such additional Units would share rights to use of the ancillary structures, facilities and amenities described above, in addition to similar amenities to be contained within the 15 additional acres, all of which (excepting the Clubhouse) would be supported by fees and assessments from all Unit owners in the total expanded **SILVER SHELLS BEACH RESORT**. The Common Properties and amenities and facilities to be located therein are described more fully in Section 8 of this Prospectus.

1.3. **Condominiums/Units**. It is presently anticipated that other stages of residential development within the Project in addition to St. Maarten at Silver Shells, a Condominium will be separate condominiums, submitted under separate Declarations of Condominium, each with a separate condominium association, so that ownership, control and maintenance of each such condominium and its Units will be legally separated from the others. The initial stage of development of the Project is intended to include three separate condominiums, to be known as St. Croix at Silver Shells, a Condominium, St. Maarten at Silver Shells, a Condominium, and St. Thomas at Silver Shells, a Condominium. A separate Offering Circular and Prospectus has been prepared for each such Condominium. An owner of a Unit within each stage which is submitted to condominium ownership will have the right to use and will own an undivided share of the common elements in that area which is submitted to condominium ownership by the applicable Declaration of Condominium.

As the Project is presently planned, the land submitted to condominium ownership for each stage of Unit development in the Project, including the land which is planned to be submitted for St. Maarten at Silver Shells, a Condominium, is expected to include only the land lying beneath and extending up to one (1) foot beyond the overall footprint of the building foundations and the Cabana Units for that building. This plan is designed to ensure that all common landscaping and facilities other than condominium buildings and parking for such buildings will be maintained by the Master Association and not be part of separate condominiums.

1.4 **Common Properties**. The term "Common Properties" is defined in the Declaration of Restrictive Covenants and Easements for Silver Shells appearing as Exhibit 12 (The "Declaration of Restrictions"). These areas are lands and amenities which will be declared available for the use and enjoyment of, and subject to assessment for upkeep and maintenance by, the owners of all of the Units within the Project from time to time encumbered by the Declaration of Restrictions. The Declaration of Restrictions will be administered by the Master Association. Each separate residential Condominium within Silver Shells Beach Resort will include the land upon which the building stands, but will be served by an access roadway, and certain amenities, which will be Common Properties. The Common Properties and all Condominium property will be subject to the Declaration of Restrictions.

Included within the Common Properties is an exclusive easement to a road right-of-way known as "Old Highway 98" which crosses the Common Properties just inland of the Coastal Control Construction Line and ends at the eastern boundary of the Common Properties, at

Henderson Beach State Recreation Area. Old Highway 98 does not continue into Henderson Beach State Recreation Area. The easement area is shown on page 1 of the survey/plot plan attached as Exhibit 3. The easement over the area known as Old Highway 98 has been granted by the City of Destin, Florida by written agreement with the Developer, for a term of seventy-five (75) years, commencing in September of 1997 (the easement will terminate in the year 2072). Under agreement with the City of Destin, the easement area comprising Old Highway 98 is intended for recreational and/or green space purposes only, and will be utilized as a pedestrian walkway planned to be 25 feet in width and intended solely for pedestrian use with the exception of emergency service vehicles. Bicycles will be allowed on the pedestrian walkway at the discretion of the City of Destin. Five elevated dune walkovers, as described in Section 8 herein, will lead from the pedestrian walkway to provide access to the beach for use by the public. It is intended that the pedestrian walkway will not be paved by the Master Association, but the Master Association shall be solely responsible for the costs of landscaping and maintenance of the pedestrian walkway and the dune walkovers.

If and when additional stages of the Project are developed, additional land (which will include the land on which the additional stages are built) will be subjected to the Declaration of Restrictions by the Developer unilaterally filing and recording in the Public Records of Okaloosa County, Florida, an amendment to the Declaration of Restrictions which (i) describes additional condominium land to be subjected to The Declaration of Restrictions and (ii) describes any additional land being added to the Common Properties; whereupon owners of Units in such additional stage(s) of the Project will also have the right to use and enjoy the Common Properties.

The Common Properties will be maintained and administered, and assessments for their upkeep and maintenance will be collected by, the Master Association. The Developer has the right to control the Master Association until ninety (90) days after ninety percent (90%) of all Units developed within **Silver Shells Beach Resort** have been sold and conveyed. The Condominium Association will be a member of the Master Association and owners of Units developed within the lands subject to the Declaration of Restrictions will be required to contribute toward its assessments.

THERE IS A LIEN OR LIEN RIGHT AGAINST EACH UNIT TO SECURE THE PAYMENT OF ASSESSMENTS OR OTHER EXACTIONS COMING DUE FOR THE USE, MAINTENANCE, UPKEEP OR REPAIR OF THE RECREATIONAL OR COMMONLY USED FACILITIES. THE UNIT OWNER'S FAILURE TO MAKE THESE PAYMENTS MAY RESULT IN FORECLOSURE OF THE LIEN.

(See Exhibit 12, Article 5, Declaration of Restrictive Covenants and Easements for Silver Shells)

The Common Properties will initially remain titled in and under the ownership of the Developer. Upon the happening of certain events, more particularly described in the Declaration of Restrictions (See The Declaration of Restrictive Covenants and Easement for SILVER SHELLS, Exhibit 12, Article 2, Paragraph 2.9), the Developer has agreed to convey title

to the Common Properties to the Master Association. (The Clubhouse and other facilities therein are not Common Properties, and the Developer has no obligation to convey the same to the Master Association at any time.) Although the Developer may retain title to the Common Properties until these events occur, the owners of Units in the Project which are subject to the Declaration of Restrictions will have the same right to use and enjoy, and the same obligation to contribute toward the maintenance of, the Common Properties as if title thereto had been conveyed to the Master Association. The Common Properties and amenities and facilities to be located therein are described more fully in Section 8 of this Prospectus.

1.5 **The Club at Silver Shells.** In addition, a separate Clubhouse facility and attendant amenities and facilities will be owned by the Developer, and available to Unit owners and their guests and residents in **Silver Shells Beach Resort**. Membership in The Club at Silver Shells, Inc. (the "Club") will be mandatory for owners of all residential Units at **Silver Shells Beach Resort**, and all Unit owners will pay membership fees to the Club. Membership in the Club will also be mandatory for tenants of Unit owners, who will pay surcharge membership dues to the Club during their residency in Units at **Silver Shells Beach Resort**, which dues are in addition to the Club dues paid by the owner of the leased Unit and will be in accordance with a fee schedule to be established. Some retail and commercial facilities also will be located within the Clubhouse, for the convenience and usage of owners and occupants of Units at **SILVER SHELLS BEACH RESORT**; such commercial and retail facilities may include restaurants, retail shops, laundry, sales and/or rental office, and other offices and meeting rooms. Club facilities and memberships may also be made available to members of the general public, if the Developer should so elect. The Clubhouse facilities are described more fully at Section 10 in this Prospectus.

2. **DESCRIPTION OF THE CONDOMINIUM PROPERTY FOR ST. MAARTEN AT SILVER SHELLS, A CONDOMINIUM.** The Condominium shall consist of one hundred two (102) residential Units in a single building, and twelve (12) Cabana Units facing the adjacent swimming pool in the Common Properties. The building will consist of thirteen (13) living levels above one (1) parking level. The building height above mean sea level will be approximately 162 feet.

The parking level will contain one hundred thirty five (135) underground parking spaces, resident storage areas, bicycle storage, two (2) linen rooms, two (2) trash rooms, and six (6) elevator lobbies.

The lobby level of the building will contain eight (8) condominium Units, four (4) of which will be "Lanai A" Units, two (2) of which will be "Lanai C" units, and two (2) of which will be "Lanai" Units. In addition, the lobby level shall contain a large lobby and entry foyer, rest rooms, fire control room, housekeeping, and mail room, as well as four (4) elevator corridors and lobbies.

Each of the next eleven (11) residential levels will contain eight (8) Units. Of these, four (4) will be "A" Units, two (2) will be "B" Units, and two (2) will be "C" Units. The Units will

be situated as described in Exhibit 3, with the "C" Units being the exterior Units, the "A" Units being interior to the "C" Units, and the "B" Units together in the middle of the building.

The top residential level of the building will each contain six (6) penthouse Units. The penthouse Units will be designated as "PH-1", "PH-2", "PH-4", "PH-5", "PH-7" and "PH-8" Units as shown in Exhibit 3 attached.

The building will contain a total of forty-four (44) "A" Units, four (4) "Lanai A" Units, twenty-two (22) "B" Units, twenty-two (22) "C" Units, two (2) "Lanai C" Units, two (2) Lanai Units, and six (6) "PH" Units. The twelve (12) Cabana Units will be immediately adjacent to the building, on the Condominium property.

Each of the Unit types is described in greater detail as follows:

"A" Unit: 2 Bedroom/3 Bath
Enclosed Area: 1,693 square feet
Terrace Area: 231 square feet
Total Area: 1,924 square feet

"B" Unit: 3 Bedroom/3 Bath
Enclosed Area: 2,009 square feet
Terrace Area: 361 square feet
Total Area: 2,370 square feet

"C" Unit: 3 Bedroom/3 Bath
Enclosed Area: 2,015 square feet
Terrace Area: 496 square feet
Total Area: 2,511 square feet

"PH-1 & 8" Unit: 3 Bedrooms/4 Baths
Enclosed Area: 2,290 square feet
Terrace Area: 496 square feet
Total Area: 2,786 square feet

"PH-2 & 7 " Unit: 3 Bedrooms/3 Baths
Enclosed Area: 2,834 square feet
Terrace Area: 553 square feet
Total Area: 3,387 square feet

"PH-4 & 5 " Unit: 3 Bedrooms/3 Baths
Enclosed Area: 2,282 square feet
Terrace Area: 361 square feet
Total Area: 2,643 square feet

"Lanai A" Unit: 2 Bedroom/3 Bath
Enclosed Area: 1,534 square feet
Terrace Area: 465 square feet
Total Area: 1,999 square feet

"Lanai C" Unit: 3 Bedroom/2 Bath
Enclosed Area: 1,817 square feet
Terrace Area: 496 square feet
Total Area: 2,313 square feet

"Lanai" Unit: 1 Bedroom/1 Bath
Enclosed Area: 538 square feet
Terrace Area: 206 square feet
Total Area: 744 square feet

Cabana Unit: 0 Bedrooms/1 Bath
Enclosed Area: 200 square feet
Terrace Area: 0 square feet
Total Area: 200 square feet

NOTE: The square footage areas given above are approximate; the "Enclosed Area" refers to air-conditioned area.

Each residential Unit will contain a kitchen, living/dining room, bedrooms, storage areas, utility (laundry room), mechanical room, walk-in-closet, and balconies/terraces and/or sun decks. Some purchasers of Units may elect to modify interior room arrangements resulting in descriptions varying from the above.

The twelve (12) Cabana Units will be constructed so as to face and utilize the outdoor swimming pool located within the Common Properties immediately adjacent to the Condominium property. Use of the Cabana Units will be restricted as set forth in Section 15.14 of the Condominium Declaration which is attached as Exhibit 1 to these materials. Cabana Units will have no bedrooms, but will include HVAC. Cabana Units may be sold or transferred only to the owner of a residential Unit in **Silver Shells Beach Resort**, but such owner or transferee need not be an owner of a Unit in St. Maarten at Silver Shells, a Condominium. The Cabana Units will each have an appurtenant undivided ownership share in the common elements of St. Maarten at Silver Shells, and will be assessed for the common expenses of St. Maarten at Silver Shells, a Condominium as set forth in the Declaration referenced above.

The Developer reserves the right to combine two or more residential Units into one Unit which could also modify the interior room arrangements. However, if two or more Units are combined, such Units will still be treated as separate Units for purposes of allocating assessments and votes of Unit owners.

3. **ESTIMATED DATE OF COMPLETION.** The estimated date of completion of St. Maarten at Silver Shells, a Condominium is April 30, 1999.

4. **MAXIMUM NUMBER OF CONDOMINIUM UNITS.** The maximum number of Units which will utilize the common elements of the Condominium will be one hundred two (102) residential Units and twelve (12) Cabana Units.

5. **FEE SIMPLE INTERESTS OFFERED FOR SALE.**

THE CONDOMINIUM IS CREATED ON AND BEING SOLD AS A FEE SIMPLE INTEREST.

6. **COMMON ELEMENTS.** There shall be the following amenities to be located upon and be a part of the common elements of St. Maarten at Silver Shells, a Condominium:

6.1 Four (4) elevators (with a maximum capacity of 10 persons each) serving the parking level and all living levels, and two (2) elevator lobbies (with an area of 117 square feet each) and two (2) elevator corridors (with an area of 500 square feet each) located on each level of the building; two (2) service elevators will also be provided with a floor area of 30 square feet each;

6.2 Two (2) trash chutes, accessible from each floor, and two (2) trash rooms located on the parking level;

6.3 Two (2) laundry chutes available from each floor;

6.4 One (1) main lobby (with an area of 800 square feet) and two (2) elevator lobbies, (with an area of 80 square feet each) located on the lobby level;

6.5 A one (1) level underground parking structure with a capacity for one hundred thirty five (135) automobiles; outdoor parking for thirty-two (32) vehicles including guest parking;

The Developer has committed to purchase a minimum of TEN THOUSAND (\$10,000.00) DOLLARS worth of personal property for the foregoing facilities.

No other facilities are planned. The estimated date when the amenities described in this Section 6 will be available for use by the Unit owners is April 30, 1999.

7. **INCREASE IN RECREATIONAL FACILITIES OF CONDOMINIUM.** There are no plans to increase or add to the recreational facilities of St. Maarten at Silver Shells, a Condominium.

8. COMMON PROPERTIES: FACILITIES TO BE CONSTRUCTED WITHIN AND FORMING PART OF COMMON PROPERTIES TO BE USED BY OWNERS AND TENANTS OF ALL UNITS IN SILVER SHELLS BEACH RESORT, IN COMMON WITH OWNERS AND TENANTS OF UNITS IN ST. MAARTEN AT SILVER SHELLS, A CONDOMINIUM. St. Maarten at Silver Shells Condominium Association, Inc. will be a member of Silver Shells Property Owners Association, Inc. Each owner of a Unit within St. Maarten at Silver Shells, a Condominium shall be entitled to use, in common with all members of the Silver Shells Property Owners Association, and in accordance with the Declaration of Restrictive Covenants and Easements for Silver Shells, the following Common Properties:

8.1 One (1) heated swimming pool containing approximately three thousand six hundred (3600) square feet of pool area, having a depth ranging from a minimum of three (3) feet to a maximum of six and one half (6 1/2) feet and a capacity of eighty (80) persons, with a deck of approximately twenty thousand (20,000) square feet, having a capacity for approximately one hundred (100) persons;

8.2 Five (5) elevated dune walk-overs of not less than five feet (5) in width to the beach from the Common Properties;

8.3 Four (4) tennis courts with a capacity of four (4) players each, the size of each court to be approximately sixty feet (60) by one hundred twenty feet (120);

8.4 One (1) basketball court of a size of approximately eighty-four feet (84) by fifty feet (50);

8.5 One (1) volleyball court of a size of approximately seventy-two feet (72) by forty-two feet (42);

8.6 A parking lot for the Clubhouse and recreation facilities with a capacity for 32 automobiles;

8.7 An entry road providing vehicular access to the Condominium property, the Clubhouse and recreation facilities;

8.8 Common areas consisting of walkways and open space, and a pedestrian walkway intended to be 25 feet in width in the easement area known as Old Highway 98 extending along the full frontage of the Common Property along the Gulf of Mexico;

8.9 An on-site shuttle service to the beach and throughout the Common Properties.

The Developer has committed to purchase at least TEN THOUSAND (\$10,000.00) DOLLARS worth of personal property for these facilities.

All of the foregoing facilities are to be located as shown in Exhibit 3 attached, and are estimated to be completed on or before April 30, 1999. These facilities are located on the Common Properties which, as explained in Section 1.4 above, will not be part of the Condominium, but will be made available for use and enjoyment of owners of all Units subjected to the Declaration of Restrictive Covenants and Easement for Silver Shells (See Exhibit 12). The above described recreational and other facilities are owned by and title shall remain vested in the Developer, to be conveyed to the Master Association (except the Clubhouse and attendant facilities, which are not Common Properties), upon the happening of certain events, as more particularly described in the Declaration of Restrictive Covenants and Easements for Silver Shells (Article 2, Section 2.9, Exhibit 12). The owners, tenants and their respective guests, of up to 490 Units constructed within Silver Shells, together with owners and occupants of Units in any properties added to **Silver Shells Beach Resort**, will ultimately be able to use the above facilities.

THERE IS A LIEN OR LIEN RIGHT AGAINST EACH UNIT TO SECURE THE PAYMENT OF ASSESSMENTS OR OTHER EXACTIONS COMING DUE FOR THE USE, MAINTENANCE, UPKEEP OR REPAIR OF THE RECREATIONAL OR COMMONLY USED FACILITIES. THE UNIT OWNER'S FAILURE TO MAKE THESE PAYMENTS MAY RESULT IN FORECLOSURE OF THE LIEN.

(See Exhibit 12, Article 6, Declaration of Restrictive Covenants and Easements for Silver Shells)

9. **ADDITIONAL FACILITIES WHICH MAY BE CONSTRUCTED IN THE FUTURE ON THE COMMON PROPERTIES, AS ENLARGED, AND BE USED BY OWNERS OF UNITS IN ST. MAARTEN AT SILVER SHELLS, A CONDOMINIUM, IN COMMON WITH THE OWNERS OF UNITS IN OTHER OR FUTURE STAGES DEVELOPED WITHIN SILVER SHELLS.**

1. Walkways and pathways.
2. Additional roadways for access to future stages.
3. Additional vehicular parking areas to serve future Units.
4. Additional recreational facilities and amenities.
5. Additional swimming pools.

Future roadways will be developed as needed to provide access to future stages of development in the Project; walkways and pathways will be constructed within future stages of development; and parking areas sufficient for each stage of development will be constructed as such stages are constructed. It is intended that appropriate additional recreational facilities and amenities to serve the additional properties would also be constructed. However, it is solely in the Developer's

discretion as to what additional amenities, if any, will be constructed in addition to those set forth in Section 8 above.

The Developer cannot predict how much, if any, money it will spend for furnishings and equipment for the common facilities described above.

RECREATIONAL FACILITIES MAY BE
EXPANDED OR ADDED WITHOUT CONSENT
OF THE UNIT OWNERS OR ANY ASSOCIATION.

(See Article 13, Paragraph 13.10, of the Declaration of Restrictive Covenants and Easements for Silver Shells, Exhibit 12)

10. **THE CLUB AT SILVER SHELLS, INC.** Each owner of a residential Unit within St. Maarten at Silver Shells, a Condominium, and each owner of any other residential Unit within **Silver Shells Beach Resort** shall be entitled and required to be a member of The Club at Silver Shells, Inc., and to have access to certain facilities and amenities located at and within the Clubhouse of the Club. Membership in the Club shall be a non-equity membership and shall be mandatory for all Unit owners as well as tenants and other residents and occupants of residential Units within **Silver Shells Beach Resort**. Each member of the Club shall pay a monthly membership fee which is anticipated not to be in excess of Seventy-Five (\$75.00) Dollars per month at the time the Club opens. There may be an additional daily or monthly fee assessed to members during such times as the subject residential Unit is rented or occupied by others than the owner.

THERE IS A CLUB MEMBERSHIP ASSOCIATED WITH THIS
CONDOMINIUM.

MEMBERSHIP IN THE RECREATIONAL FACILITIES CLUB IS
MANDATORY FOR UNIT OWNERS.

(See Article 2.8 of the Declaration of Restrictive Covenants and
Easements for Silver Shells, Exhibit 12)

10.1 As a part of The Silver Shells Club, the Developer plans to construct in 1999:

1. One (1) Clubhouse of no more than 20,000 square feet in size, containing restaurants, commercial and recreational facilities, offices, and retail space, which shall be available to owners and occupants of Units at **Silver Shells Beach Resort**.

2. A beach pavilion as part of the Silver Shells Club, estimated to comprise not less than four hundred (400) square feet including snack shop, sundries kiosk, and beach chair and beach activity rental concessions.

3. The Clubhouse may contain additional commercial, recreational and retail facilities, such as, but not limited to, the following: Spa, exercise, and aerobic facility; video arcade; clothing and gift stores; snack shops and food kiosk; development, sales and/or rental office; and other facilities consistent with the character of Silver Shells as a beach resort, and providing services and products suitable for use by the owners and residents of **Silver Shells Beach Resort**. Provided, that no more than three (3) buildings containing exclusively commercial or retail uses shall be located within the Project.

10.2 All of the Club and Clubhouse facilities are estimated to be completed on or before April 30, 1999. Although these facilities will be located within the Project, they will not be a part of St. Maarten at Silver Shells, a Condominium, nor will they be Common Properties to eventually be owned by the Silver Shells Property Owners Association, Inc. Such facilities and properties will remain under title and ownership of the Developer, but will be intended and available for use and enjoyment by all Unit owners, guests, tenants and residents of **Silver Shells Beach Resort** pursuant to provisions of the Declaration of Restrictions and the terms of membership in the Club. Such facilities will not be conveyed to the Master Association and will not be subject to the Declaration of Restrictions. Accordingly, there will be no assessments against Unit owners or sharing of expenses by Unit owners with regard to maintenance, upkeep and operation of the Clubhouse, other than mandatory Club membership fees.

11. **LEASING OF CONDOMINIUM UNITS PRIOR TO SALE.** Each condominium Unit will be sold in fee simple, and the Developer does not intend to sell Units subject to a lease. However, until all Units have been sold and closed, the Developer reserves the right to lease or rent unsold Units to any person approved by the Developer.

12. **SALES SUBJECT TO LEASES.** Subject to the preceding Paragraph, there are no plans to lease any Units instead of selling them or to lease Units and sell them subject to leases.

13. **MANAGEMENT OF THE CONDOMINIUM AND MAINTENANCE AND OPERATION OF THE CONDOMINIUM PROPERTY.** A Florida corporation, not-for-profit, to be known as St. Maarten at Silver Shells Condominium Association, Inc. (the "Condominium Association") will be formed to maintain and operate the Condominium property of St. Maarten at Silver Shells, a Condominium and to administer such condominium. The Condominium Association will be managed by a Board of Directors to be elected by the Unit owners. Through the Board of Directors, the Condominium Association will maintain and operate the Condominium property and administer and manage the Condominium. The Developer has made no arrangements for a contract with a third party for management of the Condominium or maintenance or operation of the Condominium property after control by the Condominium Association has been turned over to the Unit purchasers. So long as Developer is in control of the Association, the Developer reserves the right to cause the Condominium Association to enter into a management agreement for the management of the Condominium, subject to the termination rights applicable under Florida Statutes. For details concerning the matters set forth in this Paragraph, refer

to the Articles of Incorporation and the By-Laws of the Condominium Association, which are respectively Exhibits 4 and 5 to this Prospectus.

14. **CONTROL OF BOARD OF DIRECTORS OF CONDOMINIUM ASSOCIATION.** The Developer will relinquish control of the Condominium Association at such time as the law requires or at an earlier date at the Developer's option.

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

(See Article 8 of Exhibit 4, the Articles of Incorporation of St. Maarten Condominium Association; and Paragraph 4.2 of Exhibit 5, the By-Laws thereof)

15. **RESTRICTIONS UPON USE OF UNITS.** There are restrictions, limitations and controls on the use of Units which are summarized in Sections 16 and 17 below, and described in detail in Article 15 of the Declaration of Condominium attached hereto as Exhibit 1.

16. **DECLARATION OF RESTRICTIVE COVENANTS AND EASEMENTS.** The Condominium property for St. Maarten at Silver Shells, a Condominium and the Common Properties associated therewith will be subject to the Declaration of Restrictions. The purpose of the Declaration of Restrictions is to integrate the various component elements of the Project as it is developed and to create a legal mechanism, through mutual enforceable restrictive covenants, for ensuring that owners of all Units developed within the Project and forming a part of the different condominiums within the Project have certain mutual rights and obligations within the entire Project. Among other things the Declaration of Restrictions provides that:

16.1 Each Unit owner will have the right to use and enjoy, and the obligation to contribute to maintain the Common Properties. For further details see the Declaration of Restrictive Covenants and Easements, Articles 5 and 7, attached hereto as Exhibit 12.

16.2 Each Condominium and the Developer will become a member of the Master Association. For further details see the Declaration of Restrictive Covenants and Easements, Article 3, attached hereto as Exhibit 12.

16.3 Each Unit will be encumbered by a lien to secure payment of assessments due to the Master Association. For further detail see the Declaration of Restrictive Covenants and Easements, Article 5, attached hereto as Exhibit 12.

16.4 All portions of the Project must comply with certain restrictions therein set forth which are enforceable by owners of all Units within the Project. For further detail see the Declaration of Restrictive Covenants and Easements, Article 8, attached hereto as Exhibit 12.

For more detailed information refer to the entire text of Declaration of Restrictive Covenants and Easements, Exhibit 12. The foregoing is only a brief summary.

17. **SUMMARY OF RESTRICTIONS UPON USE OF THE CONDOMINIUM PROPERTY.** Restrictions regarding the use and occupancy of the Condominium property include, but are not limited to, the following:

17.1 **Residential Use.** The Condominium property will be available for residential use only. Use of each Unit is limited to residential use. The use of each Cabana Unit is restricted as provided in Article 15 of the Declaration attached as Exhibit 1, including restrictions on residing in or sleeping overnight in a cabana. Use of the Cabana Units is intended to be incidental and supplemental to use of the residential Units located within St. Maarten at Silver Shells, a Condominium or elsewhere within **Silver Shells Beach Resort**, but shall not include using the Cabana Units for independent residential purposes. Two-bedroom Units may be occupied by no more than six (6) persons. Three-bedroom Units may be occupied by no more than eight (8) persons. No Unit may be subdivided.

17.2 **Alteration and Improvement of Units.** The prior express written consent of the Board of Directors of the Condominium Association and of the Master Association is required in order to enclose a private terrace, entry terrace, or balcony or sun deck, to paint or otherwise decorate or change the appearance of portions of the exterior of any building or Cabana Unit on the Condominium property, and the written approval of the owners of other Units in the condominium and the Board of Directors of the Condominium Association is required for some types of alterations and improvements within Units.

17.3 **Signs.** No "For Sale", "For Rent" or other signs are permitted, including such signs on doors, windows, or exteriors of Units, except such signs as Developer is permitted to maintain; no "lock boxes" shall be permitted on doors to Units; and no exterior antennas or aerials shall be erected upon the premises of the Condominium, unless the same are placed thereon by the Board of Directors for the common use of all Units.

17.4 **Rules and Regulations.** Reasonable rules and regulations concerning use of the Condominium property may be made and may be amended from time to time by the Board of Directors of the Condominium Association with the approval of the Unit owners in the manner set forth in the Declaration.

17.5 **Developer.** Until the Developer has sold all of the Units in the Project, and/or so long as it leases a Unit, the Developer may use its unsold Units, the common elements and Common Properties to facilitate such sales, including, but not limited to, the maintenance of a sales office and model apartments and the display of signs.

17.6 **Minors.** Minors under the age of twelve (12) years should be closely supervised and care taken to ensure that they do not become a nuisance to other residents.

17.7 **Pets.** Unit owners shall be permitted to keep small pets, including birds, such as canaries or parakeets; fish, such as gold fish and tropical varieties; cats; and small dogs not exceeding 15 inches in height measured at the shoulder or 15 pounds in weight at maturity. No guest, lessee or invitee shall bring any animal whatsoever upon the Condominium Property. No pets shall be raised for commercial purposes, and no more than one dog per Unit may be kept on the premises. No cat or dog shall be permitted outside the owner's Unit except when leashed and accompanied by the owner. Each owner shall be responsible for the actions of each pet and for cleaning up after it. In the event that any pet kept on the premises should constitute a nuisance in the opinion of a majority of the Board of Directors, then the owner, when so notified in writing, shall be required to immediately remove said pet from the Condominium Property.

17.8 **Flooring.** If ceramic tile flooring, hardwood flooring or other hard surface flooring is installed in any Units on the third floor or above, it shall be applied over a resilient sound absorbing underlayment of material acceptable to the Condominium Association, in order to buffer any noise which might be heard on the floor below.

17.9 **Terrace Floor Coverings.** Floor coverings in the outdoor terrace or balcony appurtenant to Units are required to meet certain specifications and procedures as contained in Section 12.4 of the Declaration, for purposes of maintaining and preserving structural integrity of the terraces which are a part of the Condominium building.

17.10 **Declaration of Condominium and Declaration of Restrictive Covenants and Easements for SILVER SHELLS.** The Declaration of Condominium for St. Maarten at Silver Shells, a Condominium, appearing as Exhibit 1 to this Prospectus, and the Declaration of Restrictive Covenants and Easements for Silver Shells, appearing as Exhibit 12 to this Prospectus, contain many other restrictions concerning the use and occupancy of the Condominium. All prospective buyers are urged to review these documents carefully. None of these restrictions should be considered to be onerous; however, it is important that every owner understand and abide by them. Because of the physical proximity of Units in St. Maarten at Silver Shells, a Condominium, to other existing and planned future stages of development of the Project, as in most projects of this nature, it is desirable and advisable, and in the best interest of all Unit owners as a means of ensuring harmony, a pleasant living environment and preserving property values, that ownership of Units be subjected to certain restrictions on use, occupancy and ownership.

The foregoing is only a summary of these restrictions. No summary can fully convey their meaning and purchasers are urged to read these restrictions, as well as all documents in this Prospectus, carefully. Condominium ownership is, by its nature, highly restrictive of the rights normally thought to be associated with ownership of fee title to real property. If condominium ownership or these documents and the effect they have on rights of owners is not understood, competent legal advice should be obtained.

18. **LAND OFFERED BY THE DEVELOPER FOR USE BY THE UNIT OWNERS THAT IS NEITHER OWNED BY THEM NOR LEASED BY THEM.** The only land which will be offered by the Developer for use by Unit owners that will not be submitted to condominium will be the Common Properties and the Clubhouse facilities. As stated previously, the Common Properties will be owned by Developer initially, but later conveyed, under certain conditions described above, to the Master Association. The Clubhouse facilities will be retained by Developer, its successors and/or assigns, and do not constitute Common Properties.

19. **UTILITY AND OTHER SERVICES.** Utility and other services are provided as follows:

19.1 Water and Sewer: Destin Water Users.

19.2 Electricity: Okaloosa County Electric Cooperative.

19.3 Telephone: United Telephone of Florida.

19.4 Cable Television: Emerald Coast Cable.

19.5 Storm Drainage: On-site by retention and public storm drains.

19.6 Garbage and Trash Removal: Waste Management Co.

20. **OWNERSHIP OF COMMON ELEMENTS AND ALLOCATION OF COMMON EXPENSES.** The Developer, in allocating shares of the common elements, has assigned an undivided share to each residential Unit and Cabana Unit based upon the square footage of each respective residential Unit and Cabana Unit in uniform relationship to the aggregate square footage of all residential Units and Cabana Units in the Condominium, as shown in Exhibit "C" to the Declaration of Condominium, attached to this Prospectus as Exhibit 1. Since the common expenses are required by law to be in the same proportion as the ownership of common elements, each condominium Unit shall be assessed a corresponding share of the total common expense.

21. **ESTIMATED OPERATING BUDGET FOR THE CONDOMINIUM AND CONDOMINIUM ASSOCIATION.** An estimated operating budget for St. Maarten at Silver Shells, a Condominium, and the Condominium Association is attached to this Prospectus as Exhibit 6. Assessments will be billed and payable quarterly. The Developer has guaranteed to Owners other than itself that from the time the condominium Declaration is recorded until the earlier of any of the following events occurs: (i) six (6) months from the date of recording the Declaration have passed, which period of six (6) months may be extended by the Developer for additional six (6) month periods, up to a total two (2) year period, (ii) the Developer turns over control to the Association, or (iii) all Units are sold, that the monthly charge for assessments for the respective Unit types shall not exceed the amounts set forth as follows during the periods from July 1, 1999 to December 31, 2000:

**Developer Guaranty of Common Expenses
(Reserves omitted from Budget)**

Unit Type	1999 1/1/99 to 12/31/99	2000 1/1/00 to 12/31/00
	Quarterly 1999 Guaranty	Quarterly 2000 Guaranty
-----	-----	-----
A Unit	\$1,083.62	\$1,137.80
B Unit	\$1,278.43	\$1,342.35
C Unit	\$1,278.43	\$1,342.35
PH-1&8	\$1,461.06	\$1,534.12
PH-2&7	\$1,801.98	\$1,892.08
PH-4&5	\$1,448.89	\$1,521.33
Lanai A Unit	\$986.22	\$1,035.53
Lanai C Unit	\$1,156.67	\$1,214.51
Lanai Unit	\$340.91	\$357.96
Cabana Unit	\$121.76	\$127.84

In return for such guaranty, the Developer will not be required to pay assessments due in respect to such Units but will be required to contribute funds necessary to cover any deficit between receipts and actual costs of the Association for common expenses. Assessments will be based on the share of ownership of the common elements appurtenant to each Unit.

22. **MASTER ASSOCIATION BUDGET.** An estimated operating budget and schedule of assessments for the Master Association is attached as Exhibit 15. Each Unit owner will be assessed an equal share of this budget based on the total number of Units in the Project then subject to assessment by the Master Association. The Developer will not be required to pay the same share of assessments to the Master Association as do other Units and may instead pay any operating deficit over and above receipts from owners other than the Developer.

23. **ESTIMATED CLOSING EXPENSES TO BE PAID BY UNIT OWNERS.** It is estimated that a Buyer of a condominium Unit will incur the following expenses at the time of closing:

23.1 **Mortgage Costs.** If the Buyer finances a portion of the purchase price by a mortgage loan, the Buyer will be obligated to pay whatever mortgage loan fees and closing costs the lending institution is then charging, which may include, but not be limited to, lender's attorney's fees, points, prepaid interest, miscellaneous costs and expenses and the costs and expenses of a title search or report or mortgagee title insurance policy, together with Florida documentary stamp tax and intangible tax on the note and mortgage. Any Buyer intending to obtain mortgage financing is advised to request a statement from the lender as to all costs and expenses which the buyer will be required to pay in connection with the mortgage.

23.2 **Title Insurance.** The Developer will provide an owner's title insurance policy to Buyer, at the expense of Developer.

23.3 **Documentary Stamps.** The Buyer shall pay Florida documentary stamp taxes payable on the special warranty deed.

23.4 **Escrow Charges.** Escrow fees of Escrow Agent shall be paid by Buyer, estimated to be in amount of One Hundred Twenty-Five (\$125.00) Dollars, which may be deducted from interest paid on the escrow account at closing pursuant to terms of the Escrow Agent attached as Exhibit 9 to this Prospectus.

23.5 **Prorations.** At closing, insurance and real property taxes will be prorated between buyer and the Developer. Condominium and Master Association assessments, prorated from the date of closing, will be charged to Buyer, which will include dues to The Club at Silver Shells, Inc.

23.6 **Legal Counsel.** Buyer shall pay all expenses of legal counsel retained by Buyer.

24. **IDENTITY OF DEVELOPER AND CHIEF OPERATING OFFICER.** The Developer, Silver Shells Corporation, is a Florida Corporation created for the purpose of developing **Silver Shells Beach Resort**. The chief executive officer and President of the corporation is Thomas R. Becnel. Mr. Becnel has extensive prior experience in the field of condominium development. Since 1969, he has owned and operated general contracting and development firms, and since 1973 has focused primarily on development activities. Mr. Becnel has been responsible for development of in excess of 52 projects, including office buildings, apartment buildings, residential subdivisions, and condominiums. Mr. Becnel's condominium projects include four major condominium developments on the island of Kauai, Hawaii (Lae Nani Condominium, 84 Units; Kaha Lani Condominium, 86 Units; Poi Pu Kai Condominium, 94 Units; and Makanui Condominium, 22 Units) as well as Autumn Wood Condominium in Lafayette, Louisiana, Shoreline Towers West in Destin, Florida, and BayPointe at Naples Cay Condominium (92 Units) in Naples, Florida. References to Thomas R. Becnel and his experience are made solely for the purpose of statutory compliance and shall not create or suggest any personal liability on his part.

25. **MISCELLANEOUS.**

25.1 Time shared Units are not being offered or created in the Condominium property.

25.2 St. Maarten at Silver Shells, a Condominium is not a phased condominium as that term is used in Florida Statutes Section 718.403. However, **SILVER SHELLS BEACH RESORT** is expected to be physically developed in separate construction stages which may consist of separate condominiums of which St. Maarten at Silver Shells, a Condominium is one stage, as more fully described in Section 1 hereof.

26. **FORM OF AGREEMENT FOR SALE OF UNIT.** The form of Purchase Contract which Developer intends to use in connection with the sale of Units in St. Maarten at Silver Shells, a Condominium is attached to this Prospectus as Exhibit 7.

27. **ESCROW AGREEMENT.** A copy of the executed Escrow Agreement between Developer and its escrow agent, AmSouth Bank of Florida, 3 West Garden Street, Suite 700, Pensacola, Florida 32501, as Escrow Agent, pursuant to which earnest money deposits of purchasers will be held, is attached to this Prospectus as Exhibit 9. The Escrow Agreement sets forth the manner in which deposits are to be held by the Escrow Agent and the time and manner in which deposit monies are to be released from escrow.

28. **CAUTION.** This Prospectus is intended only as a summary of some of the provisions of the condominium documents which are important to purchasers. It is not intended as a complete summary of all items of relevance or importance. Buyers should review carefully all of the provisions of the attached documents for a full explanation of the Project and St. Maarten at Silver Shells, a Condominium, and are advised to consult an attorney in order to gain a full understanding of the legal implications of all provisions.

29. **MASTER ASSOCIATION SUBJECT TO CHAPTER 718 F.S.** Pursuant to Rule 61B-15.007, F.A.C., should the Master Association membership be composed exclusively of condominium Unit owners or their elected representatives when **Silver Shells Beach Resort** is completely developed, such Association would be subject to the jurisdiction of Chapter 718, Florida Statutes and the rules promulgated thereunder, notwithstanding language to the contrary contained herein. These requirements include, but are not limited to, provisions regarding assessments, access to association records, financial reporting, voting, membership, meetings, and turnover of control of the association to Unit owners other than the Developer.

Dated: May 15, 1998

This instrument prepared by and
after recording return to:

Leo J. Salvatori, Esquire
Quarles & Brady LLP
4501 Tamiami Trail North
Suite 300
Naples, Florida 34103

FILE # 1716168 RCD: Jul 30 1999 @ 10:18AM
Newman C. Brackin, Clerk, Okaloosa Cnty Fl

DECLARATION OF CONDOMINIUM

FOR

ST. MAARTEN AT SILVER SHELLS, A CONDOMINIUM

THIS DECLARATION is made this 29th day of July, 1999, by **SILVER SHELLS CORPORATION**, a Florida corporation (the "Declarant"), pursuant to the Condominium Act of the State of Florida, Chapter 718 of the Florida Statutes ("The Condominium Act"). The terms used in this Declaration shall have the meaning given in the Condominium Act unless otherwise defined herein.

1. **DECLARATION.** Declarant hereby declares that it is the sole owner in fee simple title of the land described in Section 3 hereof, together with all buildings and improvements thereon or to be constructed thereon, and all easements and rights appurtenant thereto (the "Condominium Property"), and that Declarant hereby submits same the Condominium form of ownership as provided in the Condominium Act and this Declaration. All provisions hereof shall be deemed to run with the land and shall constitute benefits and burdens to the Declarant, its successors and assigns, and to all parties hereafter having any interest in the Condominium Property.

2. **NAME AND ADDRESS.** The name of the condominium is **ST. MAARTEN AT SILVER SHELLS, A CONDOMINIUM**, herein called the "Condominium". The street address is 15200 Emerald Coast Parkway, Destin, Florida 32541.

3. **THE LAND.** The land hereby submitted to this Declaration (the "Land") is situated in Okaloosa County, Florida, and is described on Exhibit "A" attached hereto. A portion of the property submitted to condominium will consist solely of air space, as more particularly described in Exhibit "A". A survey of the Land and improvements thereon submitted to this Declaration is attached hereto as a part of Exhibit "B". The Condominium is subject to that certain Declaration of Restrictive Covenants and Easements ("Declaration of Restrictions") recorded in Official Records Book 2210, Page 4856-4891, et seq. of the Public Records of Okaloosa County, Florida, and any amendments thereto, subjecting to its terms the land therein described, including the land hereby submitted to condominium ownership. All terms used in the Declaration of Restrictions shall have the same meaning when used herein.

4. DESCRIPTION OF CONDOMINIUM PROPERTY. The improvements to be constructed on the Condominium Property consist of one hundred two (102) residential Units and twelve (12) Cabana Units located in one fourteen-story building. Each "Unit" and "Cabana Unit" is identified by a number designation or a combination of letters and numbers. A graphic description of the building in which the units are to be located is annexed hereto and made a part hereof as Exhibit "B". Exhibit "B", consisting of the Land survey, and a description and floor plans of the proposed improvements hereon, together with this Declaration, identify the "Common Elements", "Limited Common Elements", each "Unit" and "Cabana Unit" and their relative locations and approximate dimensions. The improvements are further described as:

4.1 Residential Building. One fourteen-story building containing one hundred two (102) residential Units and twelve (12) Cabana Units.

4.2 Other Improvements. In addition to and as a part of the building situated thereon, the Condominium Property also includes parking areas, storage areas, walkways, drives, landscaping, underground structures and other improvements which are part of and located within the residential building, such as elevators, wires, cables, drains, pipes, ducts, conduits, valves and fittings.

Construction of the condominium is not substantially completed but upon substantial completion, a surveyor's certificate as required by Section 718.104, Florida Statutes, will be recorded as an amendment to this Declaration.

5. DEFINITION OF UNITS, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS. The Condominium consists of "Units", "Cabana Units," "Common Elements" and "Limited Common Elements", as those terms are herein defined.

5.1 Units. The term "Units", as used herein, means the one hundred two (102) separate dwellings in the Condominium which are located and shown on Exhibit "B" hereto, excluding, however: (1) all spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of the perimeter walls and floors, and above the lowest horizontal plane of the upper structural element of each Unit; (2) all spaces and improvements lying beneath the undecorated and/or unfinished inner surface of all interior columns, bearing walls and/or bearing partitions; and (3) all pipes, ducts, vents, wires, conduits and other facilities, equipment and/or fixtures running through any interior wall or horizontal or vertical partition of a Unit, for the furnishing of utility services, heating and cooling and/or ventilation to Units, Common Elements and/or Limited Common Elements. All glass and other transparent or translucent material, insect screens and screening in windows and doors and the materials covering other openings in the exterior of Units shall be construed to be within the boundaries or limits of Units exclusively served by such windows, doors and other openings. The HVAC room and air conditioning units serving a particular Unit shall be construed to be within the boundaries or limits of the Unit served by such air conditioning unit. The Declarant reserves the right to combine two or more Units into one Unit by modifying or eliminating the walls between Units. However, any Units which have been

combined shall continue to be treated as separate Units for purposes of allocating assessments and votes of Unit owners.

5.2 Cabana Units. The term "Cabana Units", as used herein, means the twelve (12) pool cabanas, which are located as shown on Exhibit "B" hereto. The Cabana Units are not intended as separate dwellings, but are intended for use by the owners thereof for purposes incidental to their ownership and enjoyment of a residential Unit in Silver Shells Beach Resort. Cabana Units shall be subject to exclusive ownership as in the case of a residential Unit, but may only be owned by, and may only be conveyed, transferred, sold and assigned to, the owner of a residential Unit in any condominium located within Silver Shells Beach Resort. Any intended or purported conveyance or transfer of a Cabana Unit to a person or entity who does not concurrently own a residential Unit within a condominium at Silver Shells Beach Resort shall be void and of no force and effect. The Cabana Units are subject to various rules, restrictions and conditions which apply exclusively to Cabana Units, as set forth in Section 15.13 herein.

In all other respects, Cabana Units have the same boundaries, characteristics, inclusions and exclusions as residential Units, so that Cabana Units exclude: (1) all spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of the perimeter walls and floors, and above the lowest horizontal plane of the upper structural element of each Cabana Unit; (2) all spaces and improvements lying beneath the undecorated and/or unfinished inner surface of all interior columns, bearing walls and/or bearing partitions; and (3) all pipes, ducts, vents, wires, conduits and other facilities, equipment and/or fixtures running through any interior wall or horizontal or vertical partition of a Cabana Unit, for the furnishing of utility services, heating and cooling and/or ventilation to Cabana Units, Common Elements and/or Limited Common Elements. All glass and other transparent or translucent material, insect screens and screening in windows and doors and the materials covering other openings in the exterior of Cabana Units shall be construed to be within the boundaries or limits of Cabana Units exclusively served by such windows, doors and other openings. The separate HVAC facilities and air conditioning unit serving a particular Cabana Unit shall be construed to be within the boundaries or limits of the Cabana Unit served by such air conditioning unit. The Declarant reserves the right to combine two or more Cabana Units into one Cabana Unit by modifying or eliminating the walls between Cabana Units. However, any Cabana Units which have been combined shall continue to be treated as separate Cabana Units for purposes of allocating assessments and votes of Cabana Unit owners.

Reference to a "Unit" in this Declaration shall include reference to a "Cabana Unit" unless the language or context of such reference specifies or indicates otherwise. All Units shall be identified by the Unit numbers shown in Exhibit "B" attached hereto.

5.3 Common Elements. The term "Common Elements", as used herein, means all of the real property and improvements of the Condominium, except the residential Units and the Cabana Units. Common Elements includes, without limitation: (1) the land within the legal description of the Condominium; (2) the building exterior, foundation, roof, bearing walls and columns, the common areas and all parts of the building not included in the Units; (3) easements

through Units for conduits, pipes, ducts, vents, plumbing, wiring and other facilities, equipment and/or fixtures for the furnishing of utility services, heating and cooling and/or ventilation to Units and Common Elements; (4) easements of support in every portion of a Unit which contributes to the support of other Units and/or Common Elements; (5) installations for the furnishing of utility services to more than one Unit or to the Common Elements or to a Unit other than the Unit containing the installation; (6) the property and installations in connection therewith required for the furnishing of services to more than one Unit or to the Common Elements; (7) fixtures owned or held for the common use, benefit and enjoyment of all owners of Units in the Condominium; and (8) the riparian and/or littoral rights appertaining to the Land, if any.

5.4 Limited Common Elements. "Limited Common Elements", as the term is used herein, means those portions of the Common Elements which are reserved herein for the exclusive use of a certain Unit or Units to the exclusion of other Units, consisting of the following:

(1) To each residential Unit the exclusive right to use any exterior private terrace, entry terrace, loggia, balcony or sun deck which is attached or contiguous to the Unit;

(2) To each residential Unit one covered automobile parking space hereby designated to be appurtenant to and inseparable from such Units, which space will be assigned by the Declarant. The Declarant shall have the right to assign more than one (1) parking space to a Unit so long as all Units have at least one (1) covered parking space assigned. All unassigned parking spaces shall be Common Elements until and unless they are assigned to a Unit. The exclusive right to use an assigned space shall pass with title to the Unit to which such designated space is appurtenant and shall be inseparable therefrom;

(3) Private parking garages for first floor (Lobby level) and Penthouse units.

6. COMMON OWNERSHIP; APPURTENANCES TO UNITS AND EASEMENTS. There shall be appurtenant, and pass with title to each residential Unit and Cabana Unit, the rights, shares, and interests provided by the Condominium Act which shall be deemed to include, without limitation, the following:

6.1 An undivided ownership share in the Common Elements and in the "Common Surplus" (as that term is elsewhere herein defined). The undivided ownership share in the Common Elements and the Common Surplus of the Condominium appurtenant to each residential Unit and Cabana Unit is based upon the square footage of each respective residential Unit and Cabana Unit in uniform relationship to the aggregate square footage of all residential Units and Cabana Units in the Condominium, as set forth on Exhibit "C"; and

6.2 The right to use exclusively, or in common with certain other Units where so specified, those portions of the Common Elements designated and/or reserved herein and/or granted elsewhere to a certain Unit or Units as Limited Common Elements, and

6.3 An exclusive easement for the use of the air space occupied by the Unit as it exists at any particular time (as shown on Exhibit "B" hereto) and as it may lawfully be altered or reconstructed from time to time, which easement shall be terminated automatically in any air space which is permanently vacated from time to time; and

6.4 Non-exclusive easements, to be used and enjoyed in common with the owners of all Units in the Condominium, for use of those Common Elements not designated elsewhere herein as easements for:

(1) The furnishing and maintenance of public utility services to all parts of the Condominium Property over, across, in and through the Land, buildings and other improvements, as the fixtures and equipment therefor now exist and/or may be modified or relocated; and

(2) Vehicular and pedestrian access over, across, upon, in and through the drives, entries, gates, walks, grounds, and other portions, if any, of the Common Elements as are intended and/or provided for pedestrian and vehicular traffic throughout the Condominium and over, across, upon, in and through such other lands not a part of the Condominium as are provided for such pedestrian and vehicular traffic.

6.5 An exclusive easement for the unintentional and non-negligent encroachment by any Unit upon any other Unit or Common Element, or for any reason not caused by or resulting from the willful or negligent act of Declarant or any Unit owner or owners, including without limitation, encroachments caused by or resulting from the original construction of improvements, which exclusive easement shall exist at all times during the continuance of such encroachment, as an easement appurtenant to the encroaching Unit or other improvement, to the extent of such encroachment; and

6.6 The right of membership in the "Association" (elsewhere herein defined), upon the terms and conditions referenced in Sections 9 and 10 herein.

7. COMMON EXPENSES AND COMMON SURPLUS. The term "Common Expenses", as used herein, shall mean all expenses for which all the owners of residential Units and Cabana Units in the Condominium shall be liable to the Association. The term "Common Surplus", as used herein, shall mean the excess of all receipts of the Association, including, without limitation, assessments, rents, profits and revenues on account of the Common Elements, over the amount of the Common Expenses. Except as hereafter provided, all of the owners of Units shall share the Common Expenses and shall own the Common Surplus in the proportions or percentages set forth in the schedule annexed hereto and made a part hereof as Exhibit "C".

Pursuant to applicable provisions of Florida law, the Declarant has elected to not pay the share of Common Expenses due with respect to Units owned by it, and to instead guarantee to Unit owners other than the Declarant that assessments for Common Expenses due in respect to the Units will not exceed certain stated amounts. The period of the guarantee will commence on recording of

the Condominium Declaration and continue until the earlier of any of the following events occurs: (i) six (6) months from the date of recording the Declaration have passed, which period of six (6) months may be extended by the Declarant for additional six (6) month periods, up to a total two (2) year period; (ii) control of the board of directors of the Association is turned over to owners other than the Declarant; or (iii) until all of the Units have been sold. The guaranteed assessments vary over time and are set forth below for the applicable time periods:

**Developer Guaranty of Common Expenses
(Reserves omitted from Budget)**

	1999 1/1/99 to 12/31/99	2000 1/1/00 to 12/31/00
Unit Type	Quarterly 1999 Guaranty	Quarterly 2000 Guaranty
-----	-----	-----
A Unit	\$1,083.62	\$1,137.80
B Unit	\$1,278.43	\$1,342.35
C Unit	\$1,278.43	\$1,342.35
PH-1&8	\$1,461.06	\$1,534.12
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PH-4&5	\$1,448.89	\$1,521.33
Lanai A Unit	\$986.22	\$1,035.53
Lanai C Unit	\$1,156.67	\$1,214.51
Lanai Unit	\$340.91	\$357.96
Cabana Unit	\$121.76	\$127.84

During the period of this guarantee, Declarant will contribute to the Association the amount of any deficiency between collections from owners other than the Declarant and expenditures of the Association.

8. VOTING RIGHTS OF UNIT OWNERS. The owner or owners of each residential Unit and Cabana Unit shall become a member of the Association automatically upon and simultaneously with delivery of a deed of conveyance of fee title thereto from Declarant or, in a conveyance by a grantee or a remote grantee of Declarant, a deed which otherwise complies with the terms and conditions of this Declaration, the Articles of Incorporation and By-Laws of the Association. There shall be appurtenant, and pass with title, to each Unit and Cabana Unit one (1) vote as a member of the Association, which may be exercised by the owner(s), or the duly constituted proxy of the

owner(s), from time to time, of each Unit at all meetings of members and in connection with all matters upon which members of the Association are entitled to vote. The qualification of members of and manner of admission to membership in the Association, and the termination of such membership and voting by members shall be as provided for in the Articles of Incorporation and By-Laws of the Association.

9. NAME OF ASSOCIATION. The entity responsible for the operation of the Condominium shall be ST. MAARTEN AT SILVER SHELLS CONDOMINIUM ASSOCIATION, INC., a Florida Corporation not for profit (the "Association"). A copy of the Articles of Incorporation for the Association is annexed hereto and made a part hereof as Exhibit "D". The Association shall administer and manage the Condominium Property; provided that, the Association may, to the extent permitted by the Condominium Act, by contract, partially or wholly delegate its maintenance, management and operational duties and obligations.

10. BY-LAWS OF ASSOCIATION. The procedures for the internal administration and functioning of the Association are set forth in the By-laws. A copy of the By-Laws of the Association is annexed hereto and made a part hereof as Exhibit "E".

11. AMENDMENT OF DECLARATION. Except for amendments which Declarant is authorized and/or obligated elsewhere herein to make, and except as may be elsewhere herein or in the Condominium Act otherwise specifically provided, this Declaration may be amended only in the following manner:

11.1 Notice. Notice of the subject matter of any proposed amendment to this Declaration shall be included in the notice of any meeting at which such proposed amendment is to be considered.

11.2 Proposal. Amendments to this Declaration may be proposed by the Board of Directors (the "Board") of the Association by resolution adopted by a majority vote of the Directors present at any regular or special meeting of the Board at which a quorum is present or, in the alternative, by a written instrument signed by a majority of the Board, or by the owners of a majority of the Units, whether by vote of such owners as members of the Association at a special or regular meeting of the members or by written instrument signed by them.

11.3 Adoption. Any amendment to this Declaration so proposed by the Board or members of the Association shall be transmitted to the President of the Association, or, in the absence of the President, to a Vice President or other acting chief executive officer, who shall thereupon call a special meeting of the members of the Association to consider and vote upon such proposed amendment; provided, that a proposed amendment may be considered and voted upon at an annual meeting of the members of the Association if the next such meeting is to be held within the time hereafter limited and if notice of the proposed amendment shall be included in the notice of such meeting. The special or annual meeting, as the case may be, of the members shall be held not sooner than thirty (30) days nor later than sixty (60) days from the date of receipt by the

Association of the proposed amendment. Notice of the meeting shall be in the form and shall be delivered and the meeting shall be called and held as provided for in the By-Laws of the Association; provided, that any member may, in writing signed by such member, waive notice of such meeting in the manner provided for in the By-Laws of the Association and such waiver, when delivered to the Secretary of the Association for filing in its records, whether before, during or after such meeting shall be construed to be the equivalent of giving notice to such member. The proposed amendment may be adopted, and shall become effective, by and upon the affirmative vote at such meeting of members owning Units to which not less than two-thirds (2/3) of the Common Elements are appurtenant. Notwithstanding the foregoing, any amendment so proposed may be adopted, without a formal meeting of the members by an instrument executed and acknowledged with the formalities of a deed by members owning Units to which not less than two-thirds (2/3) of the Common Elements are appurtenant.

11.4 Proviso. No amendment shall:

(1) Change any "Condominium Parcel" (as defined in the Condominium Act) unless the record owner(s) thereof and all record owners of liens thereon shall join in the execution and acknowledgment of the amendment, or

(2) Discriminate against any Unit owner or against any Unit or building comprising part of the Condominium Property, unless the record owners of all affected Units and record owners of all liens thereon shall join in the execution and acknowledgment of the amendment, or

(3) Change the share of Common Elements appurtenant to any Unit or Units or the share of any Unit owner in the Common Surplus, unless the record owners of all Units and the record owners of all liens thereon shall join in the execution and acknowledgment of such amendment, or

(4) Increase the share of any Unit owner(s) in the Common Expenses, unless the record owners of all Units and the record owners of all liens thereon shall join in the execution and acknowledgment of such amendment, or

(5) Make any substantial change in Article 13 hereof, entitled "Insurance", nor in Article 14 hereof, entitled "Reconstruction or Repair After Casualty", unless the record owners of all mortgages held by Institutional Lenders encumbering Units shall join in the execution and acknowledgment of the amendment, or

(6) Amend the provisions of Article 21 hereof without Declarant's joinder and consent so long as it holds any Unit for sale in the ordinary course of business.

11.5 Secret Ballot. Any vote to amend this Declaration relating to a change in percentage of ownership of the Common Elements or sharing of the Common Expense shall be conducted by secret ballot.

11.6 Effective Date and Recording Evidence of Amendment. Any amendment to this Declaration shall be effective at the time of filing the amendment or certificate of amendment in the Public Records of Okaloosa County, Florida. The President of the Association, or, in the absence of the President, a Vice President or other acting chief executive officer of the Association, shall cause to be filed in the Public Records of Okaloosa County, Florida, the original amendment to the Declaration, if it is in the form of an instrument executed and acknowledged by Unit owners and the holders of liens thereon, or a certificate of amendment, if it is a certification by the proper officers of the Association that such amendment was adopted by the Association at a meeting of the members. A true and correct copy of each such amendment or certificate of amendment shall be delivered, forthwith after adoption thereof, to the record owners of all Units and to the record owners of all mortgages on Units, by the President, Vice President, or other acting chief executive officer of the Association, but delivery of such copies shall not be a condition precedent to the effectiveness or any such amendment.

11.7 Amendment to Correct Omission or Error in Condominium Documents. Notwithstanding any provision to the contrary set forth in this Article 11 or elsewhere in this Declaration or Articles or By-Laws of the Association, the affirmative vote of the owners of not less than fifty-one (51%) percent of the Units in the Condominium shall be sufficient to adopt an amendment to this Declaration for the purpose of correcting a defect, error, or omission in or to this Declaration not materially or adversely affecting the rights of owners, lienors or mortgagees. Provided, however, nothing herein is intended to limit any statutory method of correcting an error or omission. Furthermore, the Declarant reserves the right at any time to amend this Declaration and any exhibits to it for the purpose of correcting any defect, error or omission herein or therein which prevents this Declaration from creating a valid condominium under Florida law.

11.8 Amendments by Declarant.

Declarant reserves the right to amend this Declaration, and any exhibits hereto, for any one or more of the following purposes:

(1) To correct any errors or omissions not affecting the rights of Unit owners, lienors or Mortgagees.

(2) For purpose of adding a Certificate of Surveyor as provided in Section 718.104(4)(e) or other sections of the Florida Statutes.

(3) To make reasonable changes to the Condominium Property or Units that do not materially or adversely affect the interest of Mortgagees, nor the Unit owners, nor the Unit owner's share of the Common Elements.

Any such amendment need be executed and acknowledged only by the Declarant and need not be approved by the Association, Unit owners, lienors or Mortgagees, whether or not elsewhere required for amendments.

11.9 Consent to Amendments by Construction Loan Mortgagee. Notwithstanding contrary provisions of this Declaration, the Articles of Incorporation or the By-Laws, as long as the construction loan mortgage from Declarant is not completely satisfied of record and continues to encumber any portion of the Condominium Property, neither the Declarant nor the Association for as long as the Declarant retains control thereof, shall make amendments to this Declaration, the Articles of Incorporation or the By-Laws without the prior written consent of such mortgagee; nor shall the Declarant exercise any option or privilege provided for in Section 21 of this Declaration without such prior written consent.

12. MAINTENANCE, REPAIRS AND REPLACEMENTS. Responsibility for maintenance, repairs and replacements of Condominium Property and property of Unit owners located or situated within the Condominium shall be as follows:

12.1 Units. Each residential Unit and Cabana Unit, and the fixtures, equipment and appliances comprising a part thereof, located therein, or exclusively serving the same (but not otherwise including Limited Common Elements except where expressly so indicated in Section 12.3), shall be maintained, kept in good repair and replaced by and at the expense of the owner(s) thereof. Any emergency maintenance, repairs and/or replacements for which Unit owners are responsible and are obligated to perform, which, if not performed or omitted, would affect other Units or Common Elements shall be performed promptly as the need arises, and if Unit owner(s) fail to promptly perform same, the Association shall have the right to perform same, and to specially assess the responsible Unit owner and Unit therefor. Notwithstanding the obligation of Unit owners for maintenance, repair or replacement of and in Units, the proceeds of all insurance awards or payments under insurance carried by the Association for loss of, or damage to Units shall be applied against repairs and replacements to the extent that such award or payments exceed the deductible provisions of such insurance.

12.2 Common Elements. The Association shall be responsible for maintaining, repairing, replacing and keeping in clean and orderly condition, all of the Common Elements, and shall assess against and collect from the owners of all Units in the Condominium, the costs thereof. The Association shall, at the expense of the owners of all Units in the Condominium, repair any and all incidental damage to Units resulting from maintenance, repairs and/or replacements of or to Common Elements.

12.3 Limited Common Elements (LCE). The Association shall be responsible for, and shall assess against and collect against all Unit owners the cost of performing necessary maintenance, repairs and replacements, and keeping in clean and orderly condition the exterior of the balconies, terraces, sun decks and loggias, and the covered parking areas which are designated as the Limited Common Elements. However, the responsibility for, and the cost of, repairing,

maintaining and keeping in a clean and orderly condition, the interior of those Limited Common Elements such as balconies, terraces, sun decks and loggias (including windows, doors, any storm shutters and screens enclosing same), which are assigned or granted to, and exclusively serve a certain Unit or Units, shall be borne by the owner(s) of the Unit(s) to which the same are appurtenant.

12.4 Terraces/Balconies. In order to maintain and preserve the structural integrity of the terraces/balconies which are a part of the Limited Common Elements of the Condominium Property, and to hinder the deterioration of concrete by held or trapped water, each Unit owner at the respective Unit owner's sole expense, shall be required to accomplish and meet the following specifications and procedures in connection with the placement of any floor covering whatsoever in the outdoor terrace/balcony which is appurtenant to the owner's Unit:

(1) Tremco 850 waterproofing, and any preparatory work needed to be accomplished by a certified Tremco technician.

(2) Tile Stop: Vinyl Corporation's casing bead/plaster stop #6650. The color is white and the 1/2" height is required no matter what size the tile is. The tile stop must be installed 6" back from the edge of the terrace using tile mastic in spots (using mastic the entire length will trap water). No mechanical fasteners are permitted as they would damage the waterproofed surface. The tile stop can be obtained from either a tile supplier or tile installer. No substitutes are permitted.

(3) Such other materials and procedures as the Association may prescribe from time to time.

The foregoing specifications and procedures must be followed only at the time a floor covering is selected and installed on the terrace/balcony, and is to be done by the contractor retained by the Unit owner at the Unit owner's sole expense. In the event that for any reason the foregoing specifications and procedures are not so accomplished by the Unit owner, the Association shall re-do and correct the work in accordance with the foregoing specifications and procedures, and specially assess the Unit owner and the Unit therefor as elsewhere herein provided.

13. INSURANCE. Insurance shall be carried and kept in force at all times in accordance with the following provisions:

13.1 Duty and Authority to Obtain. The Association shall obtain and keep in force at all times the insurance coverage which it is required hereby to carry and may obtain and keep in force any or all of such other or additional insurance coverage as it is authorized hereby to carry. All insurance obtained by the Association shall be purchased for the benefit of the Association and the Unit owners and their mortgagees. A certificate evidencing a mortgagee endorsement shall be issued to the mortgagee of each Unit upon request. The owner(s) of each Unit may, at his own expense, obtain insurance coverage against damage to and loss of the contents of the Unit and comprehensive public liability. Any such policies of insurance purchased by a Unit owner shall,

where such provision is available, contain a clause providing that the insurer waives its right to subrogation as to any claim or claims against other Unit owners, the Association, and their respective employees, agents, guests and invitees.

13.2 Required Coverage. The Association shall purchase and carry insurance coverage as follows (however, such coverage shall only insure the Condominium in the manner permitted by law and according to the original plans and specifications and coverage for any alterations, improvements or modifications to Units made by Unit owner[s] shall be the responsibility of Unit owner[s]):

Casualty insurance covering the buildings and other improvements of the Condominium, including, without limitation, Units (i.e., all partitions, plumbing, fixtures and equipment, whether within a Unit or not, if serving or supporting the Unit) and Common Elements. For purposes of this provision, the Association shall be deemed to have an insurable interest in the foregoing. Such insurance shall be obtained in an amount equal to the maximum insurance replacement value of such improvements exclusive of excavation and foundation costs, as determined annually by the Board of Directors of the Association. Such insurance to afford protection against:

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

(b) Such other risks of a similar or dissimilar nature as are required by law or as are customarily covered with respect to a building and other improvements similar, in construction, location and use, to the building or other improvements of the Condominium, including, without limitation, vandalism, malicious mischief, windstorm, water damage and war risk insurance, if available; and

(c) Public liability insurance, in such amounts, with such coverage and in such forms as shall be required by the Board of Directors of the Association, to protect the Association and the owners of all Units, including non-owned automobiles, off-premises employee coverage, water damage and legal liability, with cross-liability endorsements to cover liability of all Unit owners as a group to each Unit owner; and

(d) Workmen's compensation insurance to meet the requirements of law; and

(e) Flood insurance, if the same shall be necessary under the laws of the United States for federally related mortgage lenders to make mortgage loans on Units; and

(f) Fidelity insurance, as required by law, covering all officers and employees of the Association and any managing agent who handles Association funds.

13.3 Optional Coverage. The Association may purchase and carry such other insurance coverage, other than title insurance, as the Board of Directors of the Association, in its sole discretion, may determine from time to time to be in the best interests of the Association and Unit owners, or as an institutional lender may reasonably require while it holds a mortgage encumbering any Unit.

13.4 Premiums. Premiums for all insurance obtained and purchased by the Association shall be paid by the Association. The cost of insurance premiums, and other incidental expenses incurred by the Association in administering and carrying out the provisions of this Article, shall be assessed against and collected from Unit owners as Common Expenses.

13.5 Insured. All policies of insurance obtained and purchased by the Association shall be for the benefit of the Association, the owners of Units and their mortgagees, as their interests may appear, and shall provide that all proceeds covering casualty losses shall be paid to the Association as Trustee for the benefit of whomever is entitled to the proceeds or an independent "Insurance Trustee", if one has been appointed. The proceeds from insurance against any casualty loss shall be held for the use of the Association, Unit owners and their respective mortgagees, as their interests may appear, to be applied or distributed in the manner herein provided. The Association is hereby constituted and appointed agent for all Unit owners, with authority to negotiate and settle the value and extent of any and all losses covered under any policy of casualty insurance, and the Association is granted full right and authority to execute, in favor of any insurer, a release of liability arising out of any occurrence covered by any policy or policies of casualty insurance and resulting in loss of or damage to insured property.

13.6 Insurer. All persons beneficially interested in the insurance coverage obtained, purchased and maintained by the Association shall be bound by the Association's selection of its insurer(s) and the amount of insurance coverage carried and kept in force by the Association.

13.7 Insurance Trustee. The Association shall be the Insurance Trustee unless an Institutional Lender holding a mortgage on a Unit or the owners of one-third (1/3) of the Units make written demand to the Association requesting the appointment of an independent trustee. In such event, any proceeds will be paid to or any undisbursed proceeds in the control of the Association will be paid over to the independent Insurance Trustee. All persons for whose benefit such insurance is held shall be bound by the Association's selection of the Insurance Trustee.

The independent Insurance Trustee shall be selected by the Board of Directors. It shall be a bank with trust powers doing business in the State of Florida. The Insurance Trustee shall not be liable for the payment of premiums, the renewal of any policy or policies of casualty insurance, the sufficiency of coverage, the form or content of policies, nor for the failure to collect any insurance proceeds. The sole duty of the Insurance Trustee shall be to receive such proceeds of casualty insurance as are paid and to hold the same in trust for the purposes herein stated, and for the benefit of the Association, Unit owners and their respective mortgagees, to be disbursed as herein provided. The Association shall pay a reasonable fee to the Insurance Trustee for services rendered

hereunder and shall pay such costs and expenses as the Insurance Trustee may incur in the performance of its duties hereunder; such fees and costs to be assessed against and collected from Unit owners as a Common Expense. The Insurance Trustee shall be liable only for its willful misconduct, bad faith or gross negligence, and then only for such money as may come into the possession of the Insurance Trustee. If and when the Insurance Trustee is required to distribute insurance proceeds to Unit owners and their mortgagees, as their respective interests may appear, the Insurance Trustee may rely upon a certificate of the President and Secretary of the Association executed under oath and provided to the Insurance Trustee upon request to the Association; such certificate to certify the name or names of the owners of each Unit, the mortgagee(s) thereof, and the respective percentages of any distribution which is to be made to such owner(s) and mortgagee(s), as their respective interests may appear. If and when insurance proceeds are paid to the Insurance Trustee for any casualty loss, the holder(s) of any mortgage or mortgages encumbering a Unit shall have no right to determine or participate in the determination of repair or replacement of any loss or damage, and shall have no right to elect to apply insurance proceeds to the reduction of indebtedness secured by such mortgage(s), unless the insurance proceeds represent a distribution to the owner(s) of the Unit and the mortgagee(s) thereof, after such insurance proceeds have been first applied to the repair, replacement or reconstruction of any loss or damage, or unless such casualty insurance proceeds are authorized to be distributed to the owner(s) of the Unit and the mortgagee(s) thereof by reason of loss of or damage to personal property constituting a part of the Common Elements and as to which a determination is made not to repair, replace or restore such personal property.

13.8 Application of Insurance Proceeds. The proceeds of casualty insurance paid to the Association, or to an independently appointed Insurance Trustee, by an insurer for loss or damage to real and/or personal property upon which the Association carries insurance, shall be applied and paid as follows:

(1) **Common Elements Only.** The proceeds paid to the Insurance Trustee for loss of or damage to real property constituting Common Elements only shall be applied to the repair, replacement or reconstruction of such loss or damage. If such insurance proceeds exceed the cost of the repair, replacement or reconstruction of such Common Elements, the excess shall be paid by the Insurance Trustee to the owners of all Units, and their respective mortgagees, as their interests may appear, in shares or proportions equal to the undivided interest appurtenant to each Unit in the Common Elements. If the insurance proceeds shall be insufficient to pay the cost of the repair, replacement or reconstruction of such Common Elements, the Association shall deposit with the Insurance Trustee, from any Association Reserve Fund which may have been established, the difference between the total cost of repairing, replacing or reconstructing such loss or damage and the amount of the insurance proceeds. If no such Association Reserve Fund has been established, or if any such Association Reserve Fund has been established and is insufficient to pay to the Insurance Trustee such difference, the Association shall assess the amount of the difference against, and collect it from, all Unit owners as a Common Expense.

(2) **Units.** The proceeds paid to the Association or independent Insurance Trustee for loss of or damage to a building containing Common Elements and one or more Units shall be first applied to the repair, replacement or reconstruction of Common Elements, then to the repair, replacement or reconstruction of any Unit or Units in such building which have been destroyed or damaged. If such insurance proceeds exceed the cost of the repair, replacement or reconstruction of such Common Elements and Units, the excess shall be paid by the Insurance Trustee to the owners of the damaged or destroyed Unit(s) and their respective mortgagees, as their interests may appear, in shares or proportions equal to the undivided interest appurtenant to each such Unit in the Common Elements. If the insurance proceeds shall be sufficient to pay for the repair, replacement or reconstruction of the Common Elements but shall be insufficient to pay the cost of the repair, replacement or reconstruction of the damaged or destroyed Unit or Units in such building, the Association shall assess the amount of the difference against, and collect the same from all owners as a Common Expense so long as the damage to the Units is of a nature as to which the Association is required to carry insurance. If it is not, then the affected Unit owner shall pay the cost. If the insurance proceeds shall be insufficient to pay the cost of the repairs, replacements, or reconstruction of the Common Elements (to which the Insurance Trustee is required first to apply such proceeds before applying any part thereof to the repair, replacement or reconstruction of Units), the difference between the total cost of repairing, replacing or reconstructing the Common Elements and the amount of the insurance proceeds shall be assessed by the Association against, and collected from, all Unit owners, as a Common Expense.

13.9 Deposits to Insurance Trustee After Damage. Within sixty (60) days after a loss of or damage to Condominium Property covered by casualty insurance, the Association shall obtain estimates of the cost of repairing, replacing or restoring the same, including the cost of professional fees and any construction bond which the Board of Directors may require. If, from such estimates, it shall appear that the insurance proceeds payable for such loss or damage will be insufficient to pay the cost of such repair, replacement or reconstruction, the additional money required to pay the total cost thereof, whether it is to be paid by one or more Unit owners, shall be deposited with the Association or the independent Insurance Trustee, as the case may be, not later than thirty (30) days from the day on which the Insurance Trustee receives the insurance proceeds.

14. RECONSTRUCTION OR REPAIR AFTER CASUALTY. Whether, and the manner in which, any or all of the Condominium Property which may be damaged or destroyed by casualty shall be repaired, reconstructed or replaced shall be determined as follows:

14.1 Residential Buildings. If any residential buildings (including Cabana Units) are damaged or destroyed, repair or reconstruction thereof, or termination of the Condominium, shall be in accordance with the following:

(1) **Major Destruction of Buildings.** If any buildings are damaged or destroyed so that Units in the Condominium to which more than 50% of the Common Elements are appurtenant are not habitable, neither the building or buildings so damaged or destroyed, nor any of the improvements comprising Common Elements in said building or buildings, shall be

reconstructed unless the owners of Units to which two-thirds (2/3) of the Common Elements are appurtenant agree in writing, within ninety (90) days after the date of such destruction, to reconstruct the same and unless the then applicable zoning and other regulatory laws and ordinances shall allow the same to be reconstructed, or unless any policy or policies of casualty insurance covering the same shall require reconstruction thereof as a condition precedent to the payment of proceeds thereunder. If it is not so decided to reconstruct the building(s), then the Condominium shall be terminated as otherwise provided herein.

(2) Other Damage to and/or Destruction of Buildings. If any building is damaged, but Units in the Condominium to which at least 50% of the Common Elements are appurtenant are habitable, the damaged or destroyed Common Elements and/or Units shall be repaired or reconstructed, so that the buildings and/or Unit(s) shall be restored to substantially the same condition as existed prior to such damage or destruction, unless within ninety (90) days after the casualty it is determined by agreement in the manner elsewhere herein provided that the Condominium shall be terminated.

14.2 Common Elements. Damaged or destroyed improvements constituting part of the Common Elements shall be repaired, reconstructed and/or replaced unless, in the event of total destruction of all of the Units, or, by agreement after partial destruction, the Condominium shall be terminated.

14.3 Certificate. The Insurance Trustee may rely upon a certificate executed by the President and Secretary of the Association to determine whether or not damaged or destroyed Condominium Property shall be repaired or reconstructed.

14.4 Plans and Specifications. Repair or reconstruction of Condominium Property shall be substantially in accordance with the plans and specifications pursuant to which the same was originally constructed; provided that the Board of Directors of the Association may authorize reasonable variations from the original plans and specifications as may appear to them to be necessary or desirable. Any variations from the original plans and specifications submitted for approval shall be prepared by an architect registered to practice in Florida.

14.5 Responsibility. If the damage or destruction shall be limited only to one or more Units for which the responsibility of maintenance and repair is that of the affected Unit owners, then such Unit owners shall be responsible for carrying out the repair or reconstruction thereof. In all other instances of damage or destruction, the Association shall be responsible for carrying out the repair and reconstruction thereof.

14.6 Construction Funds. All funds for the payment of repair and reconstruction costs, consisting of insurance proceeds and/or funds collected by the Association from Unit owners, shall be disbursed toward payment of such costs in the following manner:

(1) **Association.** If the total funds assessed against and collected from Unit owners by the Association for payment of repair and reconstruction costs is more than Ten Thousand Dollars (\$10,000.00), then all such sums shall be deposited by the Association with and disbursed by the Insurance Trustee, if one is appointed as aforesaid. In all other cases the Association shall hold such sums so assessed and collected and shall disburse the same 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 assessed against and collected from Unit owners by the Association and deposited with the Insurance Trustee shall constitute a construction fund which shall be disbursed in payment of the costs of repair and reconstruction in the following manner:

(a) **Unit Owner.** The portion of insurance proceeds representing damage for which the responsibility of repair and reconstruction is upon one or more, but less than all, Unit owners, shall be paid by the Insurance Trustee to the affected Unit owners and, if any of such Units are mortgaged, to the affected Unit owners and their mortgagees jointly.

(b) **Association - Lesser Damage.** If the amount of the estimated costs for reconstruction and repair which is the responsibility of the Association is less than Ten Thousand Dollars (\$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 by a mortgagee which is a beneficiary of an insurance policy the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage.

(c) **Association - Major Damage.** If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is more than Ten Thousand Dollars (\$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 and upon approval of an architect registered to practice in Florida and employed by the Association to supervise the work.

(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 the 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 herein stated; except, however, that the amount of any surplus which is less than the portion of the construction fund in excess of available insurance proceeds shall not be made payable to any mortgagee.

(e) **Certificate.** Notwithstanding the provisions herein, the Insurance Trustee shall not be required to determine whether or not sums paid by Unit owners upon assessments shall be deposited by the Association with the Insurance Trustee, nor to determine whether the disbursements from the construction fund are to be upon the order of the Association

or upon approval of an architect or otherwise, nor whether a disbursement is to be made from the construction fund nor to determine the payee nor the amount to be paid, nor to determine whether surplus funds to be distributed are less than the assessments paid by owners. 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 herein required to be named as payee, the Insurance Trustee shall also name the mortgagee as payee; and further provided that when the Association, or a mortgagee which is the beneficiary of an insurance policy the proceeds of which are included in the construction fund, so requires, the approval of an architect named by the Association shall be first obtained by the Association.

15. USE RESTRICTIONS. Use of the Condominium Property shall be in accordance with the following provisions so long as the Condominium exists:

15.1 Units. Each of the residential Units shall be occupied only for residential purposes and by servants and guests, or tenants under lease, as a place of residence (temporary or permanent) and for no other purpose. Two-bedroom residential Units may be occupied by no more than six (6) persons. Three-bedroom residential Units may be occupied by no more than eight (8) persons. No Unit may be sub-divided.

15.2 Common Elements. The Common Elements and Limited Common Elements shall be used only for the purposes for which they are intended in the furnishing of services and facilities incidental to the enjoyment of the Units.

15.3 Nuisances. No nuisances shall be allowed upon the Condominium Property, nor any use or practice which is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the Condominium Property by residents. All parts of the Condominium Property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate nor shall any fire hazard be allowed to exist. No use shall be made of any Unit or of the Common Elements or Limited Common Elements which would increase the cost of insurance upon the Condominium Property.

15.4 Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Condominium Property or any part thereof; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies pertaining to maintenance, replacement, modification or repair of the Condominium Property shall be as is elsewhere herein specified.

15.5 Pets. Unit Owners shall be permitted to keep small pets, including birds, such as canaries or parakeets; fish, such as gold fish and tropical varieties; cats; and small dogs not exceeding fifteen inches (15") in height at the shoulder or fifteen (15) pounds in weight at maturity. No guest, lessee or invitee shall bring any animal whatsoever upon the Condominium Property. No

pets shall be raised for commercial purposes, and no more than one dog per Unit may be kept on the premises. Pets shall never be allowed to run freely upon any of the Condominium Property, except within a Unit, and when outside of a Unit shall be leashed and in the company of an individual willing and able to fully control it. Each owner shall be responsible for the actions of each pet kept within his Unit, and for cleaning up after such pet when outside of the Unit. Any Owner maintaining a pet upon the Condominium Property, or whose guests, lessee or invitee bring any animal upon the Condominium Property, shall be fully responsible for, and shall bear the expense of, any damage to persons or property resulting therefrom. Any such damage shall be determined by the Board of Directors of the Association and collected by the Association. All pet owners shall identify and register their pet with the Association. In the event that any pet kept on the premises should constitute a nuisance in the opinion of a majority of the Board of Directors, then the owner, when so notified in writing, shall be required to immediately remove said pet from the Condominium Property. The Association may promulgate rules restricting the areas within the Condominium Property where pets can be walked.

15.6 Terraces. Private terraces, entry terraces and lanais within a Unit or which are Limited Common Elements appurtenant thereto may be used only for recreational purposes and may not be improved except as permitted or required hereby (See Section 12.4 herein). Such areas may not be used for hanging laundry and may not be enclosed, painted or the color or appearance otherwise altered by the owner except with the prior written consent of the Board of Directors of the Association, and except for approved hurricane/storm shutter installations in accordance with Section 19.3 herein.

15.7 Floor Coverings. All floor areas within Units located where there is not a drop ceiling on the floor below shall be covered with carpeting over sound-absorbing padding, or ceramic tile, hardwood, or other hard surface flooring which shall be placed over a padding or a resilient sound absorbing underlayment of material acceptable to the Association, which shall be of sufficient quality and quantity to buffer "normal usage" noises heard on the floor beneath such Unit.

15.8 Children. Children may occupy units provided, however, that children shall be closely supervised at all times by an adult to ensure that they do not become a nuisance to other residents of the Condominium.

15.9 Rental and For Sale Signs. No signs advertising the rental or sale of Units or other signs of any nature may be posted on the Condominium Property, including exteriors or doors and windows of the Units, without the prior written approval of the Association's Board of Directors. No "lock boxes" shall be permitted on doors to Units. The foregoing provisions shall not apply to Declarant during development and sale of the Units.

15.10 Exterior Improvements. No Unit owner shall cause anything to be applied or attached to, hung, displayed or placed on the exterior walls, terraces, doors or windows of any building (including awnings, antennae, signs, screens, fixtures and equipment) without the prior written consent of the Board of Directors of the Association.

15.11 Barbecue Grills. Gas or electric barbecue grills will be permitted only on the Common Elements outside of the building, and only in areas designated by the Association. All other barbecue grills are prohibited, and there shall be no grills whatsoever on balconies or terraces, or other Limited Common Elements.

15.12 Hurricane Shutters. Unit owners may install approved hurricane/storm shutters protecting the terrace/balcony/lanai, and similar areas which are a part of their Unit or limited Common Elements appurtenant to their Unit pursuant to Section 19.3 herein.

15.13 Cabana Units. Use of Cabana Units is intended to be incidental and supplemental to the use of residential Units, and use of Cabana Units shall be restricted and subject to the following:

(a) No owner, resident or guest shall reside in or sleep overnight in a Cabana Unit or permit others to do so, nor shall the Cabana Units be used for independent residential purposes.

(b) All electrical wiring and electrical service installed or maintained in a Cabana must be waterproof.

(c) Any personal property, furniture or fixtures maintained within a Cabana shall be maintained at the sole risk and responsibility of the Unit owner.

(d) All partitions and non-bearing walls and structures within a Cabana shall be of a movable or "break-away wall" type.

(e) No lawn furniture or other tangible personal property shall be placed or maintained outside of the Cabana unless compatible in style and color with the lawn furniture used by the Association for the pool area or any other style and color approved by the Association. Compatibility determinations by the Association shall be final.

(f) No Unit owner shall conduct or permit to be conducted in a Cabana any activity which shall create a nuisance or annoyance.

(g) A Unit owner may only convey, or otherwise transfer, ownership of a Cabana Unit together with ownership of his residential Unit or to another owner of a residential Unit within Silver Shells Beach Resort.

(h) A residential Unit owner may not lease use of a Cabana Unit separately from his residential Unit, except to the owner of another residential Unit within Silver Shells. A Cabana Unit may never be leased without concurrent lease or ownership of a residential Unit. An owner may, however, exclude the use of the Cabana Unit from the terms of any lease of his residential Unit.

15.14 Regulations. Reasonable regulations concerning the use of the Condominium Property may be made and amended from time to time by the Board; provided, however, that all such regulations and amendments thereto shall be approved by not less than two-thirds (2/3) of the total voting interest in the Association before the same shall become effective, and regulations and amendments thereto affecting use of the Cabana Units shall in addition be approved by not less than two-thirds (2/3) of the voting interest in the Association held by owners of Cabana Units. Copies of such regulations and amendments thereto shall be furnished by the Association to all Unit owners and residents of the Condominium upon request.

15.15 Development. Until Declarant has completed and conveyed all of the Units, neither Unit owners nor the Association shall interfere with the completion of the proposed improvements and the sale of the Units. Declarant may make such use of the unsold Units and Common Elements as may facilitate such completion and sale, including, but not limited to, maintenance of a sales/development office, model apartments, the showing of the Condominium Property and the display of signs showing Units for sale or for rent.

16. COMPLIANCE AND DEFAULT. Each Unit owner and any member of the Unit owner's family or their guests, employees, agents, lessees or other invitee, shall be governed by and shall comply with the terms of this Declaration of Condominium, the Articles of Incorporation and By-Laws of the Association, the Declaration of Restrictions, the Articles of Incorporation and By-Laws of the Master Association, and any and all regulations adopted pursuant thereto, as they may be amended from time to time. Failure of the Unit owner to comply therewith shall entitle the Association or other Unit owners to the following relief in addition to the remedies provided by the By-Laws and the Condominium Act:

16.1 Negligence. A Unit owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by the Unit owner's act, neglect or carelessness or by that of any member of the Unit owner's family or their guests, employees, agents, lessees or other invitee, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such expense may be specially assessed against the Unit owner and his Unit and secured by the lien described in Section 17 herein.

16.2 Costs and Attorneys' Fees. If any legal proceeding arises because of an alleged failure of a Unit owner to comply with the terms of the Declarations, the Articles of Incorporation and By-Laws of the Associations, as provided above, and any and all regulations adopted pursuant thereto, 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.

16.3 No Waiver of Rights. The failure of the Association or any Unit owner to enforce any covenant, restriction or other provision of the Condominium Act, this Declaration, the Articles of Incorporation and By-Laws of the Association, the Declaration of Restrictions, the

Articles of Incorporation and By-Laws of the Master Association, or the regulations adopted pursuant thereto, shall not constitute a waiver of the right to do so thereafter.

17. ASSESSMENTS: LIABILITY, LIEN AND ENFORCEMENT. To provide the funds necessary for proper maintenance, operation and management of the Condominium, the Association has been granted the right to make, levy and collect assessments against the owners of all Units and against said Units. The following provisions shall govern the making, levying and collecting of such assessments and the payment of the costs and expenses of maintaining, operating and managing the Condominium by the Association.

17.1 Determination of Assessments. Assessments by the Association against each owner of a Unit and his or her Unit shall be in proportion to the area each Unit bears to the area of all Units. Should the Association become the owner of any Unit(s), the assessment which would otherwise be due and payable to the Association by the owner(s) of such Unit(s), reduced by an amount of income which may be derived from the leasing of such Unit(s) by the Association, shall be a Common Expense of the Association apportioned and the assessment therefor levied ratably among the owners of all Units which are not owned by the Association, based upon their proportionate interests in the Common Elements exclusive of the interests therein appurtenant to any Unit or Units owned by the Association.

17.2 Time for Payment. The assessment levied against the owner of each Unit and his or her Unit shall be assessed on an annual basis and may be payable in quarterly, monthly, or such other installments and at such times as shall from time to time be fixed by the Board in accordance with provisions of applicable law.

17.3 Annual Budget. The Board shall, in accordance with the By-Laws of the Association and the Condominium Act, establish an Annual Budget in advance for each calendar year, including estimates for all expenses for the forthcoming year required for the proper operation, management and maintenance of the Condominium, including, unless deemed unnecessary by the Board, a reasonable allowance for contingencies and general operating reserves. Upon adoption of each annual budget by the Board, copies thereof shall be delivered to each Unit owner, and the assessment for the year shall be based upon such Budget. Failure to deliver a copy of the Budget to a Unit owner shall, however, not affect the liability of such owner for such assessment. Should the Board at any time and from time to time determine, in the sole discretion of the Board, that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium, or in the event of emergencies, the Board shall have the authority to levy such additional assessment or assessments as it shall deem to be necessary.

17.4 Reserve Fund. The Board, in establishing each annual budget shall, unless otherwise waived by the Unit owners as provided by applicable law, include therein a sum to be collected and maintained as reserve funds for the replacement of Common Elements and personal property held for the common use and benefit of the owners of all Units.

17.5 General Operating Reserve. The Board, when establishing each annual budget, when deemed necessary or desirable, or if required by law, shall include therein a sum to be collected and maintained as a general operating reserve to provide a measure of financial ability during periods of financial stress when such sums may be used to meet deficiencies from time to time existing as a result of delinquent payment of assessments by owners of Units, as a result of emergencies, or for other reasons placing financial stress upon the Association.

17.6 Use of Association Funds. All monies collected by the Association shall be treated as the separate property of the Association, and such monies may be applied by the Association to the payment of any expense of maintaining, operating and managing the Condominium, and to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles, and By-Laws. As the monies for annual assessments are paid to the Association by any Unit owner, the same may be commingled with monies paid to the Association by the other owners of Units. Reserve and operating funds of the Association shall not be commingled, but may be invested in a common investment, as long as separate accounts are maintained for each fund. All funds and other assets of the Association, and any increments thereto or profits derived therefrom, or from the leasing or use of Common Elements, including, without limitation, Common Surplus, shall be held for the benefit of the members of the Association; however, no member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his Unit.

17.7 Delinquency or Default. The payment of any assessment or installment thereof due to the Association shall be in default if not paid to the Association on or before the due date thereof. When in default, the delinquent assessments or installments thereof shall bear interest at the rate of eighteen per cent (18%) per annum until the same, and all interest due thereon, has been paid in full. If the assessment is not paid when due, and if the Association thereafter files a claim of lien in respect to it, then all assessments due in respect to the Unit for the remainder of the year in which the claim of lien is filed shall be accelerated and will stand due and payable in full and be secured by such claim of lien.

17.8 Personal Liability of Unit Owner. The owner(s) of each Unit shall be personally liable, jointly and severally, as the case may be, to the Association for the payment of all assessments, regular or special, interest on such delinquent assessments or installments thereof as above provided, and for all costs of collecting the assessments and interest thereon, including a reasonable attorney's fee, whether suit be brought or not, levied or otherwise coming due while such person(s) or entity own(s) a Unit.

17.9 Liability Not Subject to Waiver. No owner of a Unit may exempt himself or herself from liability for any assessment levied against such owner and his or her Unit by waiver of the use or enjoyment of any of the Common Elements, or by abandonment of the Unit, or in any other manner.

17.10 Lien for Assessment. The Association is hereby granted a lien upon each Unit and its appurtenances, which lien shall and does secure the monies due for all: (i) assessments levied against the Unit and the owner(s) thereof, (ii) interest, if any, which may become due on delinquent assessments owing to the Association, and (iii) costs and expenses, including a reasonable attorney's fee, which may be incurred by the Association in enforcing its lien upon the Unit and its appurtenances. The lien granted to the Association shall be established and may be foreclosed in the appropriate court in and for Okaloosa County, Florida.

17.11 Recording and Priority of Lien. The lien of the Association shall be effective from and after recording, in the Public Records of Okaloosa County, Florida, a claim of lien stating the description of the Unit encumbered thereby, the name and address of the Association, the name of the record owner, the amount and the date when due, and shall continue in effect for as long as is allowable under the Florida Condominium Act, or until all sums secured thereby shall have been fully paid, whichever shall occur first. Such claims of lien shall secure all unpaid assessments, interests, costs and attorney's fees which are due and which may accrue subsequent to the recording of the claim of lien and prior to entry of a final judgment of foreclosure. Such claims of lien shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record. The lien of the Association (regardless of when a claim therefor is recorded or the period of time for which the assessment is due) shall be a lien on the Unit encumbered superior in priority to all mortgages or other liens regardless of when recorded, but shall be subordinate to the lien of any first mortgage which is recorded prior to the time of recording the Association's claim of lien. Provided, however, the lien of the Association for tax or special assessment advances made by the Association where any taxing authority having jurisdiction levies any tax or special assessment against the Condominium as an entirety instead of levying the same against each Unit and its appurtenant undivided interest in Common Elements, shall be prior in lien, right and dignity to the lien of all mortgages, liens and encumbrances, whether or not recorded prior to the Association's claim of lien therefor, and the Association's claim of lien for collection of such portion of any tax or special assessment shall specifically designate that the same secures an assessment levied pursuant to this provision.

17.12 Effect of Foreclosure or Judicial Sale. In the event that any person, firm or corporation shall acquire title to any Unit and its appurtenant undivided interest in Common Elements by virtue of any foreclosure, judicial sale, or deed in lieu of foreclosure, of a first mortgage, such person, firm or corporation so acquiring title shall be liable and obligated for assessments as shall accrue and become due and payable for the Unit and its appurtenant undivided interest in Common Elements subsequent to the date of acquisition of such title, and shall be jointly and severally liable with the previous owner for the payment of any assessments which were in default and delinquent at the time it acquired such title, except that such person, firm or corporation shall acquire such title subject to the lien of any assessment by the Association representing an apportionment of taxes or special assessment levied by tax authorities against the Condominium in its entirety, and except that a first mortgagee acquiring title by foreclosure or by deed in lieu of foreclosure is liable for the unpaid assessments that become due prior to the mortgagee's receipt of

the deed, as limited by the Florida Condominium Act. The grantee is jointly and severally liable with the grantor for all unpaid assessments against the grantor for the grantor's share of the Common Expenses up to the time of transfer of title, without prejudice to any right the grantee may have to recover from the grantor the amounts paid by the grantee.

In the event of the acquisition of title to a Unit by the first mortgagee or its successor or assign by foreclosure, judicial sale, or deed in lieu of foreclosure, any assessment or assessments as to which the party so acquiring title shall not be liable shall be absorbed and paid by all owners of all Units as a part of the Common Expense, although nothing herein contained shall be construed as releasing the party personally liable for such delinquent assessment from the payment thereof or the enforcement or collection of such payment by means other than foreclosure.

17.13 Effect of Voluntary Transfer. When the owner of any Unit proposes to lease, sell or mortgage the same in compliance with other provisions of this Declaration, the Association, upon written request of the owner of such Unit, shall furnish to the proposed lessee, purchaser or mortgagee, a statement verifying the status of payment of any assessment which shall be due and payable to the Association by the owner of such Unit. Such statement shall be executed by any officer of the Association and any lessee, purchaser or mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction, and the Association shall be bound by such statement.

In the event that a Unit is to be leased, sold or mortgaged at the time when payment of any assessment against the owner of the Unit and Unit due to the Association shall be in default (whether or not a claim of lien has been recorded by the Association) then the rent, proceeds of such sale or mortgage proceeds, as the case may be, shall be applied by the lessee, purchaser or mortgagee first to payment of any then delinquent assessment or installment thereof due to the Association before payment of the balance of such rent, proceeds of sale or mortgage to the owner of the Unit responsible for payment of such delinquent assessment.

In any voluntary conveyance of a Unit, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor made prior to the time of such voluntary conveyance, without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee therefor.

Institution of a suit at law to attempt to effect collection of the payment of any delinquent assessment shall not be deemed to be an election by the Association which shall prevent its thereafter seeking enforcement of the collection of any sums remaining owing to it by foreclosure, nor shall proceeding by foreclosure to attempt to effect such collection be deemed to be an election precluding the institution of suit at law to attempt to effect collection of any sum then remaining owing to it.

18. REGISTRY OF OWNERS AND MORTGAGEES. The Association shall at all times maintain a Register of the names and addresses of the owners and mortgagees of all Units. Upon

the transfer of title to any Unit, the transferee shall notify the Association in writing of his or her interest in such Unit together with recording information identifying the instrument by which such transferee acquired his interest in the Unit. The owner of each Unit encumbered by a mortgage shall notify the Association of the name and address of the mortgagee, the amount of such mortgage, or mortgages, and the recording information identifying the same. The holder of any mortgage encumbering a Unit may notify the Association of any such mortgage(s), and upon receipt of such notice, the Association shall register in its records all pertinent information pertaining to the same.

19. ALTERATIONS OF AND IMPROVEMENTS TO UNITS AND COMMON ELEMENTS. Neither a Unit owner nor the Association shall make any alterations, improvements or additions to Units or Common Elements, except in compliance with the following:

19.1 By Unit Owner. Unless the Unit owner(s) shall first submit plans for such work to the Board, and the Board, by resolution adopted by the affirmative vote of a majority of all members thereof, shall approve and consent thereto, no alteration of or improvement or addition to a Unit, or to any Limited Common Element to which the owner has an exclusive right of use, shall be made, constructed, erected or installed which shall: (1) remove, in whole or in part, replace, reroute, or otherwise affect any column, bearing wall or partition, pipe, duct, wire or conduit, or obstruct any easement herein provided for, or (2) remove, or change the style, pattern, material, texture or outside color of any door, window, screen, fixture, equipment or appliance in or on an exterior Unit or building wall, or (3) cover, from the inside or outside, the glass or other transparent and/or translucent material in any exterior door or window with, or apply or affix thereto, any material or substance which shall render the same opaque or change the exterior color thereof, except interior draperies, curtains, shades or shutters which are lined, backed, covered or painted on the side visible from the exterior with a neutral color material, or (4) affix to or over any exterior door or window, or otherwise install on the exterior, of any Unit or building, any storm or hurricane shutter or awning or any protective or decorative panel, paneling, trim, enclosure, fixture, or appliance, excepting hurricane/storm shutters for terraces/balconies/lanais in accordance with Section 19.3 below, or (5) enclose any balcony, terrace or lanai adjoining a Unit or forming a part of a Unit (except as permitted in this Declaration or the Declaration of Restrictions) or (6) otherwise change, modify or alter the exterior of any Unit or building so that it thereby differs in appearance from any other Units.

19.2 By Association. There shall be no material alterations or substantial improvements or additions to the Common Elements except in the following manner: subject to the foregoing restrictions against changing the exterior appearance of Units and/or buildings, the Association shall have the right to make or cause to be made alterations, improvements and/or additions to the Common Elements, except the acquisition of additional real property, which improvements, together with the costs thereof, have been approved by the owners of Units to which two-thirds (2/3) of the Common Elements are appurtenant. The cost of such alterations, improvements and/or additions shall be assessed against and collected from the owners of all Units as Common Expenses. Acquisition of additional land shall be made and approved only in accord with the provisions of the Condominium Act.

19.3 Hurricane/Storm Shutters. Unit owners may install hurricane/storm shutters protecting the terrace/balcony/lanai, and similar areas which are a part of their Unit or limited Common Elements appurtenant to their Unit as provided herein. For purposes of uniformity and exterior appearance of the Condominium Units and building, the Board of Directors of the Association shall adopt and approve a model, style and color of storm shutter as a standard storm shutter for use in the Condominium, which may be installed on the exterior of the terraces in compliance with applicable building codes. No storm shutter except of the models, colors and styles adopted by the Board of Directors shall be used in or upon the Condominium Property.

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

20.1 Destruction. In the event it is determined in the manner elsewhere herein provided that the improvements shall not be reconstructed because of total destruction or major damage, the Condominium plan of ownership will be thereby terminated without agreement under Article 20.2.

20.2 Agreement. The Condominium may be terminated at any time by the approval in writing of all of the owners of Units in the Condominium, and by all record owners of mortgages upon Units therein owned by Institutional Lenders and other mortgagees approved by the Association. If the proposed termination is submitted to a meeting of the members of the Association, the notice of which meeting gives notice of the proposed termination, and if the approval of the owners of Units to which not less than seventy-five percent (75%) of the Common Elements are appurtenant, and of the record owners of all mortgages upon Units in the Condominium owned by Institutional Lenders and other mortgagees approved by the Association, are obtained not later than thirty (30) days after the date of such meeting, then the approving owners shall have an option to buy all of the Units of the other owners during a period ending on the sixtieth (60th) day from the date of such meeting. Such option shall be upon the following terms:

(1) Exercise of Option. The option shall be exercised by delivery or mailing by certified mail to each of the record owners of the Units to be purchased of an agreement to purchase signed by the record owners of Units who will participate in the purchase. Such agreement shall indicate which Units will be purchased by each participating owner and shall agree to purchase all of the Units 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 for each Unit 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 appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the Unit; 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.

20.3 **Certificate.** The termination of the Condominium in either of the foregoing manners shall be evidenced by a certificate of the Association executed by its President and Secretary certifying as to facts effecting the termination, which certificate shall become effective upon being recorded in the Public Records of Okaloosa County, Florida.

20.4 **Shares of Owners After Termination.** After termination of the Condominium the Unit owners shall own the Condominium Property and all assets of the Association as tenants in common in undivided shares, and their respective mortgagees and lienors shall have mortgages and liens upon the respective undivided shares of the Unit owners. Such undivided shares of the Unit owners shall be the same as the undivided shares in the Common Elements appurtenant to the owners' Units prior to the termination as set forth in Exhibit "C" hereto.

20.5 **Amendment.** This Article 20 shall not be amended without consent of all Unit owners and of all owners of mortgages required to approve termination by agreement.

21. **ADDITIONAL RIGHTS OF DECLARANT.** So long as Declarant, or any mortgagees succeeding Declarant in title, shall own any Unit, it shall have the right to use any such unit as a model and/or office, to lease or sell any such Unit to any person, firm or corporation, upon any terms and conditions as it shall deem to be in its own best interests. Declarant additionally reserves the right to add additional recreational facilities or to expand the existing facilities without the necessity of obtaining the consent of the Unit owners or the Association.

22. **SILVER SHELLS PROPERTY OWNERS ASSOCIATION, INC.** The Association will be one of several members of Silver Shells Property Owners Association, Inc. (the "Master Association"), a Florida not-for-profit Corporation. In addition to the Association, other members of the Master Association will be such other condominium associations, property owners, or other persons or entities having an ownership or managerial interest in such other real property which is described in the Declaration of Restrictions and subjected to the Declaration of Restrictions in accordance with its terms. Individual Unit owners of ST. MAARTEN AT SILVER SHELLS, A CONDOMINIUM, shall not have any proprietary or other rights in the Master Association, except to the extent that the Association receives benefits from the Master Association. The Master Association will make assessments against its members for its expenses, and those members, including the Association, shall be obligated to pay such assessments. Individual Unit owners in ST. MAARTEN AT SILVER SHELLS, A CONDOMINIUM, shall be obligated to share in the expense of assessments due to the Master Association by the Association, and such expenses shall be deemed

a Common Expense for owners of Units in ST. MAARTEN AT SILVER SHELLS, A CONDOMINIUM. The Association, acting through its Board of Directors, shall exercise whatever voting powers accrue to the Association by virtue of membership in the Master Association. Title to the Units created hereunder shall be taken subject to the Declaration of Restrictions, and any amendments thereto. Said Declaration of Restrictions, among other things, imposes a burden and obligation upon the Condominium Property and other properties, for the maintenance and support of the Master Association.

23. MORTGAGEE PROTECTION CLAUSE. The following provisions are for the benefit of First Mortgagees (and the holders of junior mortgages which holders are financial institutions) and to the extent these provisions conflict with any other provisions of this Declaration, these provisions shall control:

23.1 All such mortgagees who have registered their names with the Association shall be given (i) thirty (30) days written notice prior to the effective date of any proposed, material amendment to this Declaration or the Articles of Incorporation or By-Laws of the Association and prior to the effective date of any termination of any agreement for professional management of the Common Elements following a decision of the Owners to assume self-management of the Common Elements; (ii) immediate notice following any damage to the Common Elements whenever the cost of reconstruction exceeds Ten Thousand Dollars (\$10,000.00), and as soon as the Board learns of any threatened condemnation proceeding or proposed acquisition of any portion of the Common Elements; (iii) thirty (30) days notice after delinquency of more than sixty (60) days in payment of assessments by the owner of the Unit on which it holds a mortgage; (iv) thirty (30) days written notice prior to lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and (v) thirty (30) days written notice prior to any proposed action which requires the consent of any percentage of mortgage holders.

23.2 Any holder of a mortgage encumbering any Unit which obtains title to such Unit pursuant to the remedies provided in such Mortgage or by deed in lieu of foreclosure, shall take title to such Unit free and clear of any claims of unpaid assessments or charges due to the Association against such Unit to the extent provided in Chapter 718 of the Florida Statutes, as amended.

23.3 Unless at least sixty percent (60%) of First Mortgagees (based upon one vote for each Mortgage owned), and sixty percent (60%) of the Owners (other than Declarant) have given their prior written approval, and the approval of Declarant has been obtained if Declarant holds any Units for such in the ordinary course of business, neither the Association, nor the Owners shall:

(1) Change the method of determining the obligations, assessments, dues or other charges which may be levied against a Unit;

(2) Except as otherwise provided by reservation to Declarant herein, amend this Declaration or the Articles of Incorporation or By-Laws of the Association in such a manner that the rights of any mortgagee will be directly and adversely affected.

24. MISCELLANEOUS.

24.1 Severability. The invalidity in whole or in part of any covenant or restriction, or any Article, sub-article, sentence, clause, phrase or word, or other provision of this Declaration of Condominium and the Articles of Incorporation, By-Laws and regulations of the Association shall not affect the validity of the remaining portions thereof.

24.2 Applicability of Declaration of Condominium. All present or future owners, tenants, or any other person who might use the facilities of the Condominium in any manner, are subject to the provisions of this Declaration, and the mere acquisition or rental of any Unit, or the mere act of occupancy of any Unit, shall signify that the provisions of this Declaration of Condominium are accepted and ratified in all respects.

24.3 Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan of condominium ownership. Unless prohibited thereby, if any provisions of the Condominium Act conflict with the provisions of this Declaration, the latter shall control.

24.4 Parties Bound. The restrictions and burdens imposed by this Declaration of Condominium are intended to and shall constitute covenants running with the land, and shall constitute an equitable servitude upon each Unit and its appurtenant undivided interest in Common Elements and this Declaration shall be binding upon Declarant, its successors and assigns, and upon all parties who may subsequently become owners of Units in the Condominium, and their respective heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, Declarant has caused the foregoing Declaration of Condominium to be executed, and its corporate seal to be affixed, by its undersigned, duly authorized officers on the date first set forth above.

Signed, sealed and delivered
in the presence of:

SILVER SHELLS CORPORATION,
a Florida corporation

(Corporate Seal)

Donna L. Modugno

Signature

Donna L. Modugno

Print Name

W. J. Selva

Signature

Print Name

By: Thomas R. Becnel

THOMAS R. BECNEL

Its: President

STATE OF FLORIDA
COUNTY OF OKALOOSA

The foregoing instrument was acknowledged before me this 29th day of July, 1999 by **THOMAS R. BECNEL**, as President of **SILVER SHELLS CORPORATION**, a Florida corporation, on behalf of the corporation. He is personally known to me.

(Affix Seal)

Donna L. Modugno
Signature of Person Taking Acknowledgment

Donna L. Modugno
Name of Acknowledger Typed, Printed or Stamped

Title or Rank

Serial Number, if any

My commission expires:



JOINDER AND CONSENT TO
DECLARATION OF CONDOMINIUM

The undersigned, being the owner and holder of two Mortgage and Security Agreements recorded in Official Records Book 2125, Page 1400, and Official Records Book 2125, Page 1431, together with loan documents ancillary thereto, of the Public Records of Okaloosa County, Florida, which mortgage encumbers the land described in the foregoing Declaration of Condominium for St. Croix at Silver Shells, a Condominium, hereby joins in and consents to the said Declaration. The joinder by the undersigned to the Declaration of Condominium is required by Section 718.104(2), Florida Statutes (1997), and shall not be construed in a manner which affects the priority of the lien of the undersigned's mortgage or the terms thereof.

Executed this 18th day of February, 1999.

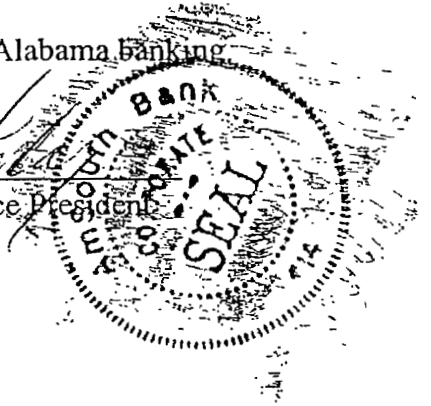
Signed, sealed and delivered in the presence of:

(Corporate Seal)
AMSOUTH BANK, an Alabama banking corporation

Sandra W. Turner
Signature
Sandra W. Turner

By:

Thomas E. Finlay
Thomas E. Finlay, as Vice President



Print Name
Barbara T. Bennett
Signature **Barbara T. Bennett**

STATE OF FLORIDA
COUNTY OF COLLIER

The foregoing instrument was acknowledged before me this 18th day of February, 1999, by Thomas E. Finlay, as Vice President, of AMSOUTH BANK, an Alabama banking corporation, on behalf of the corporation. He is personally known to me.

(Affix Seal)

Sandra W. Turner
Signature of Person Taking Acknowledgment
Sandra W. Turner

Name of Acknowledger Typed, Printed or Stamped

Title or Rank

Serial Number, if any

My commission expires:



SANDRA W. TURNER
COMMISSION # CC 485745
EXPIRES AUG 2, 1999
BONDED THRU
ATLANTIC BONDING CO., INC.

EXHIBITS

- A. Legal Description
- B. Survey, Plot Plan, Floor Plans
- C. Schedule of Undivided Shares
- D. Articles of Incorporation for Association
- E. By-Laws for Association

EXHIBIT "A"
to
DECLARATION OF CONDOMINIUM
FOR
ST. MAARTEN AT SILVER SHELLS, a Condominium

Legal Description

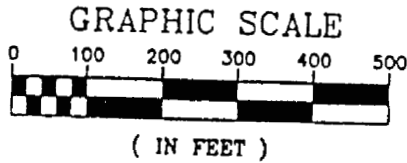
Commencing at the southwest corner of Lot 4, Block 11, Silver Beach Subdivision, according to plat recorded in Plat Book 1, Page 16-1/2, of the Public Records of Okaloosa County, Florida, said point lying in the northerly right-of-way line of Okaloosa County Road Number 2378 (Old U.S. Highway 98, 100 foot wide right-of-way); thence proceed southeasterly along said right-of-way line with a curve concave northerly and having a radius of 11409.20 feet, for an arc distance of 728.41 feet (central angle: $03^{\circ}39'29''$, chord bearing and distance; south $81^{\circ}51'55''$ east, 728.28 feet); thence continue along said curved right-of-way line for an arc distance of 9.91 feet (central angle: $00^{\circ}02'59''$; chord bearing and distance: south $83^{\circ}43'13''$ east, 9.91 feet) to the southeast corner of that certain parcel conveyed to the City of Destin per instrument recorded in Official Records Book 1699, Page 590, of the Public Records of Okaloosa County, Florida; thence departing said right-of-way line, proceed along the east line of said parcel, north $03^{\circ}58'04''$ east, 183.92 feet; thence departing said east line, south $86^{\circ}01'56''$ east, 10.00 feet to the point of beginning; thence south $86^{\circ}02'05''$ east, 31.50 feet; thence south $03^{\circ}57'55''$ west, 11.50 feet; thence south $86^{\circ}02'05''$ east, 112.00 feet; thence north $71^{\circ}27'55''$ east, 50.87 feet; thence north $48^{\circ}57'55''$ east, 124.83 feet; thence south $86^{\circ}02'05''$ east, 26.40 feet; thence south $41^{\circ}02'05''$ east, 118.67 feet; thence south $03^{\circ}57'55''$ west, 35.59 feet; thence south $48^{\circ}57'55''$ west, 25.00 feet; thence south $41^{\circ}02'05''$ east, 25.00 feet; thence south $48^{\circ}57'55''$ west, 166.00 feet; thence north $41^{\circ}02'05''$ west, 25.00 feet; thence south $48^{\circ}57'55''$ west, 22.17 feet; thence north $86^{\circ}02'05''$ west, 220.00 feet; thence north $03^{\circ}57'55''$ east, 18.33 feet; thence north $86^{\circ}02'05''$ west, 18.33 feet; thence north $03^{\circ}57'55''$ east, 155.67 feet to the point of beginning, containing 1.523 acres, more or less, all lying and being within the Silver Beach Subdivision, Township 2 South, Range 22 West, City of Destin, Okaloosa County, Florida.

OFFICIAL RECORDS ##
 BK 2218 PG 3275

ST. MAARTEN AT SILVER SHELLS, a condominium

IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, AND A RESUBDIVISION
 OF A PORTION OF SILVER BEACH SUBDIVISION (PLAT BOOK 1, PAGE 16 1/2),
 CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

DESCRIPTION
 NORTH



LEGEND

- R/W = RIGHT-OF-WAY
- C/L = CENTERLINE
- P/L = PROPERTY LINE
- P.O.C. = POINT-OF-COMMENCEMENT
- P.O.B. = POINT-OF-BEGINNING
- Δ = DELTA ANGLE
- R = RADIUS
- A = ARC
- C = CHORD
- CB = CHORD BEARING

Δ = 04°33'57"
 R = 1799.86'
 A = 143.42'
 C = 143.39'
 CB = S88°19'12"E

(P.O.B. MATCH)

NO3°58'04"E

500°38'10"E
 20.00

Δ = 00°02'59"
 R = 11,409.20'
 A = 9.91'
 C = 9.91'
 CB = S83°43'13"E

Δ = 03°39'29"
 R = 11,409.20'
 A = 728.41'
 C = 728.28'
 CB = S81°51'55"E

N. R/W
 CO. RD. NO. 2378
 (OLD U.S. HWY. 98)
 100' R/W

Δ = 11°30'32"
 R = 1819.86'
 A = 365.48'
 C = 364.87'
 CB = N83°38'36"E

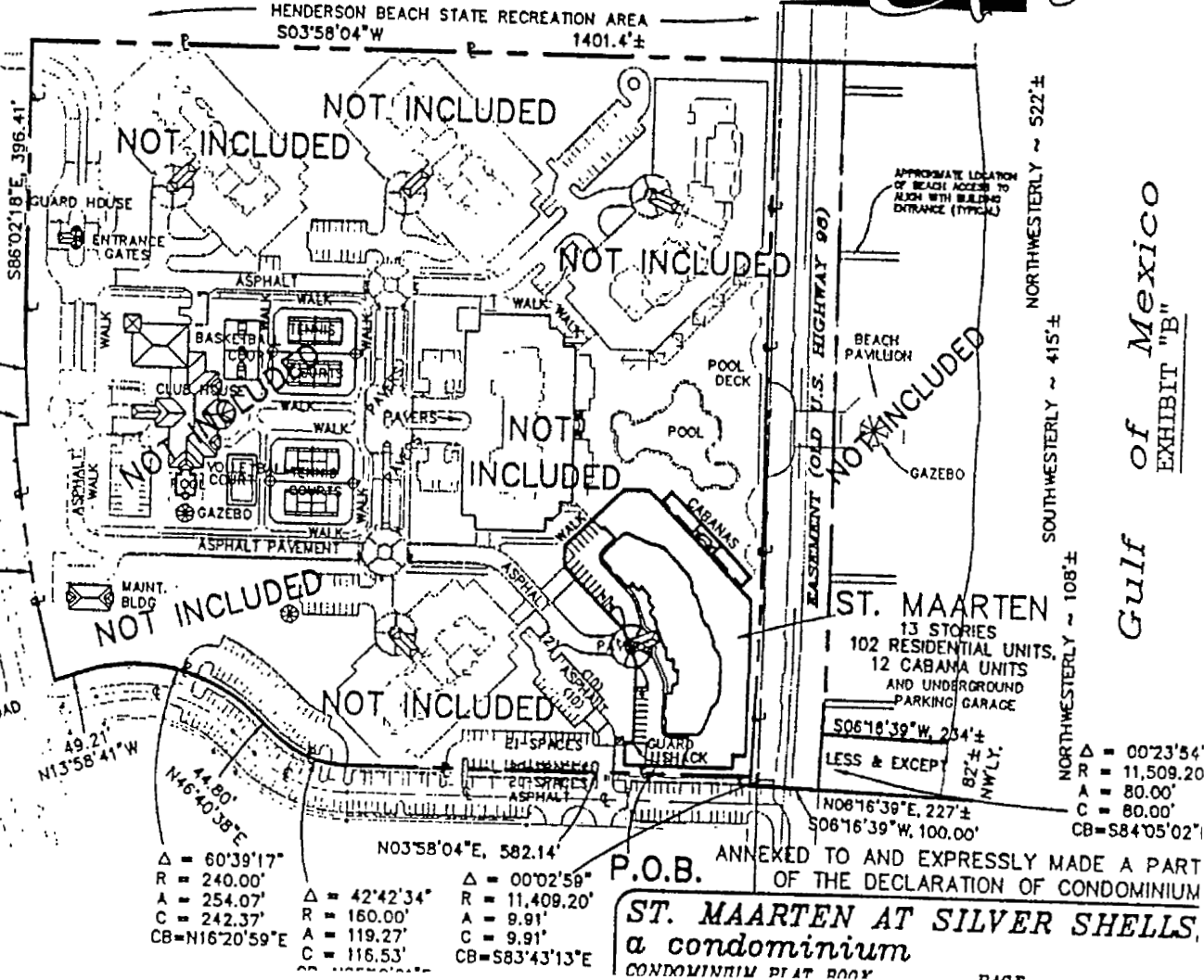
P.O.C. - SOUTHWEST CORNER
 OF LOT 4, BLK. 11, SILVER BEACH
 SUBDIVISION (P.B. 1, PG. 16 1/2)

NOTES

- 1) BALCONIES/TERRACES AND ASSIGNED PARKING TWO TREES ROAD SPACES ARE LIMITED COMMON ELEMENTS.
- 2) THE CONSTRUCTION OF THE CONDOMINIUM BUILDINGS SHOWN HEREON IS NOT SUBSTANTIALLY COMPLETE.

CHOCTAW ENGINEERING, INC. LB #1632
 112 TRUXTON AVENUE TELEPHONE: 850-842-6611
 FORT WALTON BEACH, FL 82647 FAX: 850-863-8059
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Δ = 60°39'17"
 R = 240.00'
 A = 254.07'
 C = 242.37'
 CB = N16°20'59"E

Δ = 42°42'34"
 R = 160.00'
 A = 119.27'
 C = 116.53'

Δ = 00°02'59"
 R = 11,409.20'
 A = 9.91'
 C = 9.91'
 CB = S83°43'13"E

P.O.B. ANNEKED TO AND EXPRESSLY MADE A PART
 OF THE DECLARATION OF CONDOMINIUM
ST. MAARTEN AT SILVER SHELLS,
 a condominium
 CONDOMINIUM PLAT BOOK

Gulf of Mexico
 EXHIBIT "B"

NORTHWESTERLY ~ 522'±
 SOUTHWESTERLY ~ 415'±
 NORTHWESTERLY ~ 108'±

Δ = 00°23'54"
 R = 11,509.20'
 A = 80.00'
 C = 80.00'
 CB = S84°05'02"E

Recorders Memo:
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ST. MAARTEN AT SILVER SHELLS, a condominium

IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, AND A RESUBDIVISION
 OF A PORTION OF SILVER BEACH SUBDIVISION (PLAT BOOK 1, PAGE 16 1/2),
 CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

OFFICIAL RECORDS **
 BK 2218 PG 3276



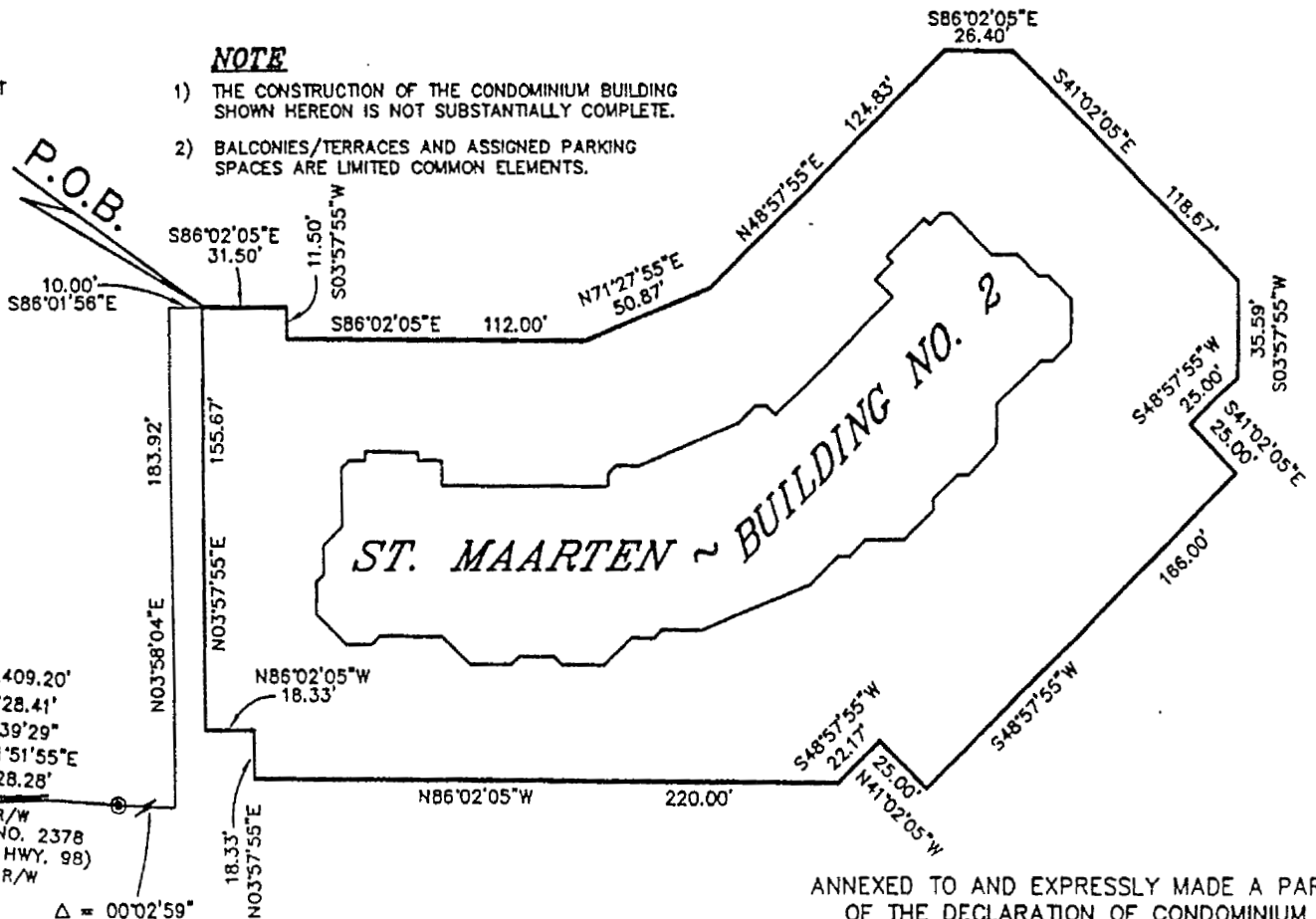
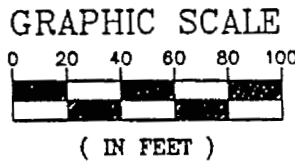
DESCRIPTION
 NORTH

LEGEND

- P.O.C. = POINT-OF-COMMENCEMENT
- P.O.B. = POINT-OF-BEGINNING
- Δ = DELTA ANGLE
- R = RADIUS
- A = ARC
- C = CHORD
- CB = CHORD BEARING

NOTE

- 1) THE CONSTRUCTION OF THE CONDOMINIUM BUILDING SHOWN HEREON IS NOT SUBSTANTIALLY COMPLETE.
- 2) BALCONIES/TERRACES AND ASSIGNED PARKING SPACES ARE LIMITED COMMON ELEMENTS.



P.O.C. - SOUTHWEST CORNER
 OF LOT 4, BLK. 11, SILVER BEACH
 SUBDIVISION (P.B. 1, PG. 16 1/2)

R=11,409.20'
 A=728.41'
 Δ=03°39'29\"/>

Δ = 00°02'59\"/>

PLOTTED 12 MAY 1998

CHOCTAW ENGINEERING, INC. LB #1882
 119 TRUXTON AVENUE TELEPHONE: 850-462-6611
 FORT WASHINGTON BEACH, FL 32547 FAX: 850-868-8059
 E-MAIL: ChoctawEng@aol.com
 CIVIL ENGINEERING SURVEYING ENVIRONMENTAL

ANNEXED TO AND EXPRESSLY MADE A PART
 OF THE DECLARATION OF CONDOMINIUM

ST. MAARTEN AT SILVER SHELLS,
 a condominium

CONDOMINIUM PLAT BOOK _____ PAGE _____

ST. MAARTEN AT SILVER SHELLS, a condominium

IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, AND A RESUBDIVISION
OF A PORTION OF SILVER BEACH SUBDIVISION (PLAT BOOK 1, PAGE 18 1/2),
CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

LEGAL DESCRIPTION: ST. MAARTEN AT SILVER SHELLS, a condominium

COMMENCING AT THE SOUTHWEST CORNER OF LOT 4, BLOCK 11, SILVER BEACH SUBDIVISION ACCORDING TO PLAT RECORDED IN PLAT BOOK 1, PAGE 18 1/2 OF THE PUBLIC RECORDS OF OKALOOSA COUNTY, FLORIDA, SAID POINT LYING IN THE NORTHERLY RIGHT-OF-WAY LINE OF OKALOOSA COUNTY ROAD NUMBER 2378 (OLD U.S. HIGHWAY 98, 100 FOOT WIDE RIGHT-OF-WAY); THENCE PROCEED SOUTHEASTERLY ALONG SAID RIGHT-OF-WAY LINE WITH A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 11409.20 FEET, FOR AN ARC DISTANCE OF 728.41 FEET (CENTRAL ANGLE: 03° 39' 29", CHORD BEARING AND DISTANCE: SOUTH 81° 51' 55" EAST, 728.28 FEET); THENCE CONTINUE ALONG SAID CURVED RIGHT-OF-WAY LINE FOR AN ARC DISTANCE OF 9.91 FEET (CENTRAL ANGLE: 00° 02' 59"; CHORD BEARING AND DISTANCE: SOUTH 83° 43' 13" EAST, 9.91 FEET) TO THE SOUTHEAST CORNER OF THAT CERTAIN PARCEL CONVEYED TO THE CITY OF DESTIN PER INSTRUMENT RECORDED IN OFFICIAL RECORD BOOK 1699, PAGE 590 OF THE PUBLIC RECORDS OF OKALOOSA COUNTY, FLORIDA; THENCE DEPARTING SAID RIGHT-OF-WAY LINE, PROCEED ALONG THE EAST LINE OF SAID PARCEL, NORTH 03° 58' 04" EAST, 183.92 FEET; THENCE DEPARTING SAID EAST LINE, SOUTH 86° 01' 56" EAST, 10.00 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 86° 02' 05" EAST, 31.50 FEET; THENCE SOUTH 03° 57' 55" WEST, 11.50 FEET; THENCE SOUTH 86° 02' 05" EAST, 112.00 FEET; THENCE NORTH 71° 27' 55" EAST, 50.87 FEET; THENCE NORTH 48° 57' 55" EAST, 124.83 FEET; THENCE SOUTH 86° 02' 05" EAST, 28.40 FEET; THENCE SOUTH 41° 02' 05" EAST, 118.67 FEET; THENCE SOUTH 03° 57' 55" WEST, 35.59 FEET; THENCE SOUTH 48° 57' 55" WEST, 25.00 FEET; THENCE SOUTH 41° 02' 05" EAST, 25.00 FEET; THENCE SOUTH 48° 57' 55" WEST, 168.00 FEET; THENCE NORTH 41° 02' 05" WEST, 25.00 FEET; THENCE SOUTH 48° 57' 55" WEST, 22.17 FEET; THENCE NORTH 86° 02' 05" WEST, 220.00 FEET; THENCE NORTH 03° 57' 55" EAST, 18.33 FEET; THENCE NORTH 86° 02' 05" WEST, 18.33 FEET; THENCE NORTH 03° 57' 55" EAST, 155.67 FEET TO THE POINT OF BEGINNING, CONTAINING 1.523 ACRES, MORE OR LESS, ALL LYING AND BEING WITHIN THE SILVER BEACH SUBDIVISION, TOWNSHIP 2 SOUTH, RANGE 22 WEST, CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA.

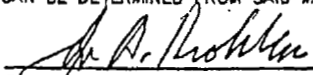
TOGETHER WITH A NON-EXCLUSIVE EASEMENT AND RIGHT-OF-WAY FOR PEDESTRIAN AND VEHICULAR INGRESS, EGRESS, AND ACCESS, OVER, UPON, ACROSS, AND THROUGH ALL PARTS OF LOT 8 OF SILVER SHELLS BEACH RESORT, A PLANNED UNIT DEVELOPMENT, OKALOOSA COUNTY, FLORIDA, NOW OR HEREAFTER USED FOR ROADWAY, DRIVEWAY, OR VEHICULAR ACCESS PURPOSES, SUBJECT TO PROVISIONS OF SAID PLAT AND TO TERMS OF THE DECLARATION OF RESTRICTIVE COVENANTS AND EASEMENTS FOR SILVER SHELLS [MASTER DECLARATION] RECORDED IN OFFICIAL RECORDS BOOK _____ PAGE(S) _____ OF THE PUBLIC RECORDS OF OKALOOSA COUNTY, FLORIDA. THIS EASEMENT SHALL TERMINATE AUTOMATICALLY UPON THE CONVEYANCE, IF EVER, OF ALL OF SAID LOT 8 LAND TO SILVER SHELLS PROPERTY OWNERS ASSOCIATION, INC. [MASTER ASSOCIATION].

DESCRIPTION OF COMMON ELEMENTS

COMMON ELEMENTS SHALL MEAN AND COMPRISE ALL THE REAL PROPERTY IMPROVEMENTS AND FACILITIES TO ST. MAARTEN AT SILVER SHELLS, A CONDOMINIUM, INCLUDING ALL PARTS OF THE CONDOMINIUM BUILDING OTHER THAN THE CONDOMINIUM UNITS AS SAME ARE HEREIN DEFINED AND SHALL INCLUDE EASEMENTS THROUGH CONDOMINIUM UNITS FOR CONDUITS, PIPES, DUCTS, PLUMBING, WIRING, AND OTHER FACILITIES FOR THE FURNISHING OF UTILITY SERVICE TO CONDOMINIUM UNITS, AND EASEMENTS OF SUPPORT IN EVERY PORTION OF THE CONDOMINIUM UNIT WHICH CONTRIBUTES TO THE SUPPORT OF THE IMPROVEMENTS AND SHALL FURTHER INCLUDE ALL PERSONAL PROPERTY HELD AND MAINTAINED FOR THE JOINT USE AND ENJOYMENT OF ALL OF THE OWNERS OF ALL SUCH SUCH CONDOMINIUM UNITS AND SHALL EXCLUDE ALL THE CONDOMINIUM UNITS.

SURVEYOR'S CERTIFICATE

THE UNDERSIGNED, A REGISTERED LAND SURVEYOR DULY AUTHORIZED TO PRACTICE UNDER THE LAWS OF THE STATE OF FLORIDA, HEREBY CERTIFIES THAT THIS IS A TRUE AND CORRECT SURVEY OF THE PROPERTY DESCRIBED HEREON, AND THAT THE CONSTRUCTION OF THE IMPROVEMENTS DEPICTED AND DESCRIBED IN THIS EXHIBIT OF ST. MAARTEN AT SILVER SHELLS, A CONDOMINIUM, IS NOT SUBSTANTIALLY COMPLETE SO THAT SUCH MATERIAL WHICH COMPRISES THIS EXHIBIT, TOGETHER WITH THE PROVISIONS OF THE DECLARATION OF CONDOMINIUM DESCRIBING THE CONDOMINIUM PROPERTY, IS AN ACCURATE REPRESENTATION OF THE LOCATION AND APPROXIMATE DIMENSIONS OF THE IMPROVEMENTS, AND THAT THE IDENTIFICATION, LOCATION AND APPROXIMATE DIMENSIONS OF THE COMMON ELEMENTS AND OF EACH UNIT CAN BE DETERMINED FROM SAID MATERIALS.


14 MAY 1998
Registered Land Surveyor, JON A. PROHASKA (Date)
Fl. Certificate No. 4450

ANNEXED TO AND EXPRESSLY MADE A PART
OF THE DECLARATION OF CONDOMINIUM

**ST. MAARTEN AT SILVER SHELLS,
a condominium**

CHOCTAW ENGINEERING, INC. LB #1582
113 TRUXTON AVENUE TELEPHONE: 850-862-6611
FORT WALTON BEACH, FL 32547 FAX: 850-863-8089
E-MAIL: ChoctawEng@aol.com
CIVIL ENGINEERING SURVEYING ENVIRONMENTAL

** OFFICIAL RECORDS **
BK 2218 PG 3277

PLOTTED 14 MAY 1998

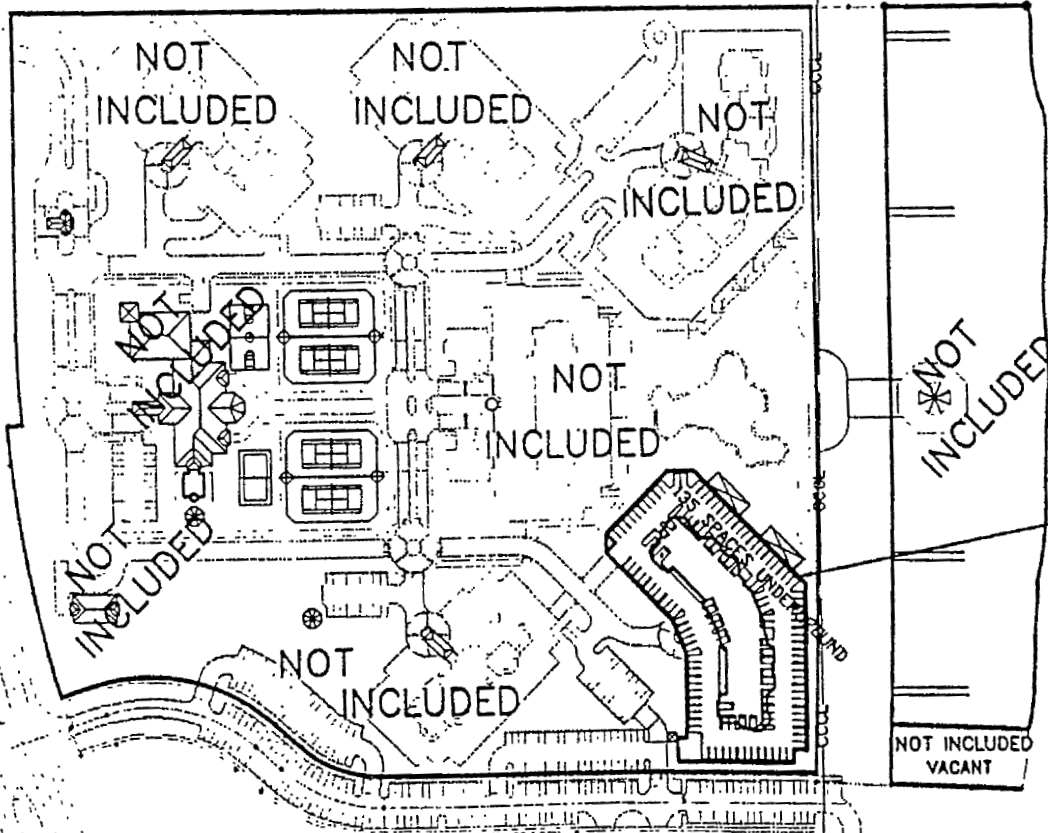
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ST. MAARTEN AT SILVER SHELLS, a condominium

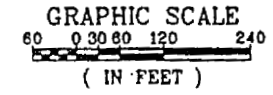
IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, AND A RESUBDIVISION
OF A PORTION OF SILVER BEACH SUBDIVISION (PLAT BOOK 1, PAGE 16 1/2),
CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

** OFFICIAL RECORDS **
BK 2218 PG 3278

PLOTTED 12 MAY 1998



DESCRIPTION
NORTH



PARKING PLAN
UNDERGROUND GARAGE
PARKING SPACES,
ST. MAARTEN = 135

NOTE: ASSIGNED PARKING SPACES ARE
LIMITED COMMON ELEMENTS.

ANNEXED TO AND EXPRESSLY MADE A PART
OF THE DECLARATION OF CONDOMINIUM

ST. MAARTEN AT SILVER SHELLS,
a condominium
CONDOMINIUM PLAT BOOK ... PAGE

CHOCTAW ENGINEERING, INC. LB #1632
112 TRUXTON AVENUE TELEPHONE: 850-862-6611
FORT WALTON BEACH, FL 32547 FAX: 850-863-8069
E-MAIL: ChoctawEng@aol.com
CIVIL EN ERING SURVEYING ENVIRONMENTAL

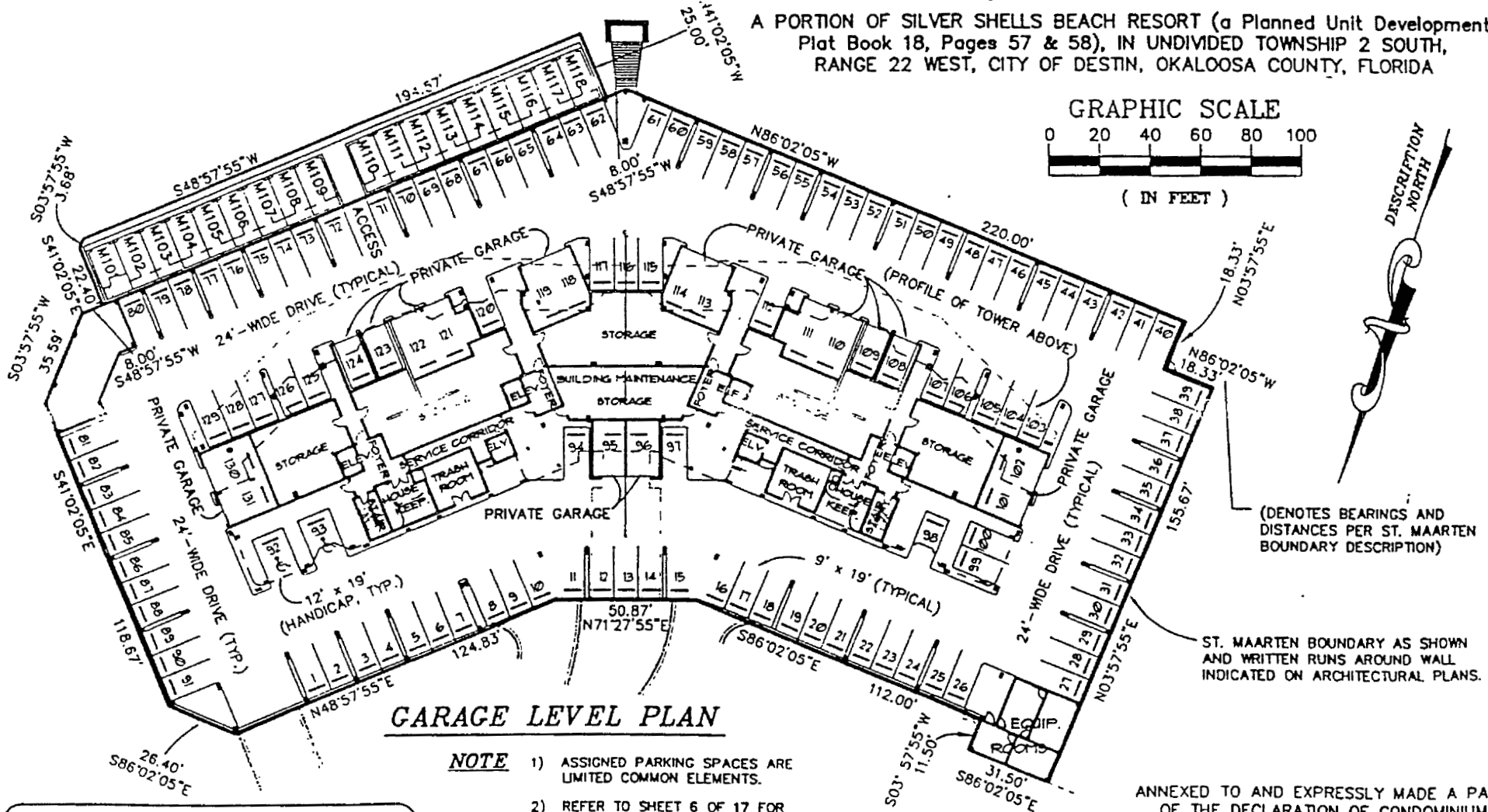
PLANS FROM: ROBERT W SWED ARCHITECTS/PLANNERS
1111 Lincoln Road, Suite 300 Miami Beach, FL 33139
Phone: (305) 6 002

ST. MAARTEN AT SILVER SHELLS, a condominium

A PORTION OF SILVER SHELLS BEACH RESORT (a Planned Unit Development, Plat Book 18, Pages 57 & 58), IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

OFFICIAL RECORDS ##
BK 2225 PG 4935

29 SEPTEMBER 1999 ADD PRIVATE GARAGES 123 & 124
17 SEPTEMBER 1999 [FILE: MAARTSASB]



- NOTE**
- 1) ASSIGNED PARKING SPACES ARE LIMITED COMMON ELEMENTS.
 - 2) REFER TO SHEET 6 OF 17 FOR CABANA UNIT PLANS (UNITS ARE DESIGNATED M101 THROUGH M118).

ANNEXED TO AND EXPRESSLY MADE A PART OF THE DECLARATION OF CONDOMINIUM

CHOCTAW ENGINEERING, INC. LB #1832
113 TRUXTON AVENUE TELEPHONE: 850-863-8611
PORT WALTON BEACH, FL 32547 FAX: 850-863-8059
E-MAIL: ce1@choctaweng.com
CIVIL ENGINEERING SURVEYING ENVIRONMENTAL

PLANS FROM ROBERT M. SWADROS, ARCHITECTS/PLANNERS
1111 Lincoln Road, Suite 300 Miami Beach, FL 33139
Phone (305) 673-6002

97-234-B

ST. MAARTEN AT SILVER SHELLS,
a condominium
CONDOMINIUM PLAT BOOK _____ PAGE _____
SHEET 6 OF 17 SHEETS

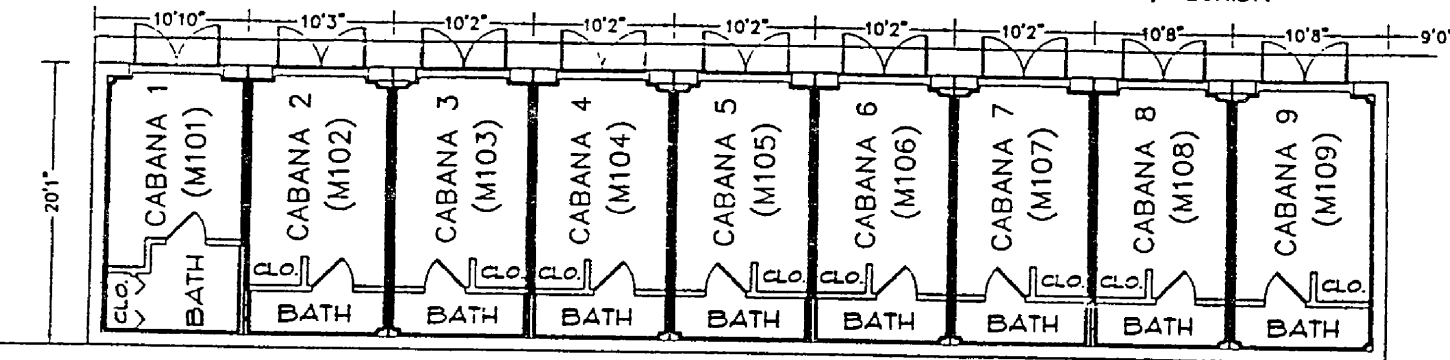
ST. MAARTEN AT SILVER SHELLS, a condominium

A PORTION OF SILVER SHELLS BEACH RESORT (a Planned Unit Development,
Plat Book 18, Pages 57 & 58), IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST,
CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

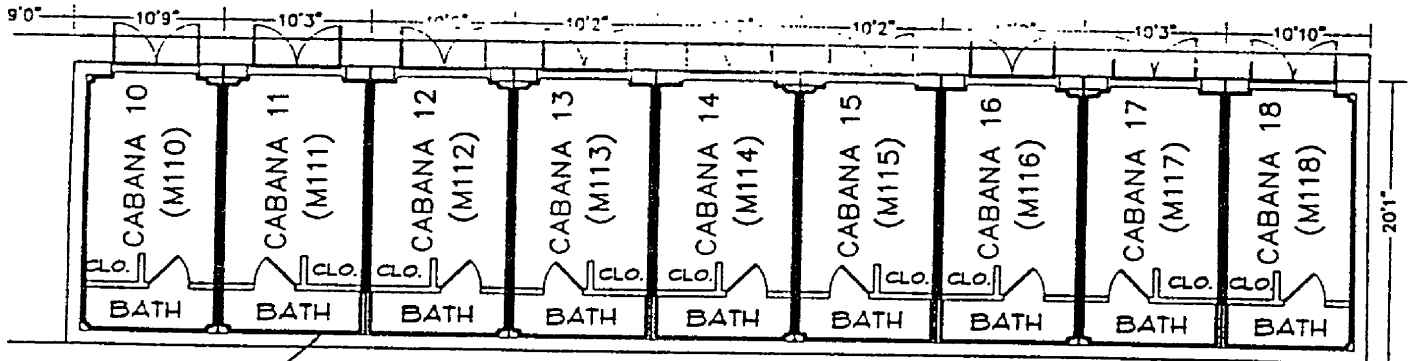
(MACHINE ROOM ROOF ELEV. +159'10")

(ROOF LEVEL)	F.F.E. +146'4"
(PENTHOUSE LEVEL)	(UNITS PH-1, PH-2, PH-3, PH-4, PH-5, PH-7 & PH-8) F.F.E. +135'8"
LEVEL 14	(UNITS 1401 - 1408) F.F.E. +126'4"
(LEVEL 13 OMITTED)	(UNITS 1201 - 1208) F.F.E. +117'0"
LEVEL 12	(UNITS 1101 - 1108) F.F.E. +107'8"
LEVEL 11	(UNITS 1001 - 1008) F.F.E. +98'4"
LEVEL 10	(UNITS 901 - 908) F.F.E. +89'0"
LEVEL 9	(UNITS 801 - 808) F.F.E. +79'8"
LEVEL 8	(UNITS 701 - 708) F.F.E. +70'4"
LEVEL 7	(UNITS 601 - 608) F.F.E. +61'0"
LEVEL 6	(UNITS 501 - 508) F.F.E. +51'8"
LEVEL 5	(UNITS 401 - 408) F.F.E. +42'4"
LEVEL 4	(UNITS 301 - 308) F.F.E. +33'0"
LEVEL 3 (FIRST TYPICAL LEVEL)	(UNITS 201 - 208) F.F.E. +29'8"
LEVEL 2 (LOBBY/LANAI)	F.F.E. +20'8"
LEVEL 1 (GARAGE)	F.F.E. +10'0"

~ ELEVATIONS ~
F.F.E. = FINISHED FLOOR ELEVATION



(GARAGE)



(GARAGE)

(DENOTES UNIT BOUNDARY)

CABANA UNIT PLAN, GARAGE LEVEL
(GARAGE LEVEL ~ LEVEL 1)
(200 SQ. FT. UNITS DESIGNATED AS M101 THROUGH M118)

CHOCTAW ENGINEERING, INC. LB #1632
112 TRUXTON AVENUE TELEPHONE: 850-862-6611
FORT WALTON BEACH, FL 32547 FAX: 850-863-8069
E-MAIL: cel@choctaweng.com
CIVIL ENGINEERING SURVEYING ENVIRONMENTAL

PLANS FROM: ROBERT M SWEDROE, ARCHITECTS/PLANNERS
1111 Lincoln Road, Suite 300 Miami Beach, FL 33139
Phone: (305) 673-6002

ANNEXED TO AND EXPRESSLY MADE A PART
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ST. MAARTEN AT SILVER SHELLS,
a condominium
CONDOMINIUM PLAT BOOK _____ PAGE _____
SHEET 6 OF 17 SHEETS

97-234-B

** OFFICIAL RECORDS **
BK 2225 PG 4936

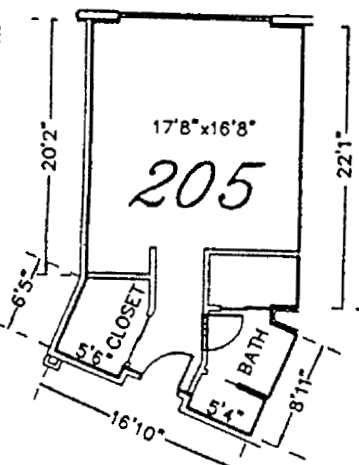
17 SEPTEMBER 1999 [FILE: MAART5ASB]

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ST. MAARTEN AT SILVER SHELLS, a condominium

IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, AND A RESUBDIVISION OF A PORTION OF SILVER BEACH SUBDIVISION
 (PLAT BOOK 1, PAGE 16 1/2),
 CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

OFFICIAL RECORDS
 BK 2218 PG 3281



UNIT PLAN
 LANAI 205

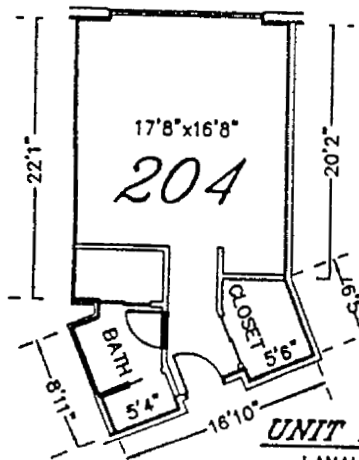
LANAI 203
 (MODIFIED UNIT TYPE
 Ar - SEE SHEET 8)

SUITE
LANAI 204
 538 SQ. FT. (ENCLOSED)
 208 SQ. FT. (TERRACE)
 TOTAL: 744 SQUARE FEET

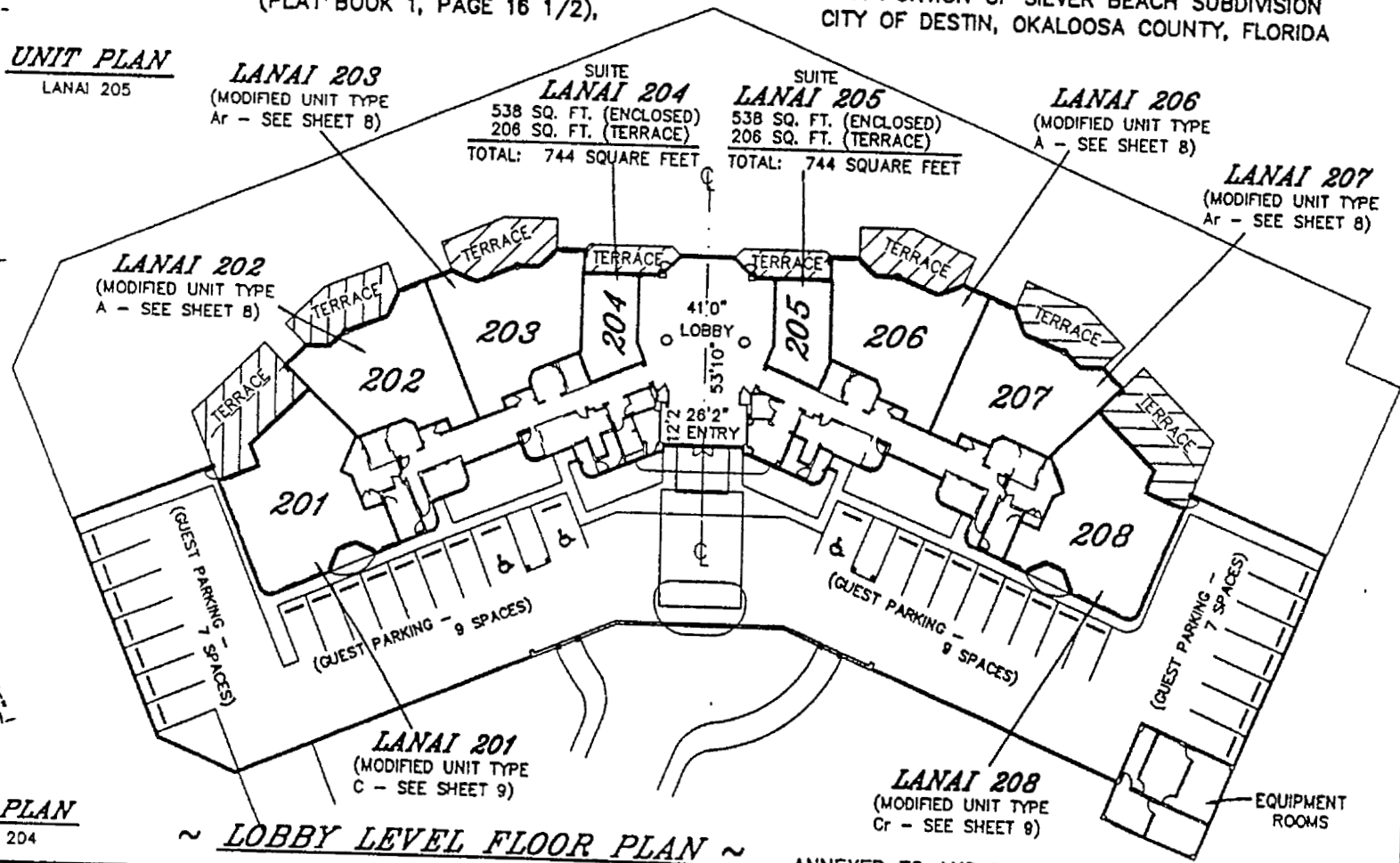
SUITE
LANAI 205
 538 SQ. FT. (ENCLOSED)
 206 SQ. FT. (TERRACE)
 TOTAL: 744 SQUARE FEET

LANAI 206
 (MODIFIED UNIT TYPE
 A - SEE SHEET 8)

LANAI 207
 (MODIFIED UNIT TYPE
 Ar - SEE SHEET 8)



UNIT PLAN
 LANAI 204



~ LOBBY LEVEL FLOOR PLAN ~

LEGEND
 [Hatched Box] = UNIT BOUNDARY
 [Dotted Box] = LIMITED COMMON ELEMENT

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 1111 Lincoln Road, Suite 300 Miami Beach, FL 33139

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 OF THE DECLARATION OF CONDOMINIUM

ST. MAARTEN AT SILVER SHELLS,
 a condominium

CONDOMINIUM PLAT BOOK

LOTTED 12 MAY 1998

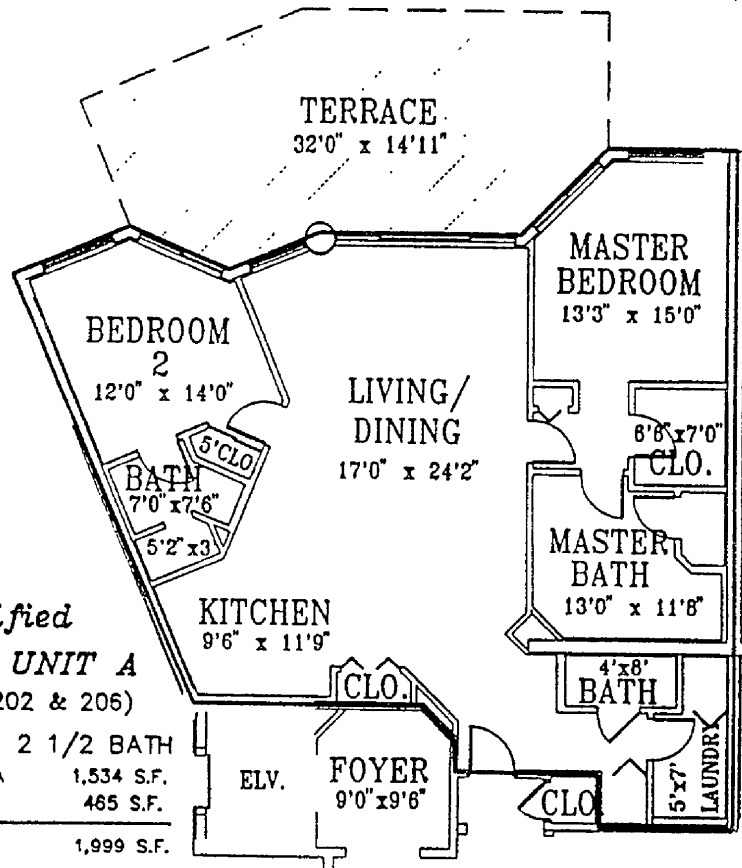
CHOCTAW ENGINEERING, INC. LB #1882
 112 TRUXTON AVENUE TELEPHONE: 850-863-6611
 PORT WALTON BEACH, FL 32547 FAX: 850-863-8069
 E-MAIL: ChoctaEng@aol.com
 CIVIL ENGINEERING ARCHITECTING ENVIRONMENTAL

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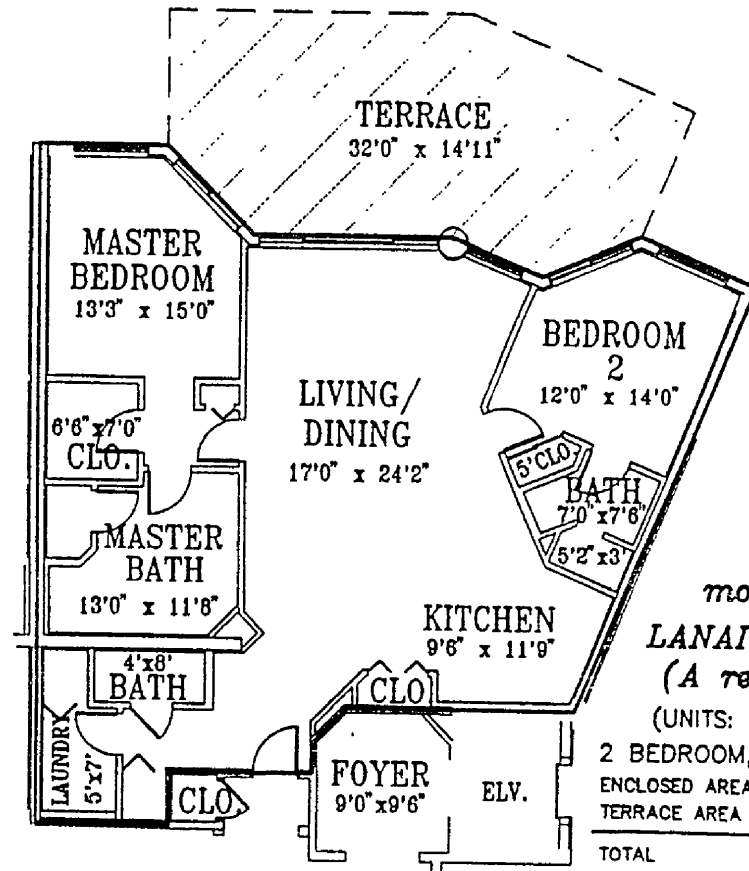
ST. MAARTEN AT SILVER SHELLS, a condominium

IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, AND A RESUBDIVISION
 OF A PORTION OF SILVER BEACH SUBDIVISION (PLAT BOOK 1, PAGE 16 1/2),
 CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

OFFICIAL RECORDS
 BK 2218 PG 3282



modified
LANAI UNIT A
 (UNITS: 202 & 206)
 2 BEDROOM, 2 1/2 BATH
 ENCLOSED AREA 1,534 S.F.
 TERRACE AREA 465 S.F.
 TOTAL 1,999 S.F.



modified
LANAI UNIT A (reversed)
 (UNITS: 203 & 207)
 2 BEDROOM, 2 1/2 BATH
 ENCLOSED AREA 1,534 S.F.
 TERRACE AREA 485 S.F.
 TOTAL 1,999 S.F.

LOBBY/LANAI (LEVEL 2)

NOTE: TERRACES ARE LIMITED COMMON ELEMENTS.

ANNEXED TO AND EXPRESSLY MADE A PART
 OF THE DECLARATION OF CONDOMINIUM

CHOCTAW ENGINEERING, INC. LB #1533
 112 TRUSTON AVENUE TELEPHONE: 850-862-6611
 FORT WASHINGTON BEACH, FL 32547 FAX: 850-863-8089
 E-MAIL: ChoctawEng@aol.com
 CIVIL ENGINEERING SURVEYING ENVIRONMENTAL

PLANS FROM: ROBERT M. SWEDF ARCHITECTS/PLANNERS
 1111 Lincoln Road, Suite 300 Miami Beach, FL 33139
 Phone: (305) 673-0002

ST. MAARTEN AT SILVER SHELLS,
 a condominium
 CONDOMINIUM PLAT BOOK

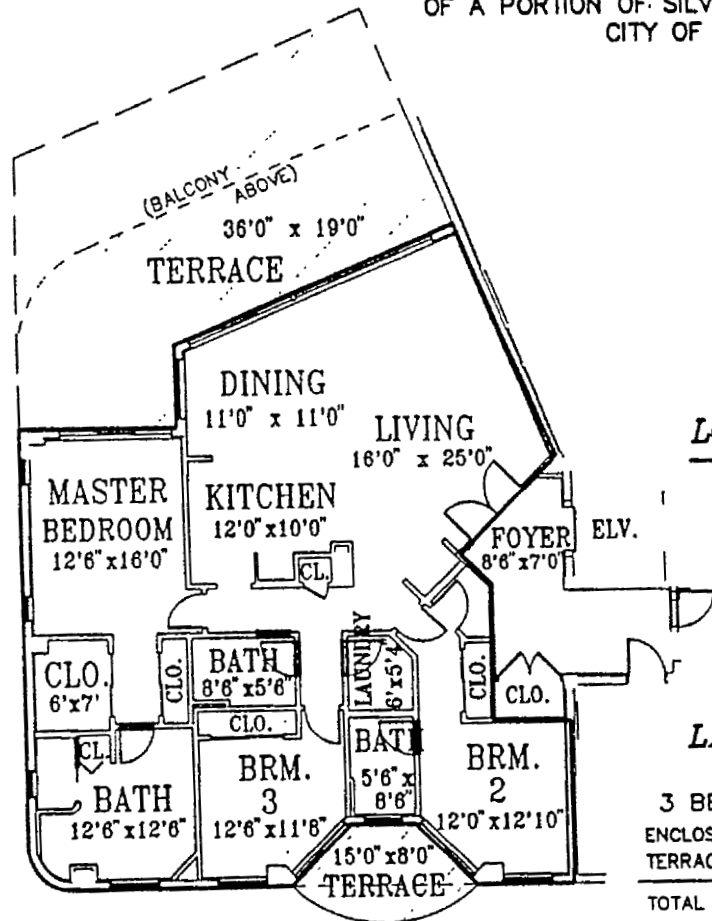
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ST. MAARTEN AT SILVER SHELLS, a condominium

IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, AND A RESUBDIVISION
 OF A PORTION OF SILVER BEACH SUBDIVISION (PLAT BOOK 1, PAGE 16 1/2),
 CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

OFFICIAL RECORDS
 BK 2218 PG 3283



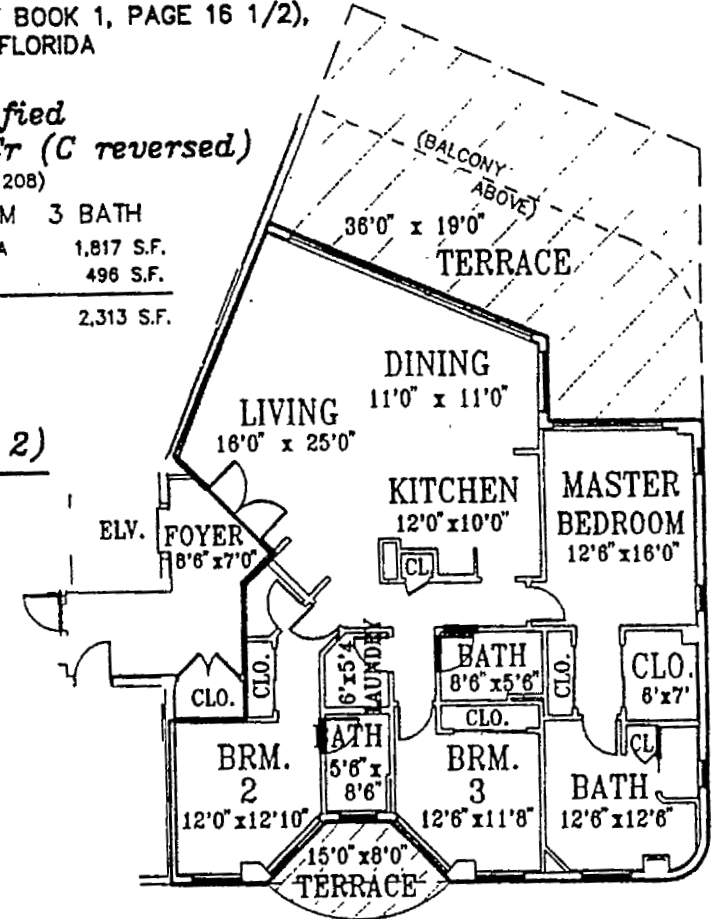
LOBBY/LANAI (LEVEL 2)

modified LANAI UNIT C

(UNIT: 201)
 3 BEDROOM 3 BATH
 ENCLOSED AREA 1,817 S.F.
 TERRACE AREA 496 S.F.
 TOTAL 2,313 S.F.

modified LANAI UNIT Cr (C reversed)

(UNIT: 208)
 3 BEDROOM 3 BATH
 ENCLOSED AREA 1,817 S.F.
 TERRACE AREA 496 S.F.
 TOTAL 2,313 S.F.



ANNEXED TO AND EXPRESSLY MADE A PART
 OF THE DECLARATION OF CONDOMINIUM

ST. MAARTEN AT SILVER SHELLS,
 a condominium
 CONDOMINIUM PLAT BOOK PAGE

CHOCTAW ENGINEERING, INC. LB #1522
 112 TRUSTON AVENUE TELEPHONE: 850-882-6611
 FORT WALTON BEACH, FL 32547 FAX: 850-883-8069
 E-MAIL: ChoctawEng@aol.com
 CIVIL ENGINEERING SURVEYING ENVIRONMENTAL

NOTE: TERRACES ARE LIMITED COMMON ELEMENTS.

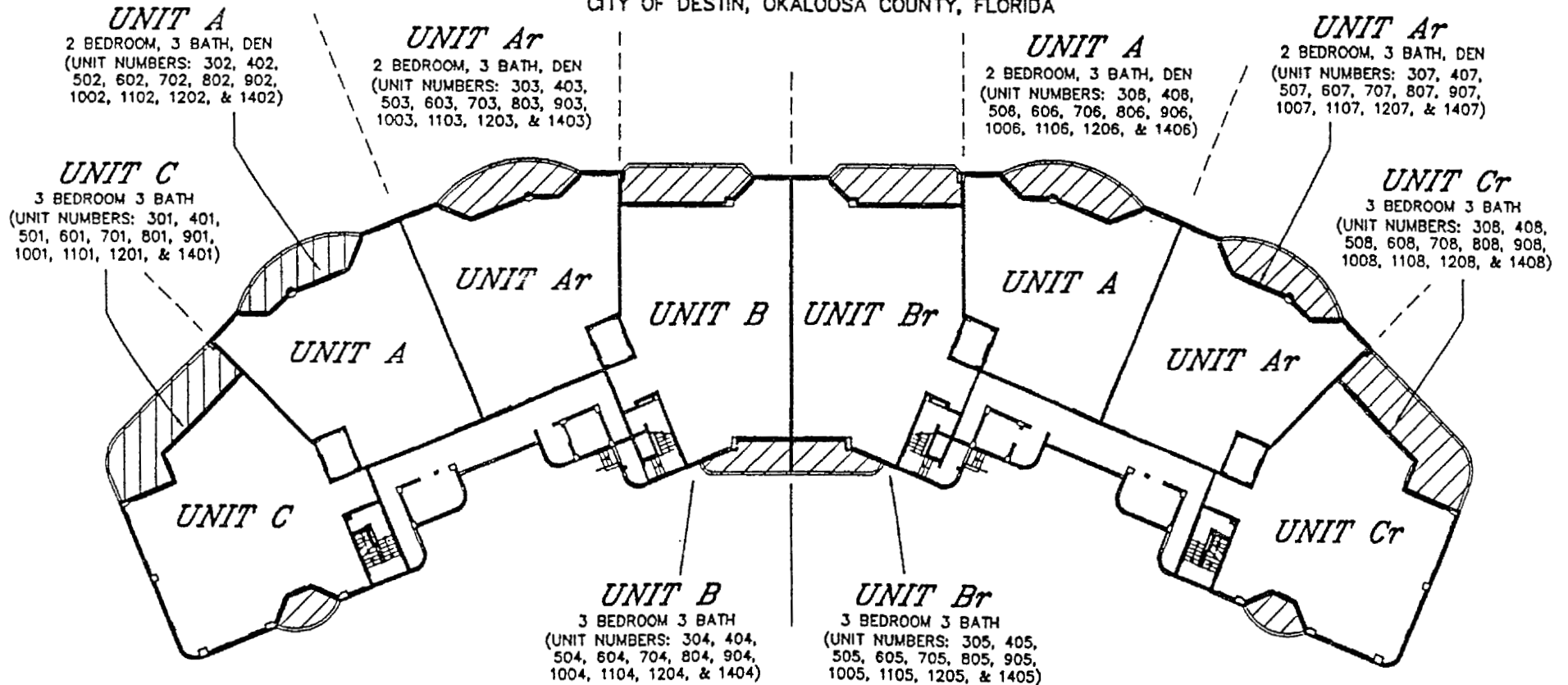
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 1111 Lincoln Road, Suite 300 Miami Beach, FL 33139
 Phone: (305) 673-6002

PLOTTED 12 MAY 1998

OFFICIAL RECORDS
 BK 2218 PG 3284

ST. MAARTEN AT SILVER SHELLS, a condominium

IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, AND A RESUBDIVISION
 OF A PORTION OF SILVER BEACH SUBDIVISION (PLAT BOOK 1, PAGE 16 1/2),
 CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA



NOTE: REFER TO SHEETS 11, 12 AND 13 OF 17 FOR INDIVIDUAL
 UNIT A/Ar, B/Br AND C/Cr ROOM DIMENSIONS.

— UNIT BOUNDARY
 ▨ LIMITED COMMON ELEMENTS

Typical unit lay-out numbering,
 floors 3 - 12 & 14
 (Floor/Level 13 omitted)

ANNEXED TO AND EXPRESSLY MADE A PART
 OF THE DECLARATION OF CONDOMINIUM

CHOCTAW ENGINEERING, INC. LB #1883
 113 TRUXTON AVENUE TELEPHONE: 850-862-6611
 FORT WALTON BEACH, FL 32547 FAX: 850-868-8059
 E-MAIL: ChoctawEng@aol.com
 CIVIL ENG. SURVEYING ENVIRONMENTAL

PLANS FROM: ROBERT M. SWEDRO ARCHITECTS/PLANNERS
 1111 Lincoln Road, Suite 300 Ft. Beach, FL 33139
 Phone: (305) 673-2222

ST. MAARTEN AT SILVER SHELLS,
 a condominium
 CONDOMINIUM PLAT BOOK _____ PAGE _____

PLOTTED 15 MAY 1998

Recorders Memo:
 Legibility of some entries on this page not
 suitable for Microfilm/Imaging records.

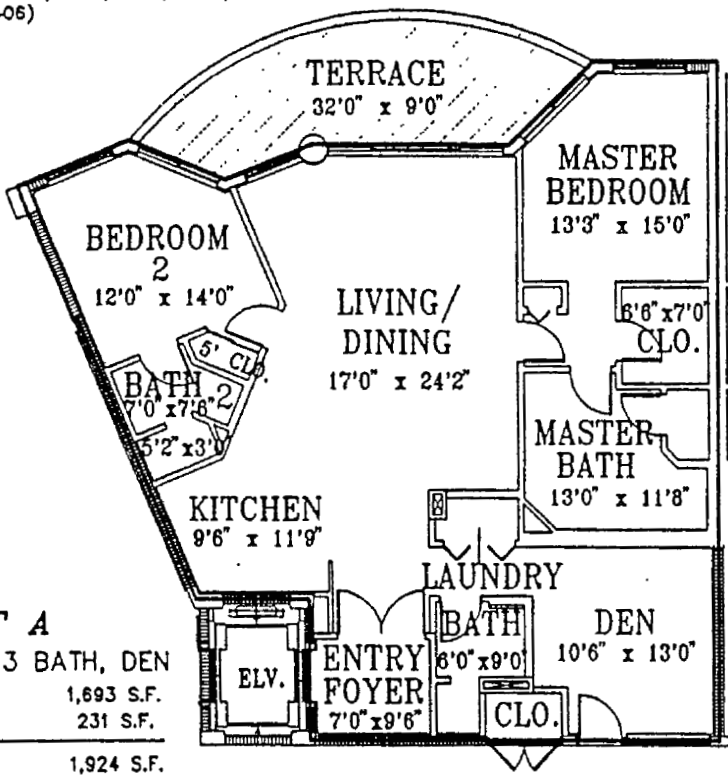
ST. MAARTEN AT SILVER SHELLS, a condominium

IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, AND A RESUBDIVISION
 OF A PORTION OF SILVER BEACH SUBDIVISION (PLAT BOOK 1, PAGE 16 1/2),
 CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

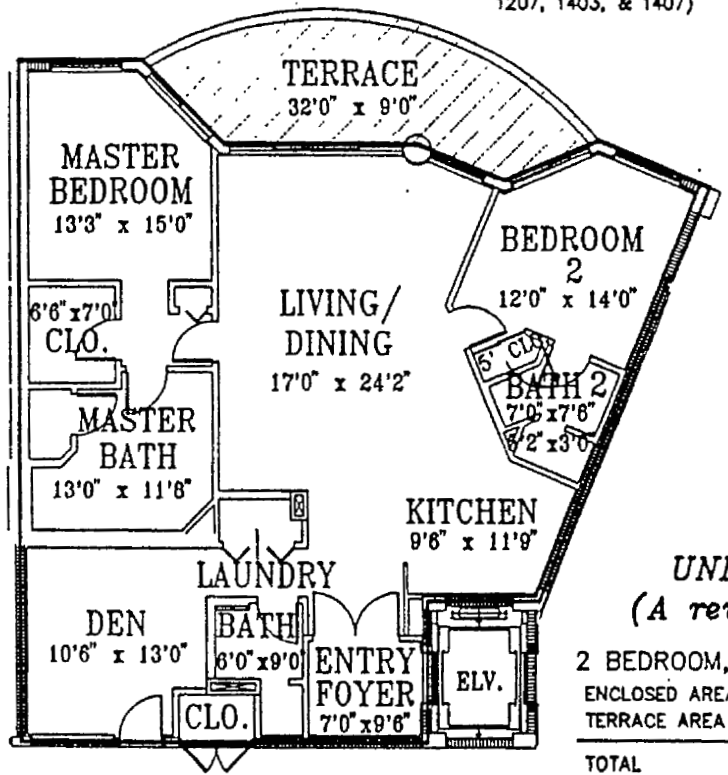
(UNITS: 302, 306, 402, 406,
 502, 506, 602, 606, 702, 706, 802, 806,
 902, 906, 1002, 1006, 1102, 1106, 1202,
 1206, 1402, & 1406)

(UNITS: 303, 307, 403, 407,
 503, 507, 603, 607, 703, 707, 803, 807,
 903, 907, 1003, 1007, 1103, 1107, 1203,
 1207, 1403, & 1407)

OFFICIAL RECORDS ##
 BK 2218 PG 3285



UNIT A
 2 BEDROOM, 3 BATH, DEN
 ENCLOSED AREA 1,693 S.F.
 TERRACE AREA 231 S.F.
 TOTAL 1,924 S.F.



UNIT Ar
 (A reversed)
 2 BEDROOM, 3 BATH, DEN
 ENCLOSED AREA 1,693 S.F.
 TERRACE AREA 231 S.F.
 TOTAL 1,924 S.F.

NOTE: BALCONIES/TERRACES ARE LIMITED COMMON ELEMENTS.

ANNEXED TO AND EXPRESSLY MADE A PART
 OF THE DECLARATION OF CONDOMINIUM

CHOCTAW ENGINEERING, INC. LB #1533
 112 TRUSTON AVENUE TELEPHONE: 850-863-6611
 PORT WALTON BEACH, FL 32547 FAX: 850-863-8059
 E-MAIL: ChoctawEng@aol.com
 CIVIL ENGINEERING SURVEYING ENVIRONMENTAL

PLANS FROM: ROBERT M. SWEDROE, ARCHITECTS/PLANNERS
 1111 Lincoln Road, Suite 300 Miami Beach, FL 33139
 Phone: (305) 673-6002

ST. MAARTEN AT SILVER SHELLS,
 a condominium
 CONDOMINIUM PLAT BOOK _____ PAGE _____

PLOTTED 12 MAY 1998

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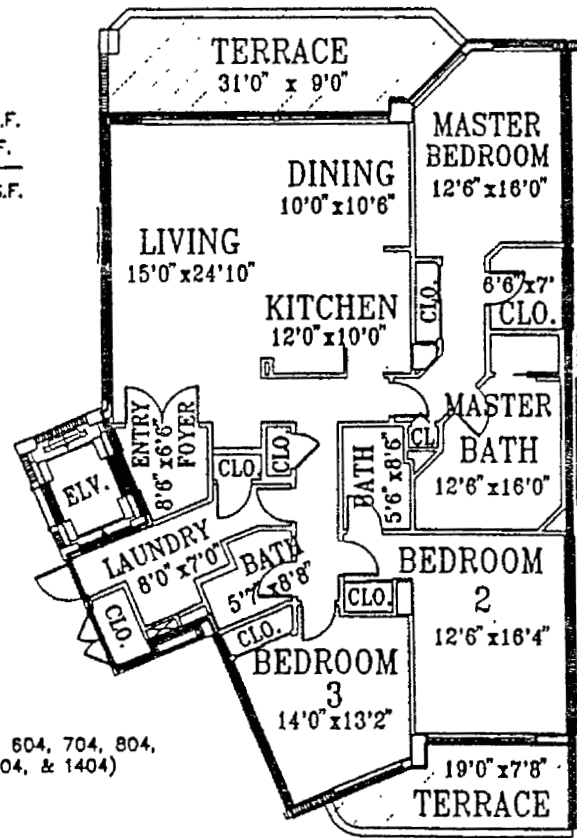
OFFICIAL RECORDS
 BK 2218 PG 3286

ST. MAARTEN AT SILVER SHELLS, a condominium

IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, AND A RESUBDIVISION
 OF A PORTION OF SILVER BEACH SUBDIVISION (PLAT BOOK 1, PAGE 18 1/2),
 CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

UNIT B

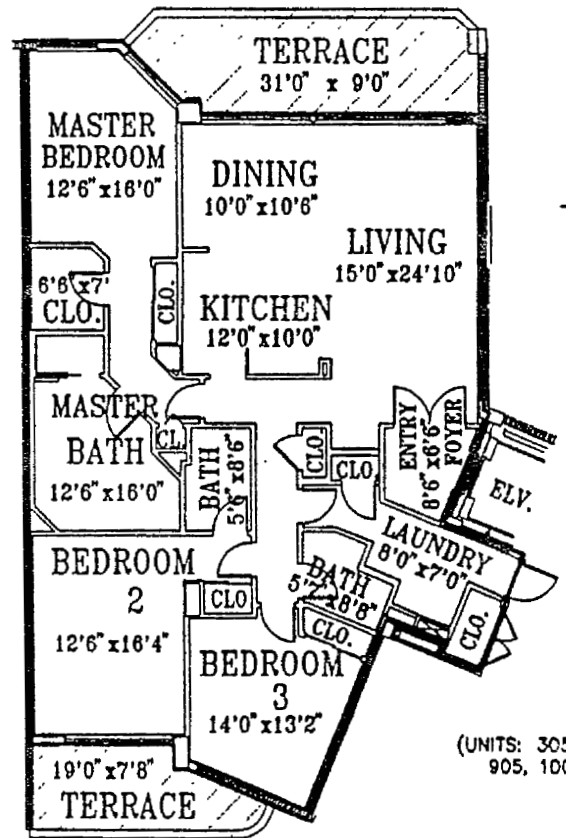
3 BEDROOM	3 BATH
ENCLOSED AREA	2,009 S.F.
TERRACE AREA	361 S.F.
TOTAL	2,370 S.F.



(UNITS: 304, 404, 504, 604, 704, 804,
 904, 1004, 1104, 1204, & 1404)

UNIT Br (B reversed)

3 BEDROOM	3 BATH
ENCLOSED AREA	2,009 S.F.
TERRACE AREA	361 S.F.
TOTAL	2,370 S.F.



(UNITS: 305, 405, 505, 605, 705, 805,
 905, 1005, 1105, 1205, & 1405)

NOTE: BALCONIES/TERRACES ARE LIMITED COMMON ELEMENTS.

ANNEXED TO AND EXPRESSLY MADE A PART
 OF THE DECLARATION OF CONDOMINIUM

PLOTTED 12 MAY 1998

CHOCTAW ENGINEERING, INC. LB #1582
 113 TRUSTON AVENUE TELEPHONE: 850-868-6611
 PORT WALTER BEACH, FL 32547 FAX: 850-868-8059
 E-MAIL: ChoctawEng@aol.com
 CIVIL ENGINEERING SURVEYING ENVIRONMENTAL

PLANS FROM: ROBERT M. SWEDROE, ARCHITECTS/PLANNERS
 1111 Lincoln Road, Suite 300
 Ft. Beach, FL 33139
 Phone: (904) 678-6000

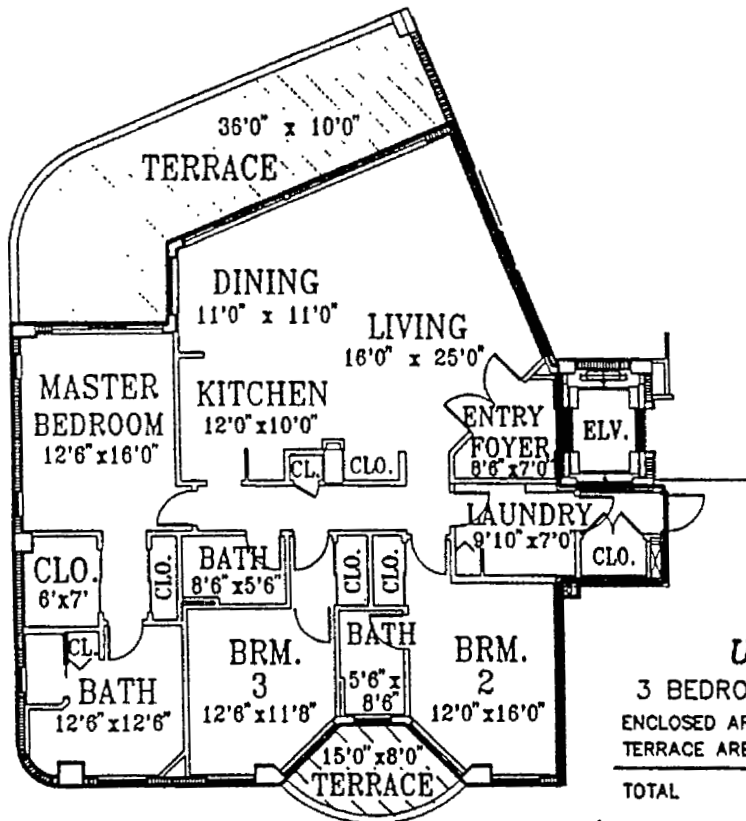
ST. MAARTEN AT SILVER SHELLS,
 a condominium
 CONDOMINIUM PLAT BOOK

Recorders Memo:
 Legibility of some entries on this page not
 suitable for Microfilm/Imaging records.

ST. MAARTEN AT SILVER SHELLS, a condominium

IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, AND A RESUBDIVISION
 OF A PORTION OF SILVER BEACH SUBDIVISION (PLAT BOOK 1, PAGE 16 1/2),
 CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

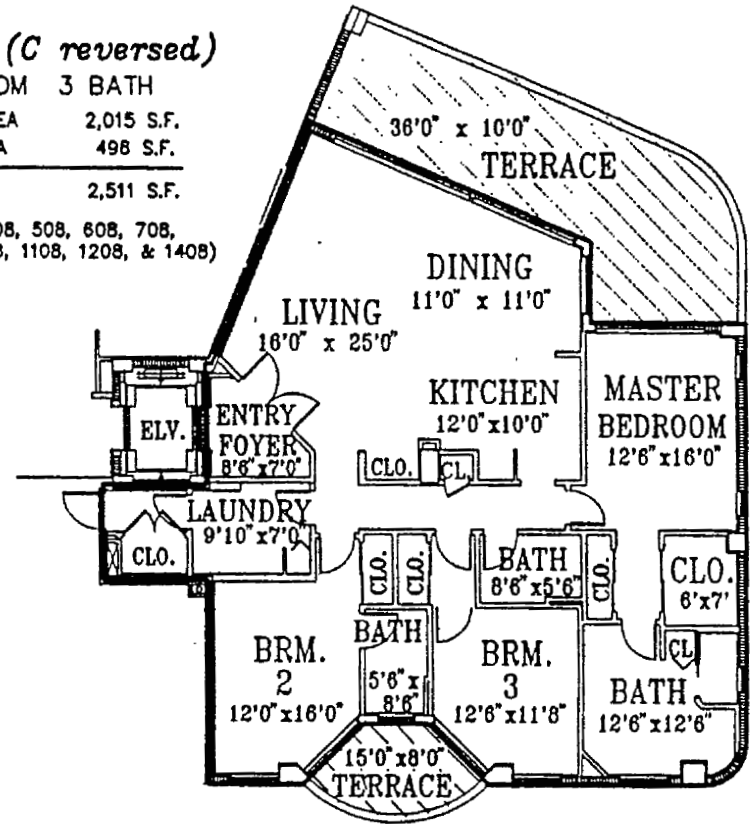
OFFICIAL RECORDS **
 BK 2218 PG 3287



UNIT Cr (C reversed)

3 BEDROOM	3 BATH
ENCLOSED AREA	2,015 S.F.
TERRACE AREA	498 S.F.
TOTAL	2,511 S.F.

(UNITS: 308, 408, 508, 608, 708,
 808, 908, 1008, 1108, 1208, & 1408)



UNIT C

3 BEDROOM	3 BATH
ENCLOSED AREA	2,015 S.F.
TERRACE AREA	498 S.F.
TOTAL	2,511 S.F.

(UNITS: 301, 401, 501, 601, 701,
 801, 901, 1001, 1101, 1201, & 1401)

ANNEXED TO AND EXPRESSLY MADE A PART
 OF THE DECLARATION OF CONDOMINIUM

ST. MAARTEN AT SILVER SHELLS, a condominium

CONDOMINIUM PLAN BOOK

PLOTTED 12 MAY 1998

CHOCTAW ENGINEERING, INC. LB #1582
 112 TRUSTON AVENUE TELEPHONE: 850-363-6611
 FORT WALTON BEACH, FL 32547 FAX: 850-363-8059
 E-MAIL: ChoctawEng@aol.com
 CIVIL ENGINEERING SURVEYING ENVIRONMENTAL

NOTE: BALCONIES/TERRACES ARE LIMITED COMMON ELEMENTS.

PLANS FROM: ROBERT M. SWEDROE, ARCHITECTS/PLANNERS
 1111 Lincoln Road, Suite 300 Miami Beach, FL 33139
 Phone: (305) 673-6002

Recorders Memo:
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 suitable for Microfilm/Imaging records.

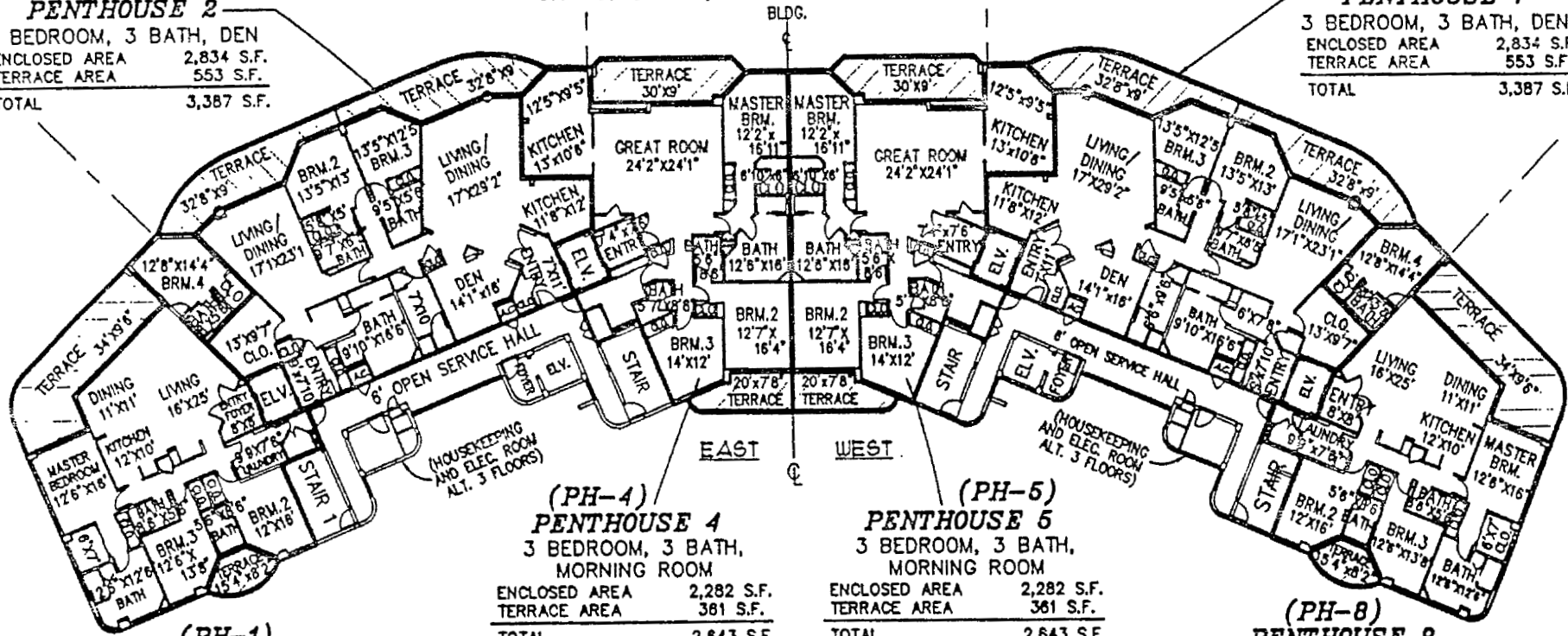
ST. MAARTEN AT SILVER SHELLS, a condominium

IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, AND A RESUBDIVISION
 OF A PORTION OF SILVER BEACH SUBDIVISION (PLAT BOOK 1, PAGE 16 1/2),
 CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

OFFICIAL RECORDS
 BK 2218 PG 3288

(PH-2)
PENTHOUSE 2
 3 BEDROOM, 3 BATH, DEN
 ENCLOSED AREA 2,834 S.F.
 TERRACE AREA 553 S.F.
 TOTAL 3,387 S.F.

(PH-7)
PENTHOUSE 7
 3 BEDROOM, 3 BATH, DEN
 ENCLOSED AREA 2,834 S.F.
 TERRACE AREA 553 S.F.
 TOTAL 3,387 S.F.



(PH-1)
PENTHOUSE 1
 3 BEDROOM, 4 BATH,
 DEN/BEDROOM 4
 ENCLOSED AREA 2,290 S.F.
 TERRACE AREA 496 S.F.
 TOTAL 2,786 S.F.

(PH-4)
PENTHOUSE 4
 3 BEDROOM, 3 BATH,
 MORNING ROOM
 ENCLOSED AREA 2,282 S.F.
 TERRACE AREA 361 S.F.
 TOTAL 2,643 S.F.

(PH-5)
PENTHOUSE 5
 3 BEDROOM, 3 BATH,
 MORNING ROOM
 ENCLOSED AREA 2,282 S.F.
 TERRACE AREA 361 S.F.
 TOTAL 2,643 S.F.

(PH-8)
PENTHOUSE 8
 3 BEDROOM, 4 BATH,
 DEN/BEDROOM 4
 ENCLOSED AREA 2,290 S.F.
 TERRACE AREA 496 S.F.
 TOTAL 2,786 S.F.

NOTE: BALCONIES/TERRACES ARE LIMITED COMMON ELEMENT.

— UNIT BOUNDARY

(Floor/Level 15)

ANNEXED TO AND EXPRESSLY MADE A PART
 OF THE DECLARATION OF CONDOMINIUM

CHOCTAW ENGINEERING, INC. LB #1533
 112 TRUXTON AVENUE TELEPHONE: 850-863-6611
 FORT WALTON BEACH, FL 32547 FAX: 850-868-8059
 E-MAIL: ChoctawEng@aol.com
 CIVIL ENG. SURVEYING ENVIRONMENTAL

PLANS FROM: ROBERT M. SWEDROE ARCHITECTS/PLANNERS
 1111 Lincoln Road, Suite 300 Ft. Beach, FL 32139
 Phone: (305) 673-...

ST. MAARTEN AT SILVER SHELLS,
a condominium
 CONDOMINIUM PLAT BOOK PAGE
 SHEET 11 OF 17 SHEETS

PLOTTED 12 MAY 1998

Exhibit "C"
to
DECLARATION OF CONDOMINIUM
FOR
ST. MAARTEN AT SILVER SHELLS, A CONDOMINIUM

**Each Unit Undivided Share of Common Elements, Common Surplus,
and Common Expenses in St. Maarten at Silver Shells, a Condominium:**

Unit Numbers	Unit Type	% Share	No. of Units	% Total Type
302, 402, 502, 602, 702, 802, 902, 1002, 1102, 1202, and 1402	A Unit	.89%	44	39.16%
303, 403, 503, 603, 703, 803, 903, 1003, 1103, 1203, and 1403				
306, 406, 506, 606, 706, 806, 906, 1006, 1106, 1206, and 1406				
307, 407, 507, 607, 707, 807, 907, 1007, 1107, 1207, and 1407				
304, 404, 504, 604, 704, 804, 904, 1004, 1104, 1204, and 1404	B Unit	1.05%	22	23.10%
305, 405, 505, 605, 705, 805, 905, 1005, 1105, 1205, and 1405				
301, 401, 501, 601, 701, 801, 901, 1001, 1101, 1201, and 1401	C Unit	1.05%	22	23.10%
308, 408, 508, 608, 708, 808, 908, 1008, 1108, 1208, and 1408				
PH-1, PH-8	PH-1&8	1.20%	2	2.40%
PH-2, PH-7	PH-2&7	1.48%	2	2.96%
PH-4, PH-5	PH-4&5	1.19%	2	2.38%
202, 203, 206 and 207	Lanai A	0.81%	4	3.24%
201 and 208	Lanai C	0.95%	2	1.90%
204 and 205	Lanai	0.28%	2	.56%
C-1, C-2, C-3, C-4, C-5, C-6, C-7, C-8, C-9, C-10, C-11, and C-12	Cabana	0.10%	12	1.20%

TOTAL 114 100%

91.50

**** OFFICIAL RECORDS ****
BK 2225 PG 4928

FILE # 1729162 RCD: Oct 01 1999 @ 10:12AM
Newman C. Brackin, Clerk, Okaloosa Cnty Fl

This instrument prepared by and
after recording return to:

Leo J. Salvatori, Esq.
Quarles & Brady LLP
4501 Tamiami Trail North
Suite 300
Naples, Florida 34103

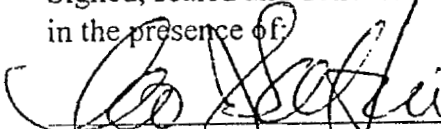
**AMENDMENT TO DECLARATION OF CONDOMINIUM FOR
ST. MAARTEN AT SILVER SHELLS**

ADDING SURVEYOR'S CERTIFICATE OF SUBSTANTIAL COMPLETION

SILVER SHELLS CORPORATION, a Florida corporation, pursuant to authority reserved in the Declaration of Condominium of ST. MAARTEN AT SILVER SHELLS, which Declaration is recorded at Official Records Book 2218, Pages 3241 through 3312, inclusive, of the Public Records of Okaloosa County, Florida, and pursuant to authority set forth in Chapter 718, Florida Statutes, does hereby amend the above referenced Declaration of Condominium to add as an Exhibit to such Declaration of Condominium, the Surveyor's Certificate of Substantial Completion for St. Maarten at Silver Shells, which is attached hereto and incorporated herein by reference.

Executed this 20th day of September, 1999.

Signed, sealed and delivered
in the presence of:



Witness #1 (print name below)

Leo J. Salvatori


Witness #2 (print name below)

Nancy C. Jarvi

Witness #2 (print name below)

NANCY C. JARVI

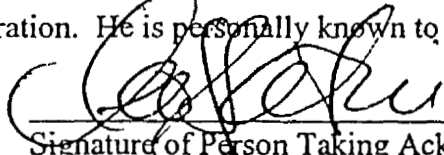
(Corporate Seal)
SILVER SHELLS CORPORATION, a
Florida corporation

By: 
THOMAS R. BECNEL, as
President

STATE OF FLORIDA
COUNTY OF ~~OKALOOSA~~ Collier

The foregoing instrument was acknowledged before me this 28th day of September, 1999, by **THOMAS R. BECNEL**, as President of **SILVER SHELLS CORPORATION**, a Florida corporation, on behalf of the corporation. He is personally known to me.

(Affix Seal)



Signature of Person Taking Acknowledgment
Leo J. Salvatori

Name of Acknowledger Typed, Printed or Stamped

Title or Rank, if other than Notary
CC-590984

Serial Number, if any

My commission expires:



**CERTIFICATE OF SUBSTANTIAL COMPLETION
FOR
ST. MAARTEN AT SILVER SHELLS, A CONDOMINIUM**

I, **JON A. PROHASKA**, of Fort Walton Beach, Okaloosa County, Florida, do hereby certify as follows:


1. That I am a professional land surveyor, employed by Choctaw Engineering, Inc., and authorized to practice in the State of Florida the State of Florida.
2. That this Certificate is made as to **ST. MAARTENAT SILVER SHELLS, A CONDOMINIUM**, according to the Declaration of Condominium thereof recorded in Official Records Book 2218, Pages 3241-3312, inclusive, as amended, of the Public Records of Okaloosa County, Florida.
3. That the construction of improvements of said condominium is substantially complete.
4. Attached hereto as Exhibit A is a survey/plot plan of said building. That the Exhibit attached hereto, together with the provisions of the Declaration describing the condominium property, is an accurate representation of the location and dimensions of the improvements described herein so that the identification, location and dimensions of the common elements and of said condominium, and the units therein, can be determined from these materials.



JON A. PROHASKA

STATE OF FLORIDA
COUNTY OF OKALOOSA

The foregoing instrument was acknowledged before me this 27 day of SEPTEMBER 1999, by **JON A. PROHASKA**, who is personally known to me.


Signature of Notary SEAL
BECKY E. BELCHER
Name of Notary Printed



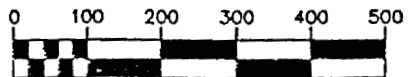
BECKY E. BELCHER
COMMISSION # CC 631021
EXPIRES APR 27, 2001
BONDED THRU
ATLANTIC BONDING CO., INC.

ST. MAARTEN AT SILVER SHELLS, a condominium

A PORTION OF SILVER SHELL BEACH RESORT (a Planned Unit Development
 Plat Book 18, Pages 57 & 58), IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST,
 CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

DESCRIPTION
 NORTH

GRAPHIC SCALE



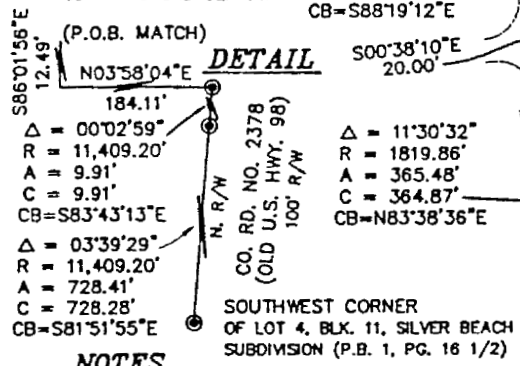
(IN FEET)

LEGEND

- R/W = RIGHT-OF-WAY
- C = CENTERLINE
- P = PROPERTY LINE
- P.O.C. = POINT-OF-COMMENCEMENT
- P.O.B. = POINT-OF-BEGINNING
- Δ = DELTA ANGLE
- R = RADIUS
- A = ARC
- C = CHORD
- CB = CHORD BEARING

- Δ = 04°33'57"
- R = 1799.86'
- A = 143.42'
- C = 143.39'
- CB = S88°19'12"E

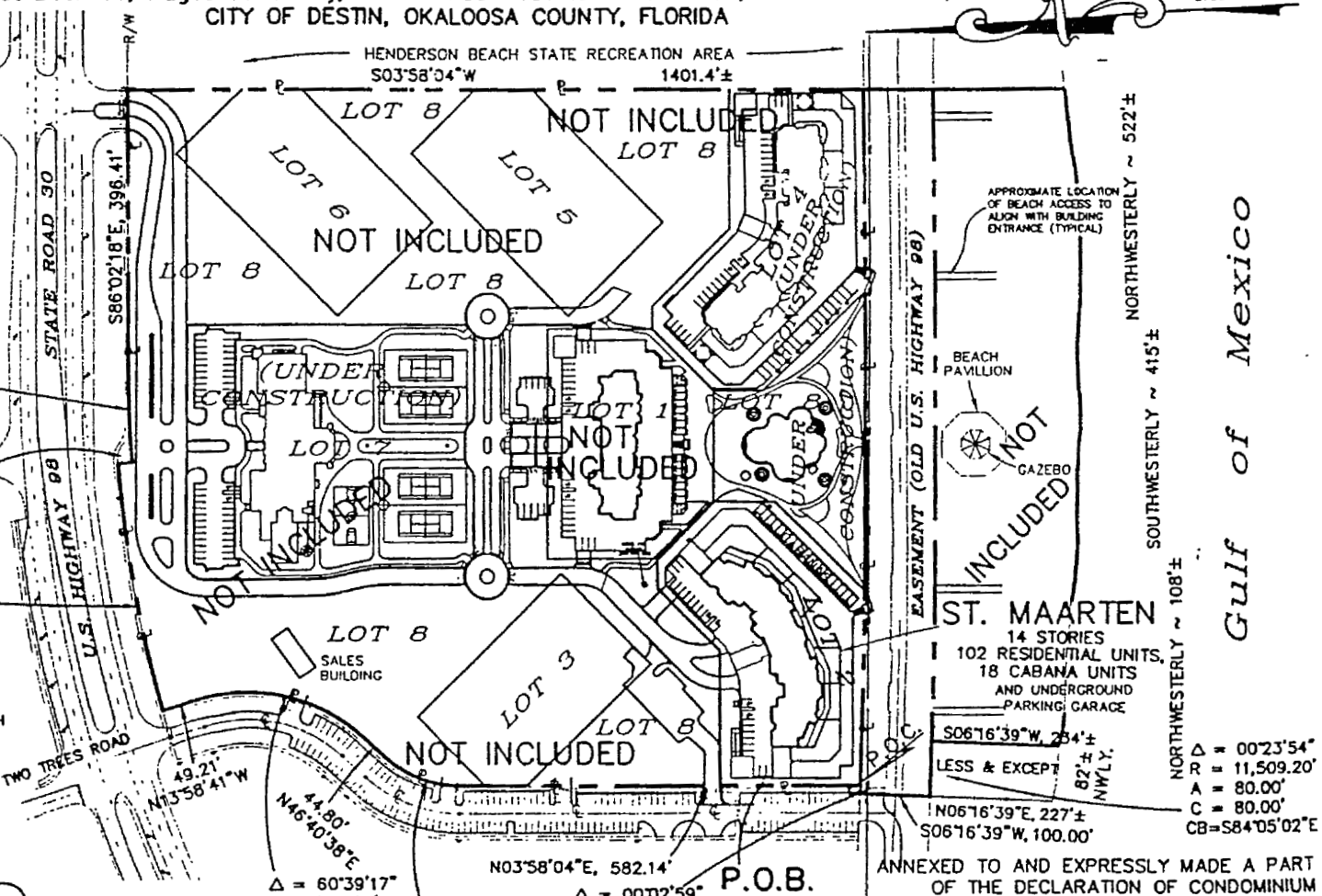
DETAIL



NOTES

- 1) BALCONIES/TERRACES AND ASSIGNED PARKING SPACES ARE LIMITED COMMON ELEMENTS.
- 2) THE CONSTRUCTION OF THE CONDOMINIUM BUILDINGS SHOWN HEREON IS NOT SUBSTANTIALLY COMPLETE.

CHOCTAW ENGINEERING, INC. LB #1552
 112 TRUXTON AVENUE TELEPHONE: 850-862-6611
 FORT WALTON BEACH, FL 32547 FAX: 850-868-8059
 E-MAIL: ce1@choctaweng.com
 CIVIL ENGINEERING SURVEYING ENVIRONMENTAL



- Δ = 60°39'17"
- R = 240.00'
- A = 254.07'
- C = 242.37'
- CB = N16°20'59"E
- Δ = 42°42'34"
- R = 160.00'
- A = 119.27'
- C = 116.53'
- CB = N25°19'21"E
- Δ = 00°02'59"
- R = 11,409.20'
- A = 9.91'
- C = 9.91'
- CB = S83°43'13"E

ST. MAARTEN AT SILVER SHELLS, a condominium
 CONDOMINIUM PLAT BOOK _____ PAGE _____
 SHEET 1 OF 17 SHEETS

** OFFICIAL RECORDS **
 BK 2225 PG 4931

17 SEPTEMBER 1999 [FILE: MAARTIASB]

Gulf of Mexico

NORTHWESTERLY ~ 522'±
 SOUTHWESTERLY ~ 415'±
 NORTHWESTERLY ~ 108'±

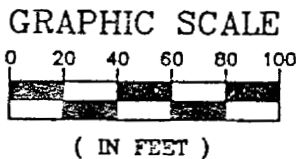
ST. MAARTEN
 14 STORIES
 102 RESIDENTIAL UNITS,
 18 CABANA UNITS
 AND UNDERGROUND
 PARKING GARAGE

- Δ = 00°23'54"
- R = 11,509.20'
- A = 80.00'
- C = 80.00'
- CB = S84°05'02"E

ST. MAARTEN AT SILVER SHELLS, a condominium

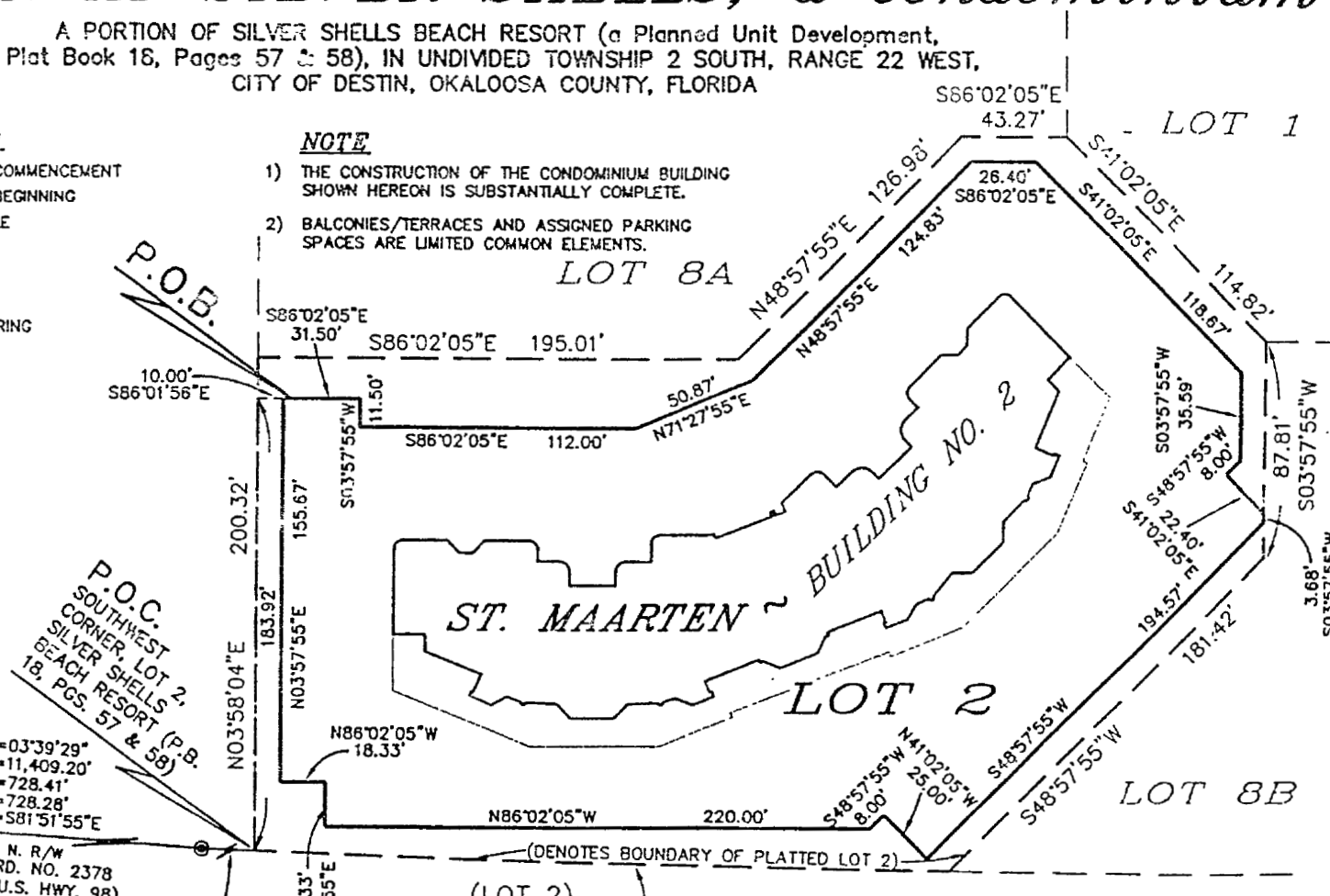
A PORTION OF SILVER SHELLS BEACH RESORT (a Planned Unit Development, Plat Book 18, Pages 57 & 58), IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

OFFICIAL RECORDS
BK 2225 PG 4932



- LEGEND**
- P.O.C. = POINT-OF-COMMENCEMENT
 - P.O.B. = POINT-OF-BEGINNING
 - Δ = DELTA ANGLE
 - R = RADIUS
 - A = ARC
 - C = CHORD
 - CB = CHORD BEARING

- NOTE**
- 1) THE CONSTRUCTION OF THE CONDOMINIUM BUILDING SHOWN HEREON IS SUBSTANTIALLY COMPLETE.
 - 2) BALCONIES/TERRACES AND ASSIGNED PARKING SPACES ARE LIMITED COMMON ELEMENTS.



SOUTHWEST CORNER OF LOT 4, BLOCK 11, SILVER BEACH SUBDIVISION (PLAT BOOK 1, PAGE 18 1/2)

Δ = 03°39'29"
R = 11,409.20'
A = 728.41'
C = 728.28'
CB = S81°51'55"E

N. R/W
CO. RD. NO. 2378
(OLD U.S. HWY. 98)
100' R/W

Δ = 00°02'59"
R = 11,409.20'
A = 9.91'
C = 9.91'
CB = S83°43'13"E

(LOT 2)
Δ = 01°24'42"
R = 11,409.20'
A = 281.09'
C = 281.07'
CB = N84°34'19"W

(DENOTES BOUNDARY OF PLATTED LOT 2)

ANNEXED TO AND EXPRESSLY MADE A PART OF THE DECLARATION OF CONDOMINIUM

ST. MAARTEN AT SILVER SHELLS, a condominium
CONDOMINIUM PLAT BOOK _____ PAGE _____
SHEET 2 OF 17 SHEETS

CHOCTAW ENGINEERING, INC. LB #1632
112 TRUXTON AVENUE TELEPHONE: 850-862-6411
FORT WALTON BEACH, FL 32547 FAX: 850-863-8059
E-MAIL: ce@choctaweng.com
CIVIL ENGINEERING SURVEYING ENVIRONMENTAL

17 SEPTEMBER 1999 [FILE: MAART2ASB]

PAGi: 3

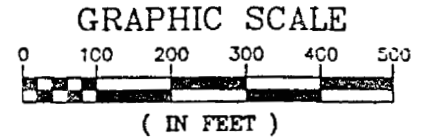
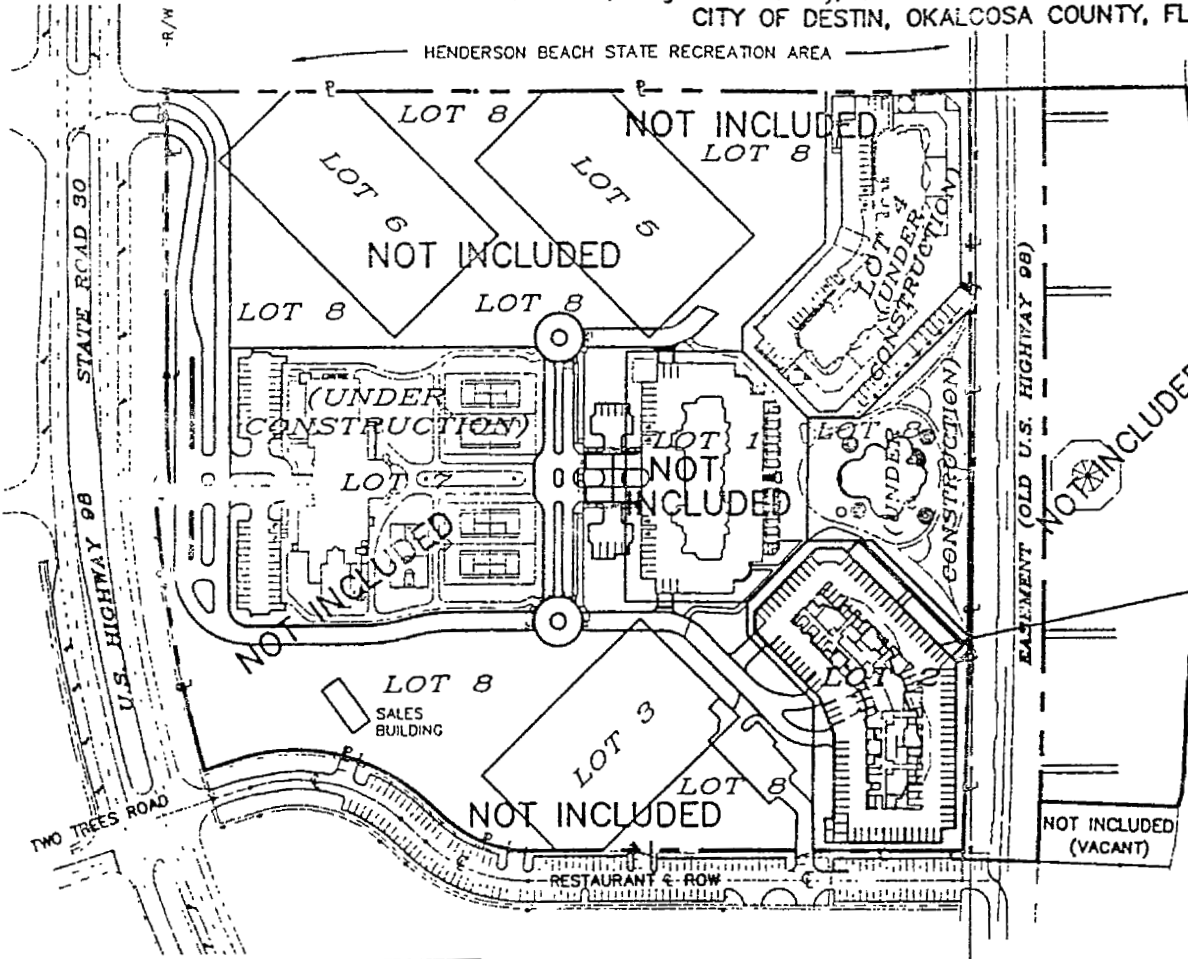
IS INTENTIONALLY OMITTED.

ST. MAARTEN AT SILVER SHELLS, a condominium

A PORTION OF SILVER SHELLS BEACH RESORT (a Planned Unit Development
 Plot Book 18, Pages 57 & 58), IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST,
 CITY OF DESTIN, OKALCOA COUNTY, FLORIDA

** OFFICIAL RECORDS **
 BK 2225 PG 4934

17 SEPTEMBER 1999 [FILE: MAART4ASB]



Gulf of Mexico

PARKING PLAN
 UNDERGROUND GARAGE
 PARKING SPACES,
 ST. MAARTEN = 131

NOTE: ASSIGNED PARKING SPACES ARE LIMITED COMMON ELEMENTS.

ANNEXED TO AND EXPRESSLY MADE A PART OF THE DECLARATION OF CONDOMINIUM

ST. MAARTEN AT SILVER SHELLS, a condominium
 CONDOMINIUM PLAT BOOK _____ PAGE _____
 SHEET 4 OF 17 SHEETS

CHOCTAW ENGINEERING, INC. LB #1682
 112 TRUXTON AVENUE TELEPHONE: 850-862-6611
 FORT WALTON BEACH, FL 32647 FAX 850-863-9069
 E-MAIL: cet@choctaweng.com
 CIVIL ENGINEERING SURVEYING ENVIRONMENTAL

PLANS FROM: ROBERT M. SWEDROE, ARCHITECTS/PLANNERS
 1111 Lincoln Road, Suite 300 Miami Beach, FL 33139
 Phone: (305) 673-6002

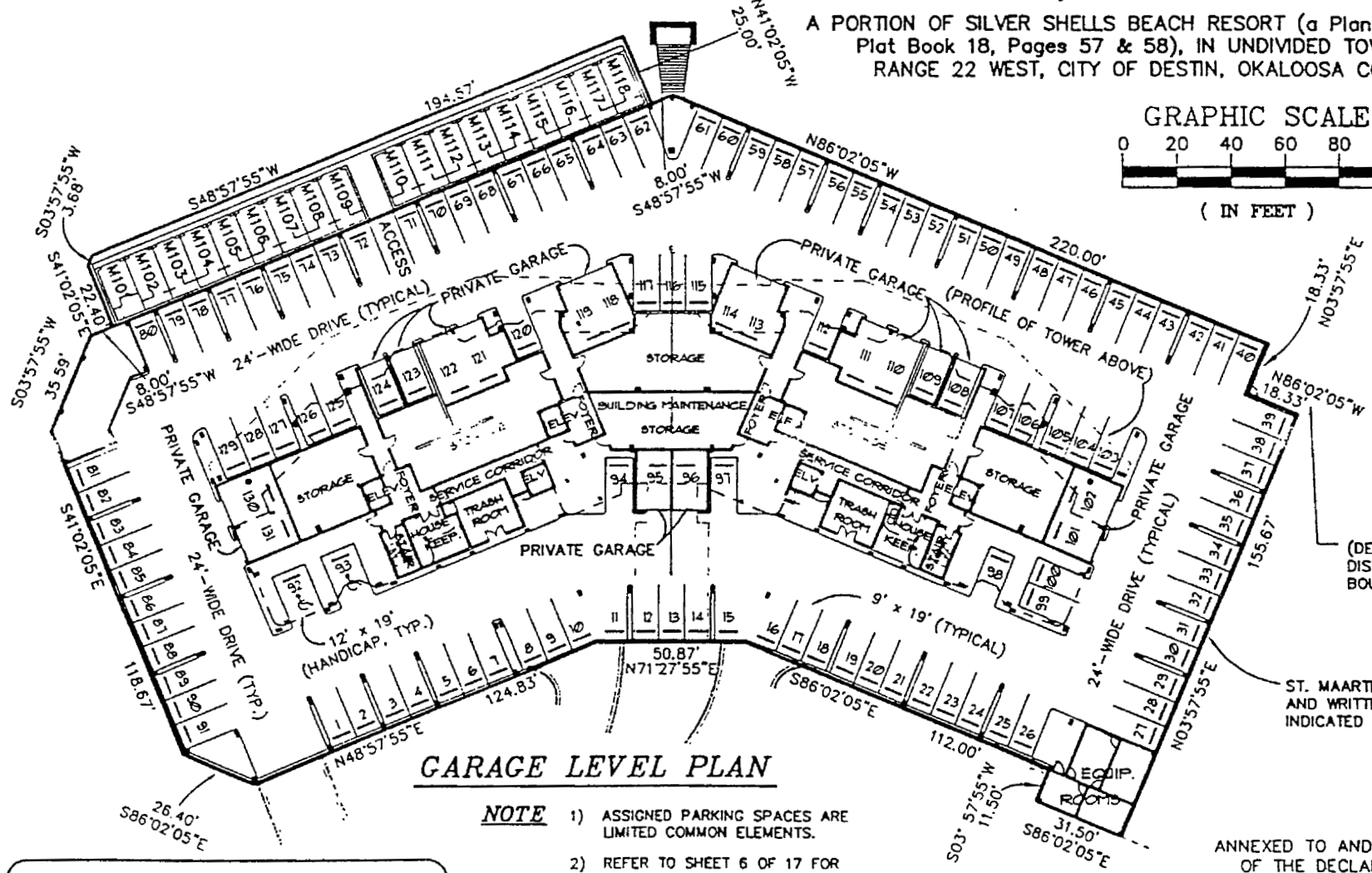
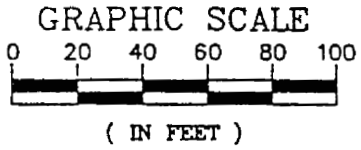
97-234-B

ST. MAARTEN AT SILVER SHELLS, a condominium

A PORTION OF SILVER SHELLS BEACH RESORT (a Planned Unit Development, Plat Book 18, Pages 57 & 58), IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

OFFICIAL RECORDS
BK 2225 PG 4935

29 SEPTEMBER 1999: ADD PRIVATE GARAGES 123 & 124
17 SEPTEMBER 1999 [FILE: MAARTSASB]



GARAGE LEVEL PLAN

- NOTE**
- 1) ASSIGNED PARKING SPACES ARE LIMITED COMMON ELEMENTS.
 - 2) REFER TO SHEET 6 OF 17 FOR CABANA UNIT PLANS (UNITS ARE DESIGNATED M101 THROUGH M118).

ANNEXED TO AND EXPRESSLY MADE A PART OF THE DECLARATION OF CONDOMINIUM

CHOCTAW ENGINEERING, INC. LB #1532
 113 TRUXTON AVENUE TELEPHONE: 850-543-6611
 PORT WALTON BEACH, FL 32547 FAX: 850-868-8069
 E-MAIL: ce1@choctaweng.com
 CIVIL ENGINEERING SURVEYING ENVIRONMENTAL

PLANS FROM ROBERT M. SWEDROE, ARCHITECTS/PLANNERS
 1111 Lincoln Road, Suite 300 Miami Beach, FL 33139
 Phone: (305) 673-6002

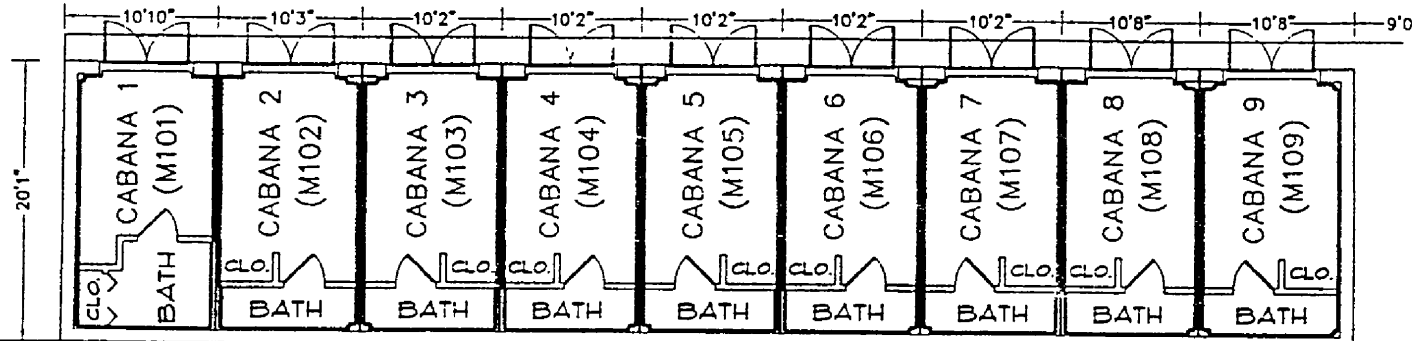
ST. MAARTEN AT SILVER SHELLS, a condominium
 CONDOMINIUM PLAT BOOK _____ PAGE _____
 SHEET 6 OF 17 SHEETS

ST. MAARTEN AT SILVER SHELLS, a condominium

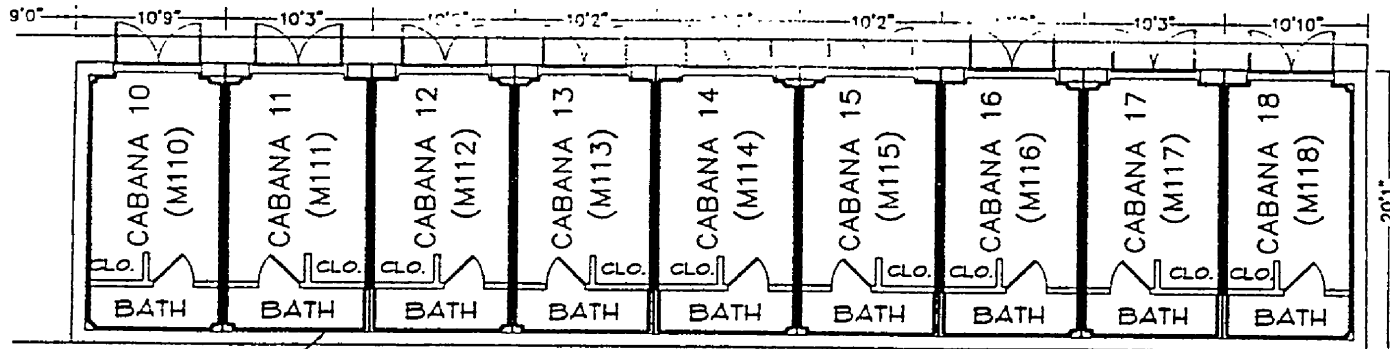
A PORTION OF SILVER SHELLS BEACH RESORT (a Planned Unit Development,
Plat Book 18, Pages 57 & 58), IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST,
CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

(MACHINE ROOM ROOF ELEV. +159'10")

(ROOF LEVEL)	F.F.E. +146'4"
(PENTHOUSE LEVEL)	(UNITS PH-1, PH-2, PH-4 PH-5, PH-7 & PH-8 F.F.E. +135'8"
LEVEL 15	(UNITS 1401 - 1408; F.F.E. +126'4"
(LEVEL 13 OMITTED)	(UNITS 1201 - 1208; F.F.E. +117'0"
LEVEL 12	(UNITS 1101 - 1108) F.F.E. +107'8"
LEVEL 11	(UNITS 1001 - 1008) F.F.E. +98'4"
LEVEL 10	(UNITS 901 - 908) F.F.E. +89'0"
LEVEL 9	(UNITS 801 - 808) F.F.E. +79'8"
LEVEL 8	(UNITS 701 - 708) F.F.E. +70'4"
LEVEL 7	(UNITS 601 - 608) F.F.E. +61'0"
LEVEL 6	(UNITS 501 - 508) F.F.E. +51'8"
LEVEL 5	(UNITS 401 - 408) F.F.E. +42'4"
LEVEL 4	(UNITS 301 - 308) F.F.E. +33'0"
LEVEL 3 (FIRST TYPICAL LEVEL)	(UNITS 201 - 208) F.F.E. +20'8"
LEVEL 2 (LOBBY/LANAI)	F.F.E. +10'0"



(GARAGE)



(GARAGE)

(DENOTES UNIT BOUNDARY)

CABANA UNIT PLAN, GARAGE LEVEL

(GARAGE LEVEL ~ LEVEL 1)

(200 SQ. FT. UNITS DESIGNATED AS M101 THROUGH M118)

ELEVATIONS

F.F.E. = FINISHED FLOOR ELEVATION LEVEL 1 (GARAGE)

ANNEXED TO AND EXPRESSLY MADE A PART
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ST. MAARTEN AT SILVER SHELLS, a condominium

CONDOMINIUM PLAT BOOK _____ PAGE _____
SHEET 6 OF 17 SHEETS

CHOCTAW ENGINEERING, INC. LB #1632
112 TRUXTON AVENUE TELEPHONE: 850-862-8611
FORT WALTON BEACH, FL 32547 FAX: 850-868-8059
E-MAIL: ce1@choctaweng.com
CIVIL ENGINEERING SURVEYING ENVIRONMENTAL

PLANS FROM ROBERT W SWEDROS, ARCHITECTS/PLANNERS
1111 Lincoln Road, Suite 300 Miami Beach, FL 33139
Phone: (305) 673-6002

97-234-B

** OFFICIAL RECORDS **
BK 2225 PG 4936

[FILE: MAART5ASB]

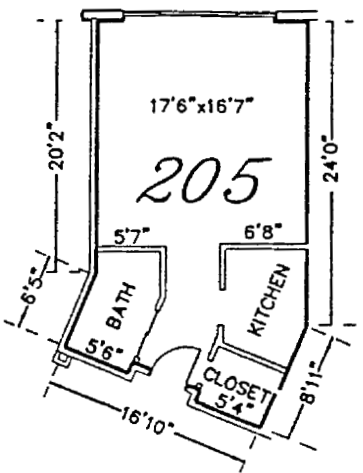
17 SEPTEMBER 1999

ST. MAARTEN AT SILVER SHELLS, a condominium

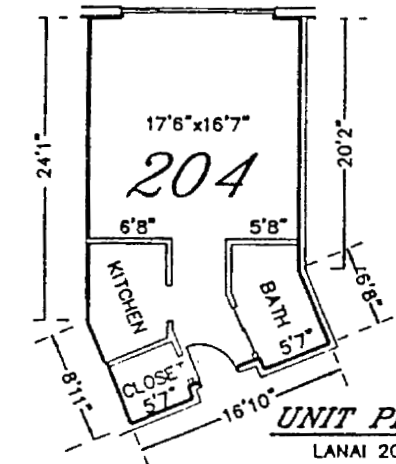
A PORTION OF SILVER SHELL BEACH RESORT (a Planned Unit Development, Plat Book 18, Pages 57 & 58),
IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

OFFICIAL RECORDS ##
BK 2225 PG 4937

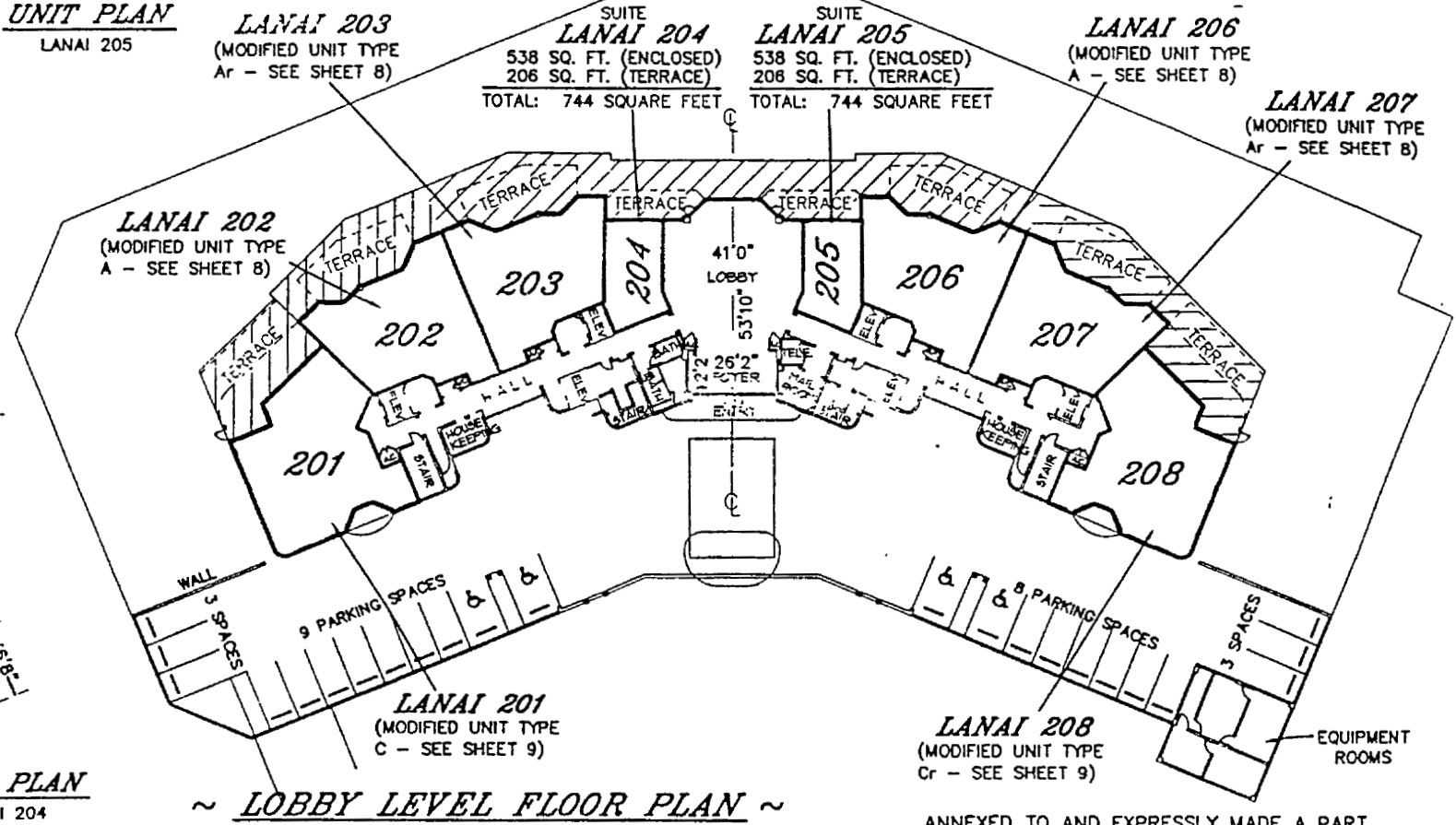
17 SEPTEMBER 1999 [FILE: MAART7ASB]



UNIT PLAN
LANAI 205



UNIT PLAN
LANAI 204



~ **LOBBY LEVEL FLOOR PLAN** ~

LEGEND
 = UNIT BOUNDARY
 = LIMITED COMMON ELEMENT

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 1111 Lincoln Road, Suite 300 Miami Beach, FL 33139
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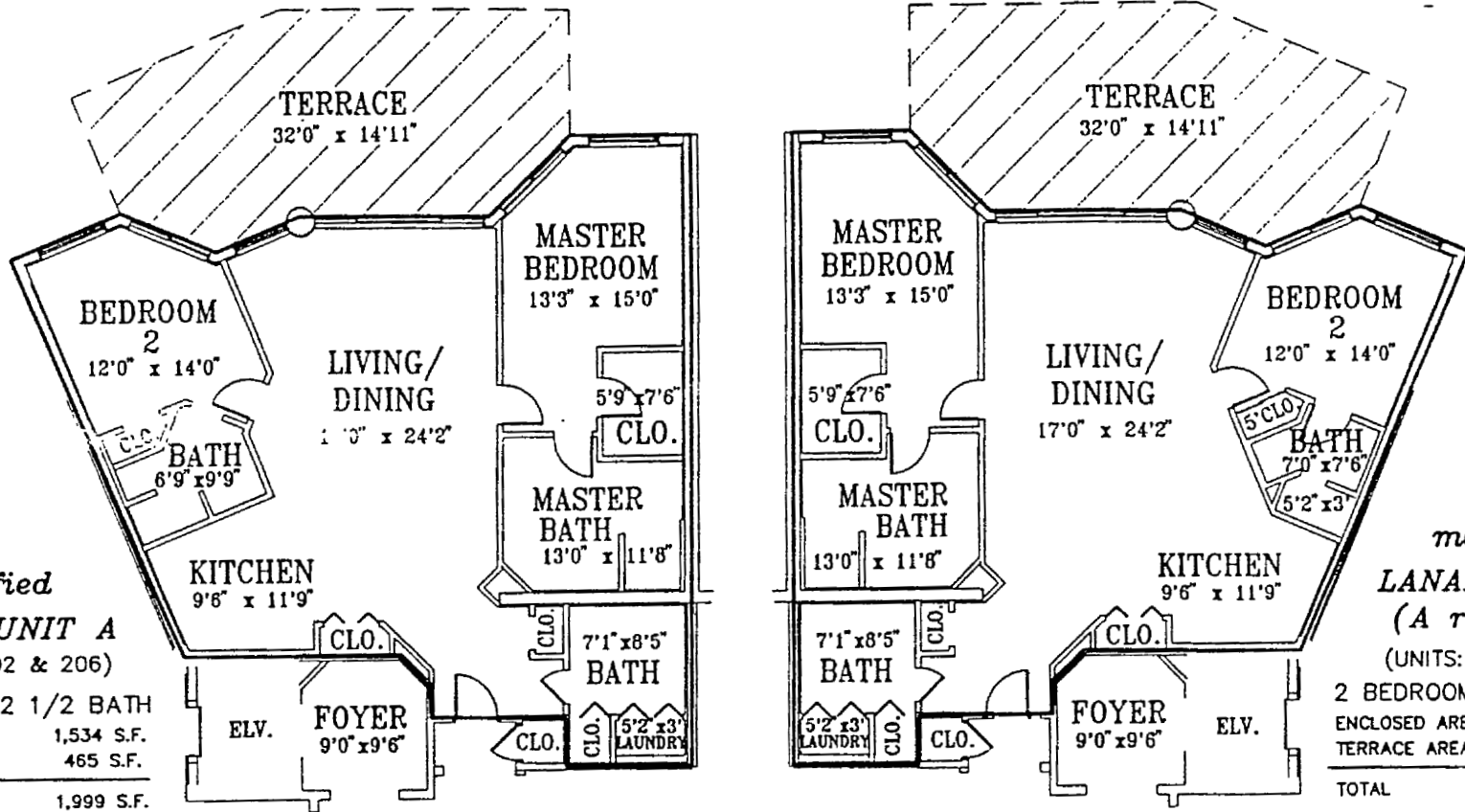
ST. MAARTEN AT SILVER SHELLS,
a condominium
 CONDOMINIUM PLAT BOOK _____ PAGE _____
 SHEET 7 OF 17 SHEETS

CHOCTAW ENGINEERING, INC. LB #1533
 112 TRUXTON AVENUE TELEPHONE: 850-862-6611
 FORT WALTON BEACH, FL 32547 FAX: 850-863-8059
 E-MAIL: cei@choctaweng.com
 CIVIL ENGINEERING SURVEYING ENVIRONMENTAL

ST. MAARTEN AT SILVER SHELLS, a condominium

A PORTION OF SILVER SHELLS BEACH RESORT (a Planned Unit Development
Plat Book 18, Pages 57 & 58) IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST,
CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

** OFFICIAL RECORDS **
BK 2225 PG 4938



modified
LANAI UNIT A
(UNITS: 202 & 206)

2 BEDROOM, 2 1/2 BATH
ENCLOSED AREA 1,534 S.F.
TERRACE AREA 465 S.F.

TOTAL 1,999 S.F.

modified
LANAI UNIT Ar
(A reversed)

(UNITS: 203 & 207)
2 BEDROOM, 2 1/2 BATH
ENCLOSED AREA 1,534 S.F.
TERRACE AREA 465 S.F.

TOTAL 1,999 S.F.

LOBBY/LANAI (LEVEL 2)

NOTE: TERRACES ARE LIMITED COMMON ELEMENTS.

ANNEXED TO AND EXPRESSLY MADE A PART
OF THE DECLARATION OF CONDOMINIUM

CHOCTAW ENGINEERING, INC. LB #1582
112 TRUSTON AVENUE TELEPHONE: 850-862-6611
FORT WALTON BEACH, FL 32547 FAX: 850-868-8059
E-MAIL: cel@choctaweng.com
CIVIL ENGINEERING SURVEYING ENVIRONMENTAL

PLANS FROM: ROBERT M. SWEDROE, ARCHITECTS/PLANNERS
1111 Lincoln Road, Suite 300 Miami Beach, FL 33159
Phone: (305) 673-6002

ST. MAARTEN AT SILVER SHELLS,
a condominium
CONDOMINIUM PLAT BOOK _____ PAGE _____
SHEET 8 OF 17 SHEETS

97-234-B

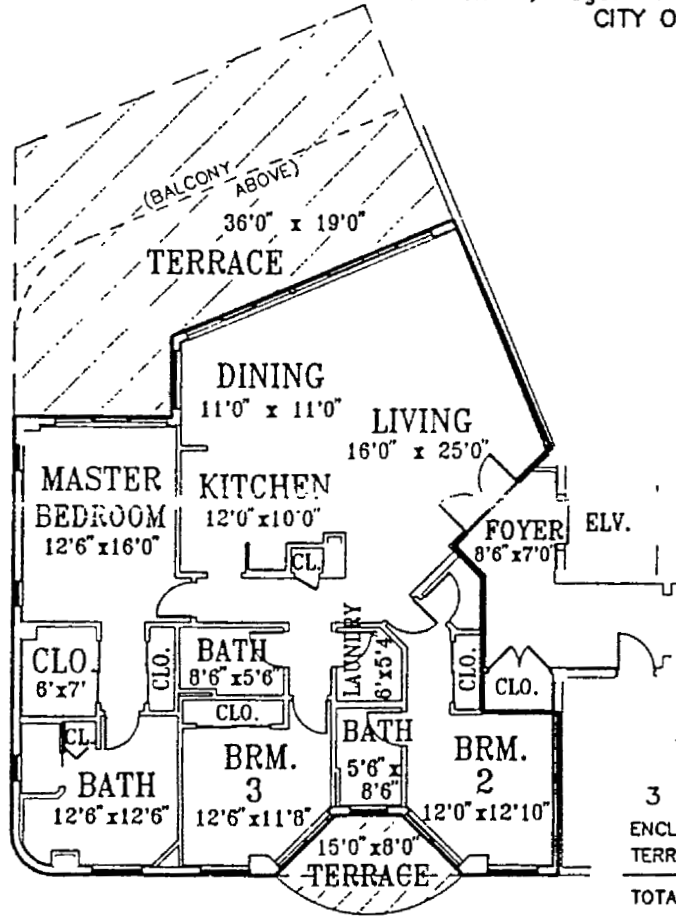
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17 SEPTEMBER 1999

ST. MAARTEN AT SILVER SHELLS, a condominium

A PORTION OF SILVER SHELLS BEACH RESORT (a Planned Unit Development, Plat Book 18, Pages 57 & 58), IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

17 SEPTEMBER 1999 [FILE: MAART7ASB]
 ** OFFICIAL RECORDS **
 BK 2225 PG 4939

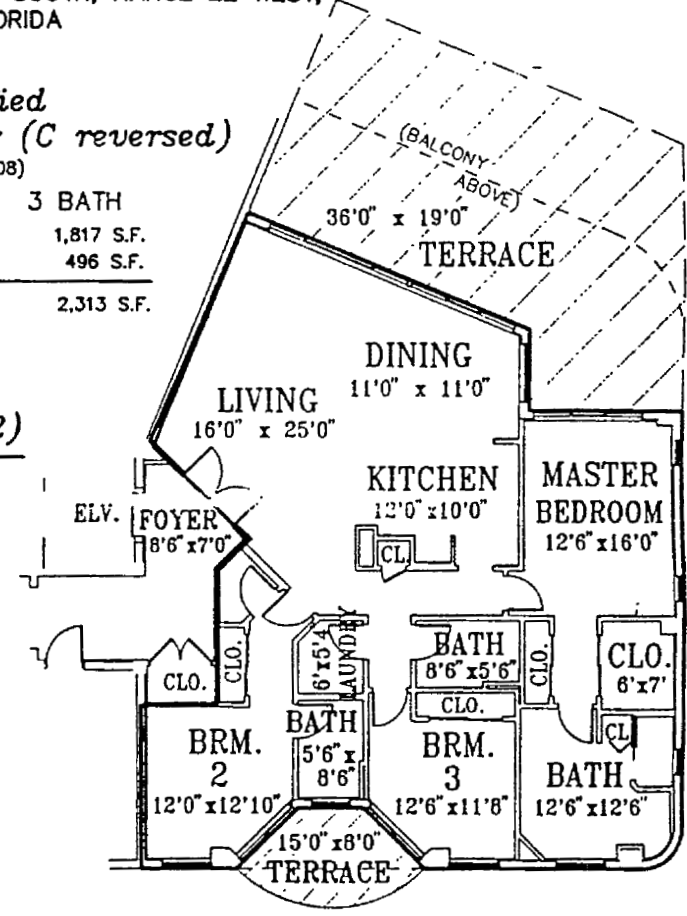


modified LANAI UNIT Cr (C reversed)

(UNIT: 208)

3 BEDROOM	3 BATH
ENCLOSED AREA	1,817 S.F.
TERRACE AREA	496 S.F.
TOTAL	2,313 S.F.

LOBBY/LANAI (LEVEL 2)



modified LANAI UNIT C

(UNIT: 201)

3 BEDROOM	3 BATH
ENCLOSED AREA	1,817 S.F.
TERRACE AREA	496 S.F.
TOTAL	2,313 S.F.

NOTE: TERRACES ARE LIMITED COMMON ELEMENTS.

PLANS FROM: ROBERT M. SWEDROE, ARCHITECTS/PLANNERS
 1111 Lincoln Road, Suite 300 Miami Beach, FL 33139
 Phone: (305) 673-6002

ANNEXED TO AND EXPRESSLY MADE A PART OF THE DECLARATION OF CONDOMINIUM

ST. MAARTEN AT SILVER SHELLS, a condominium

CONDOMINIUM PLAT BOOK _____ PAGE _____
 SHEET 9 OF 17 SHEETS

CHOCTAW ENGINEERING, INC.

112 TRUXTON AVENUE TELEPHONE: 850-862-6611
 FORT WALTON BEACH, FL 32547 FAX: 850-863-8069
 E-MAIL: ce@choctaweng.com
 CIVIL ENGINEERING SURVEYING ENVIRONMENTAL

LB #1583

97-234-B

ST. MAARTEN AT SILVER SHELLS, a condominium

A PORTION OF SILVER SHELLS BEACH RESORT (a Planned Unit Development,
Plat Book 18, Pages 57 & 58), IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST,
CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

OFFICIAL RECORDS
BK 2225 PG 4940

[FILE: MAARTIOASB]

17 SEPTEMBER 1999

UNIT A
2 BEDROOM, 3 BATH, DEN
(UNIT NUMBERS: 302, 402,
502, 602, 702, 802, 902,
1002, 1102, 1202, & 1402)

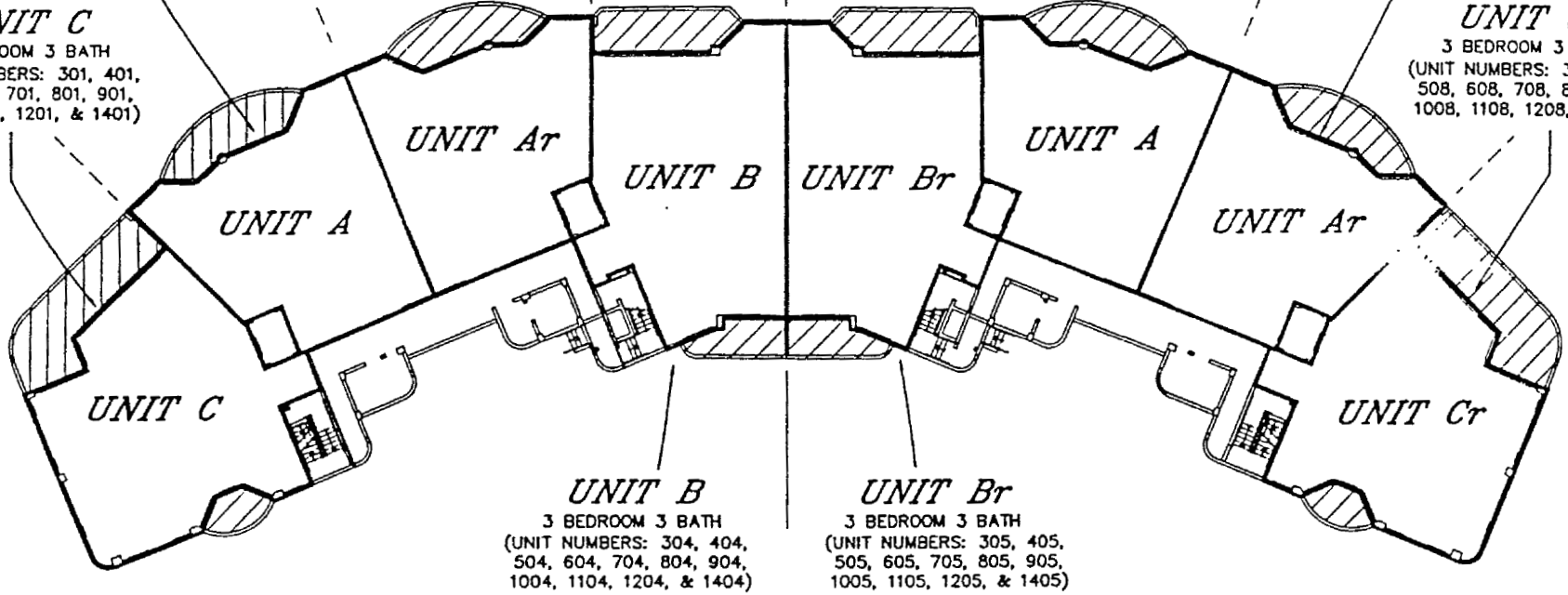
UNIT Ar
2 BEDROOM, 3 BATH, DEN
(UNIT NUMBERS: 303, 403,
503, 603, 703, 803, 903,
1003, 1103, 1203, & 1403)

UNIT A
2 BEDROOM, 3 BATH, DEN
(UNIT NUMBERS: 306, 406,
506, 606, 706, 806, 906,
1006, 1106, 1206, & 1406)

UNIT Ar
2 BEDROOM, 3 BATH, DEN
(UNIT NUMBERS: 307, 407,
507, 607, 707, 807, 907,
1007, 1107, 1207, & 1407)

UNIT C
3 BEDROOM 3 BATH
(UNIT NUMBERS: 301, 401,
501, 601, 701, 801, 901,
1001, 1101, 1201, & 1401)

UNIT Cr
3 BEDROOM 3 BATH
(UNIT NUMBERS: 308, 408,
508, 608, 708, 808, 908,
1008, 1108, 1208, & 1408)



NOTE: REFER TO SHEETS 11, 12 AND 13 OF 17 FOR INDIVIDUAL
UNIT A/Ar, B/Br AND C/Cr ROOM DIMENSIONS.

— = UNIT BOUNDARY
▨ = LIMITED COMMON ELEMENTS

Typical unit lay-out numbering,
floors 3 - 12 & 14
(Floor/Level 13 omitted)

ANNEXED TO AND EXPRESSLY MADE A PART
OF THE DECLARATION OF CONDOMINIUM

CHOCTAW ENGINEERING, INC. LB #1883
112 TRUXTON AVENUE TELEPHONE: 850-862-6611
FORT WALTON BEACH, FL 32547 FAX: 850-863-8069
E-MAIL: ce@choctaweng.com
CIVIL ENGINEERING SURVEYING ENVIRONMENTAL

PLANS FROM ROBERT M. SWEDROE, ARCHITECTS/PLANNERS
1111 Lincoln Road, Suite 300 Miami Beach, FL 33139
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ST. MAARTEN AT SILVER SHELLS,
a condominium
CONDOMINIUM PLAT BOOK _____ PAGE _____
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97-234-B

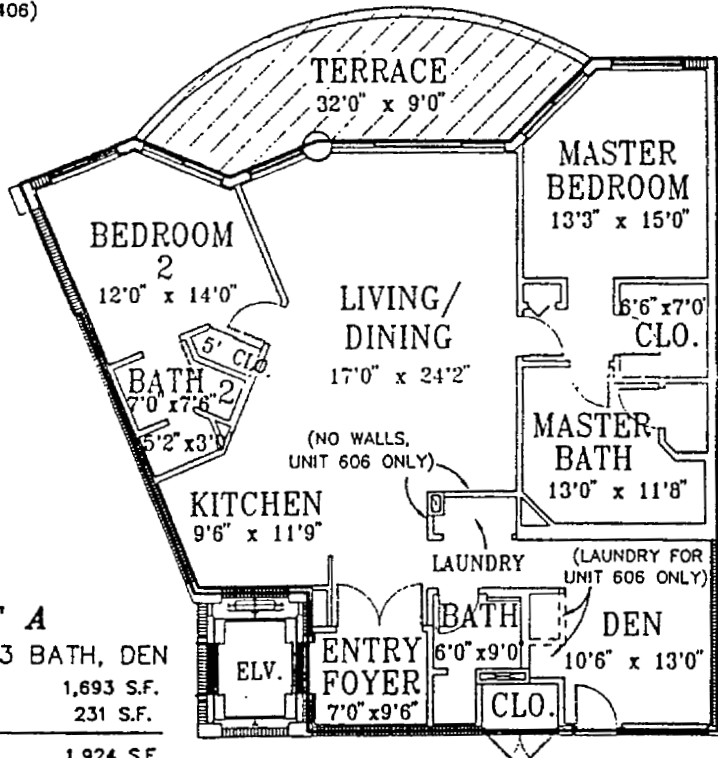
St. MAARTEN AT SILVER SHELLS, a condominium

A PORTION OF SILVER SHELLS BEACH RESORT (a Planned Unit Development,
Plat Book 18, Pages 57 & 58), IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST,
CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

(UNITS: 302, 306, 402, 406,
502, 506, 602, 606, 702, 706, 802, 806,
902, 906, 1002, 1006, 1102, 1106, 1202,
1206, 1402, & 1406)

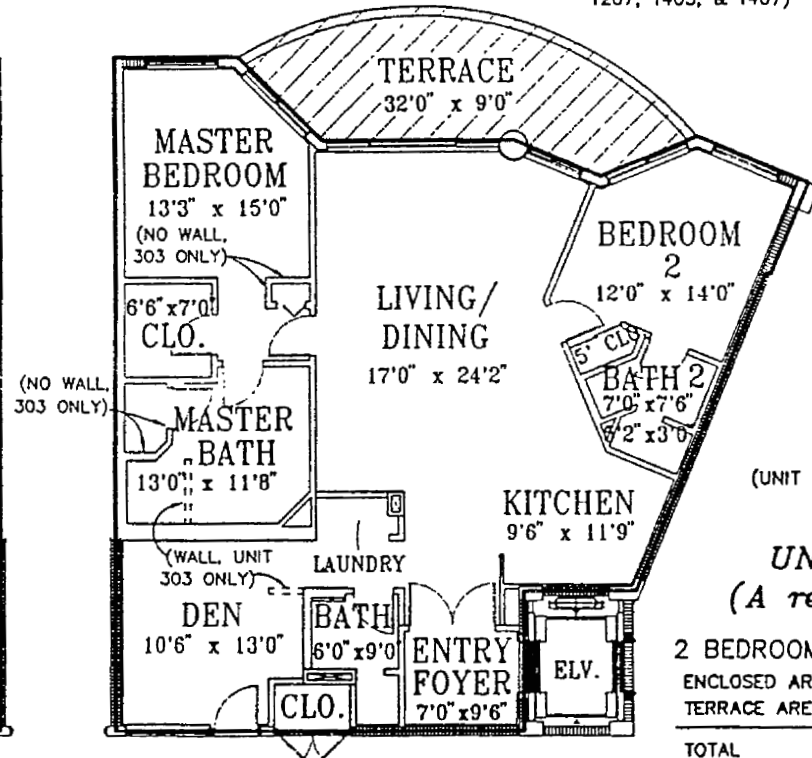
(UNITS: 303, 307, 403, 407,
503, 507, 603, 607, 703, 707, 803, 807,
903, 907, 1003, 1007, 1103, 1107, 1203,
1207, 1403, & 1407)

OFFICIAL RECORDS
BK 2225 PG 4941



UNIT A
2 BEDROOM, 3 BATH, DEN
ENCLOSED AREA 1,693 S.F.
TERRACE AREA 231 S.F.

TOTAL 1,924 S.F.



UNIT Ar
(A reversed)
2 BEDROOM, 3 BATH, DEN
ENCLOSED AREA 1,693 S.F.
TERRACE AREA 231 S.F.

TOTAL 1,924 S.F.

(UNIT 303 BATH VARIATION)

NOTE: BALCONIES/TERRACES ARE LIMITED COMMON ELEMENTS.

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CHOCTAW ENGINEERING, INC. LB #1552
112 TRUXTON AVENUE TELEPHONE: 850-862-6611
FORT WALTON BEACH, FL 32547 FAX: 850-863-8059
E-MAIL: cet@choctaweng.com
CIVIL ENGINEERING SURVEYING ENVIRONMENTAL

PLANS FROM ROBERT M. SWEDROB, ARCHITECTS/PLANNERS
1111 Lincoln Road, Suite 300 Miami Beach, FL 33139
Phone: (305) 673-6002

ST. MAARTEN AT SILVER SHELLS,
a condominium
CONDOMINIUM PLAT BOOK _____ PAGE _____
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97-234-B

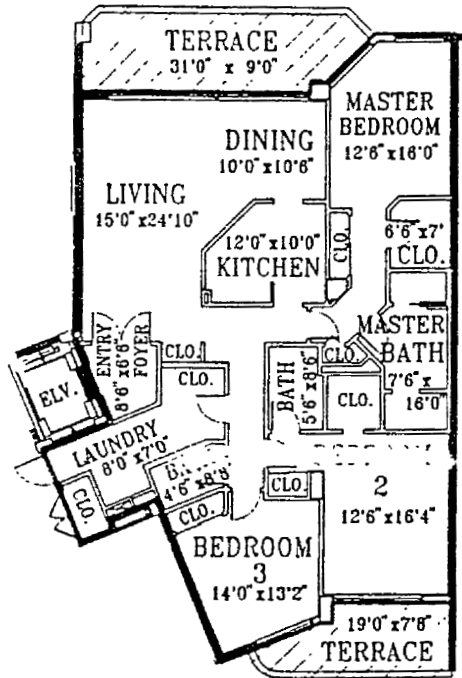
[FILE: MAARTI2ASB]

17 SEPTEMBER 1999

ST. MAARTEN AT SILVER SHELLS, a condominium

A PORTION OF SILVER SHELLS BEACH RESORT (a Planned Unit Development,
Plat Book 18, Pages 57 & 58), IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST,
CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

** OFFICIAL RECORDS **
BK 2225 PG 4942

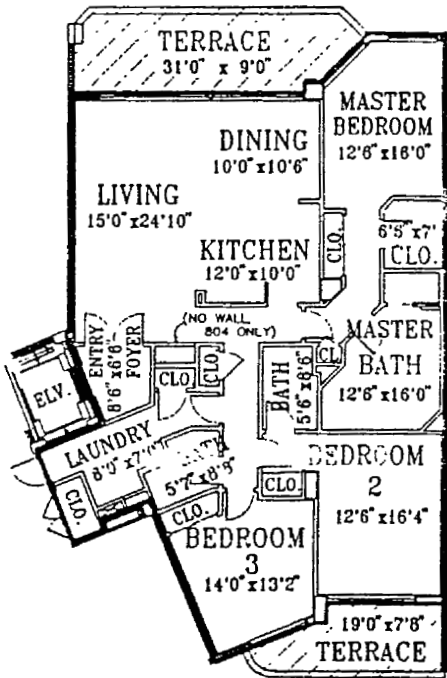


(VARIATION FOR UNIT 704 ONLY)

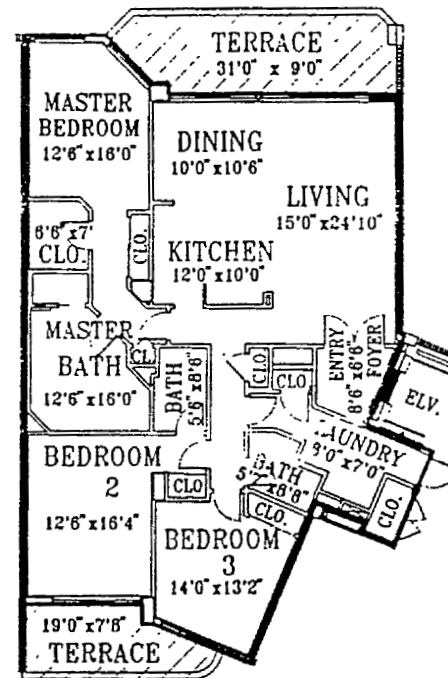
UNIT B

3 BEDROOM 3 BATH
ENCLOSED AREA 2,009 S.F.
TERRACE AREA 361 S.F.

TOTAL 2,370 S.F.



(UNITS: 304, 404, 504,
604, 804, 904, 1004
1104, 1204, & 1404)



(UNITS: 305, 405, 505,
605, 705, 905, 1005,
1105, 1205, & 1405)

UNIT Br

(B reversed)

3 BEDROOM 3 BATH
ENCLOSED AREA 2,009 S.F.
TERRACE AREA 361 S.F.

TOTAL 2,370 S.F.

(VARIATION FOR UNIT 805 ONLY)

NOTE: BALCONIES/TERRACES ARE LIMITED COMMON ELEMENTS.

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CHOCTAW ENGINEERING, INC.

112 TRUSTON AVENUE TELEPHONE: 850-362-8811
FORT WALTON BEACH, FL 32547 FAX: 850-868-8059
E-MAIL: cel@choctaweng.com
CIVIL ENGINEERING SURVEYING ENVIRONMENTAL

LB #1532

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1111 Lincoln Road, Suite 300 Miami Beach, FL 33139
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ST. MAARTEN AT SILVER SHELLS, a condominium

CONDOMINIUM PLAT BOOK _____ PAGE _____
SHEET 12 OF 17 SHEETS

97-234-B

17 SEPTEMBER 1999 [FILE: MAART12ASB]

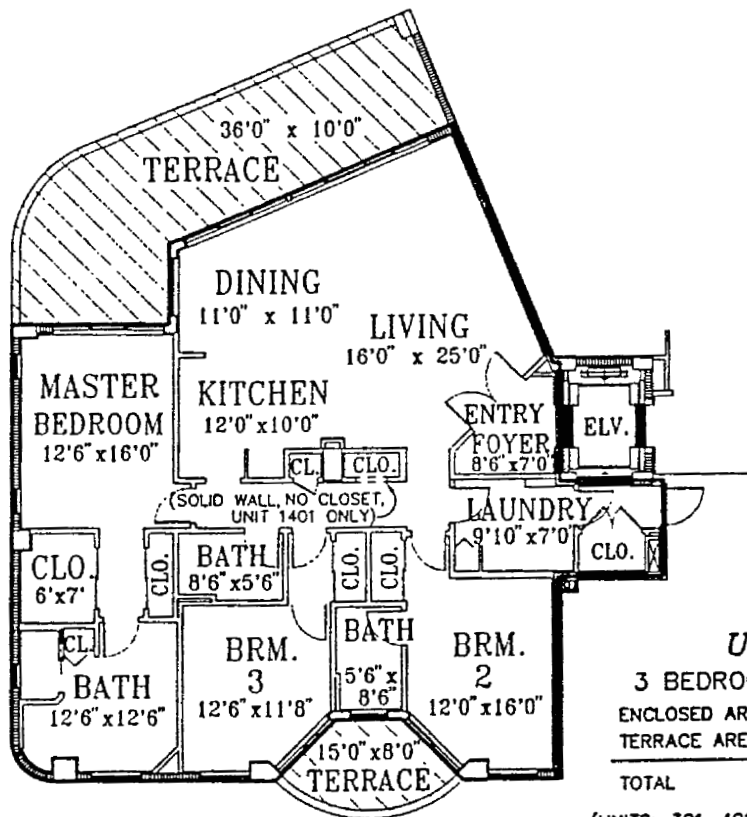
ST. MAARTEN AT SILVER SHELLS, a condominium

A PORTION OF SILVER SHELLS BEACH RESORT (a Planned Unit Development, Plat Book 18, Pages 57 & 58), IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

OFFICIAL RECORDS
BK 2225 PG 4943

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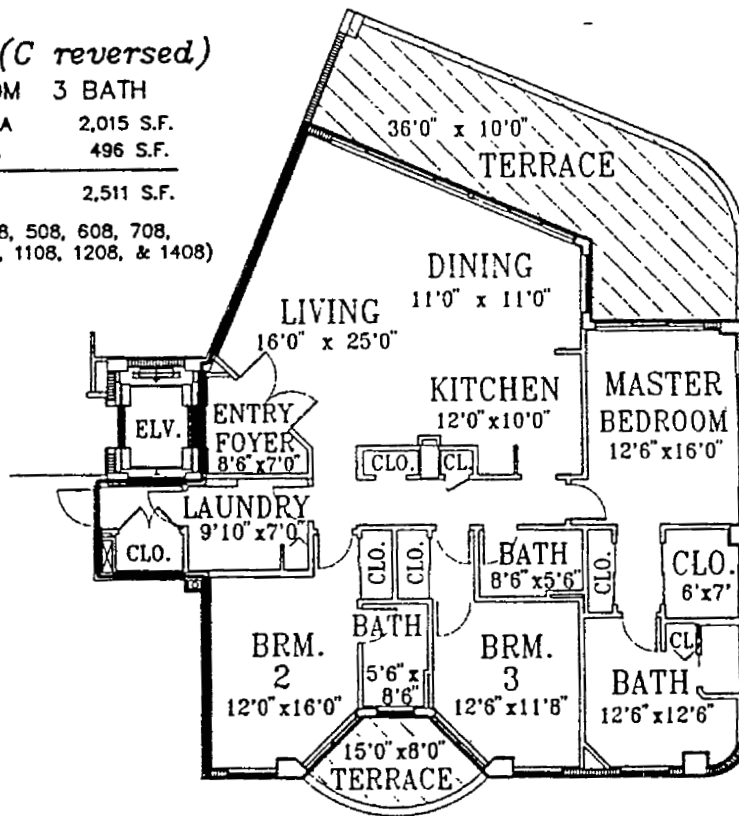
17 SEPTEMBER 1999



UNIT Cr (C reversed)

3 BEDROOM	3 BATH
ENCLOSED AREA	2,015 S.F.
TERRACE AREA	496 S.F.
TOTAL	2,511 S.F.

(UNITS: 308, 408, 508, 608, 708, 808, 908, 1008, 1108, 1208, & 1408)



UNIT C

3 BEDROOM	3 BATH
ENCLOSED AREA	2,015 S.F.
TERRACE AREA	496 S.F.
TOTAL	2,511 S.F.

(UNITS: 301, 401, 501, 601, 701, 801, 901, 1001, 1101, 1201, & 1401)

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NOTE: BALCONIES/TERRACES ARE LIMITED COMMON ELEMENTS.

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ST. MAARTEN AT SILVER SHELLS
 a condominium
 CONDOMINIUM PLAT BOOK _____ PAGE _____
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97-234-B

ST. MAARTEN AT SILVER SHELLS, a condominium

** OFFICIAL RECORDS **
BK 2225 PG 4944

17 SEPTEMBER 1999 [FILE: MAART14ASB]

A PORTION OF SILVER SHELLS BEACH RESORT (a Planned Unit Development,
Plat Book 18, Pages 57 & 58), IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST,
CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

(PH-2)

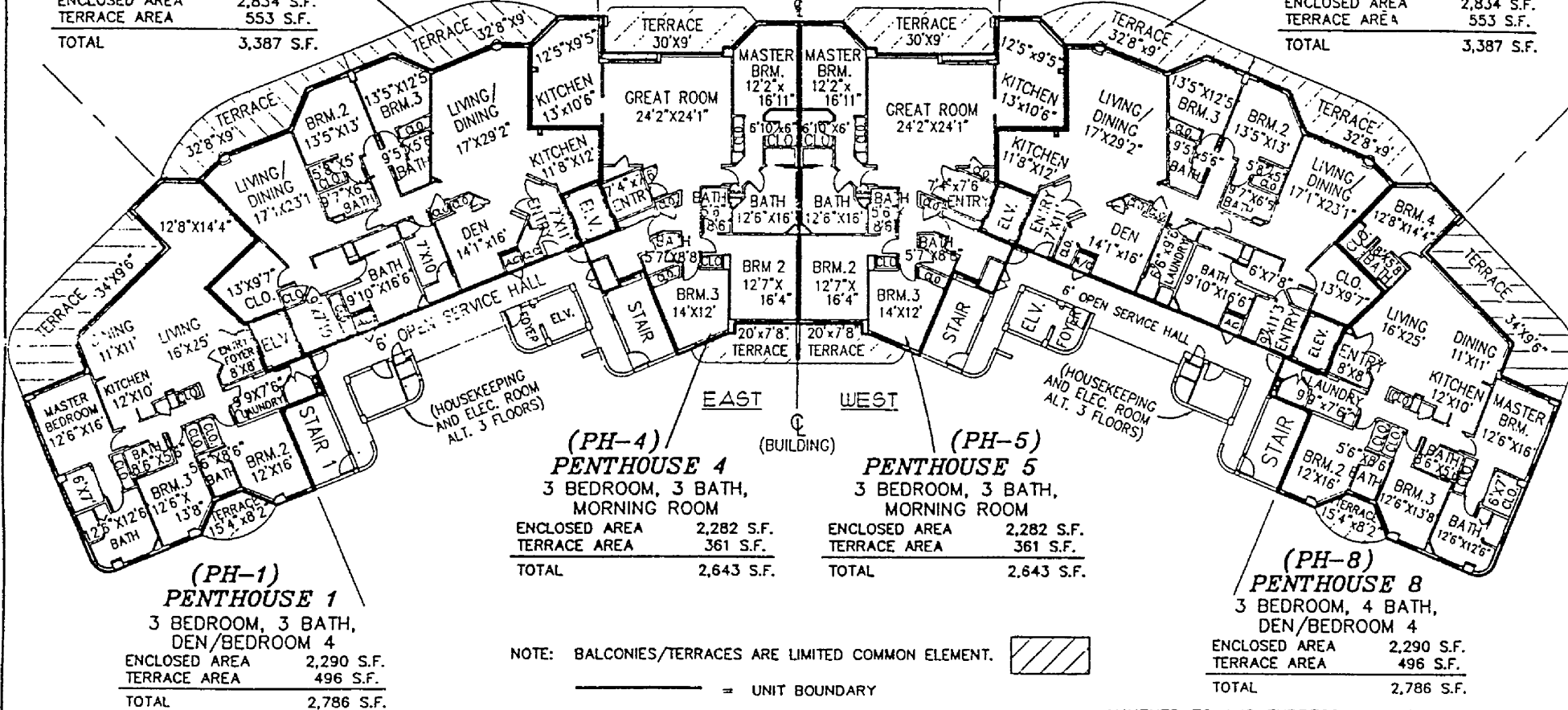
PENTHOUSE 2

3 BEDROOM, 3 BATH, DEN
ENCLOSED AREA 2,834 S.F.
TERRACE AREA 553 S.F.
TOTAL 3,387 S.F.

(PH-7)

PENTHOUSE 7

3 BEDROOM, 3 BATH, DEN
ENCLOSED AREA 2,834 S.F.
TERRACE AREA 553 S.F.
TOTAL 3,387 S.F.



(PH-4)
PENTHOUSE 4
3 BEDROOM, 3 BATH,
MORNING ROOM
ENCLOSED AREA 2,282 S.F.
TERRACE AREA 361 S.F.
TOTAL 2,643 S.F.

(PH-5)
PENTHOUSE 5
3 BEDROOM, 3 BATH,
MORNING ROOM
ENCLOSED AREA 2,282 S.F.
TERRACE AREA 361 S.F.
TOTAL 2,643 S.F.

(PH-1)
PENTHOUSE 1
3 BEDROOM, 3 BATH,
DEN/BEDROOM 4
ENCLOSED AREA 2,290 S.F.
TERRACE AREA 496 S.F.
TOTAL 2,786 S.F.

(PH-8)
PENTHOUSE 8
3 BEDROOM, 4 BATH,
DEN/BEDROOM 4
ENCLOSED AREA 2,290 S.F.
TERRACE AREA 496 S.F.
TOTAL 2,786 S.F.

NOTE: BALCONIES/TERRACES ARE LIMITED COMMON ELEMENT.
= UNIT BOUNDARY

(Floor/Level 15)

ANNEXED TO AND EXPRESSLY MADE A PART OF THE DECLARATION OF CONDOMINIUM

CHOCTAW ENGINEERING, INC. LB #1583
112 TRUXTON AVENUE TELEPHONE: 850-862-4611
FORT WALTON BEACH, FL 32547 FAX: 850-863-8069
E-MAIL: cel@choctaweng.com
CIVIL ENGINEERING SURVEYING ENVIRONMENTAL

PLANS FROM: ROBERT M. SWEDROB, ARCHITECTS/PLANNERS
1111 Lincoln Road, Suite 300 Miami Beach, FL 33139
Phone: (305) 673-6002

ST. MAARTEN AT SILVER SHELLS, a condominium
CONDOMINIUM PLAT BOOK _____ PAGE _____
SHEET 14 OF 17 SHEETS

ST. MAARTEN AT SILVER SHELLS, a condominium

A PORTION OF SILVER SHELL BEACH RESORT (a Planned Unit Development,
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CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

PROPERTY SUBJECT TO MASTER DECLARATION

Silver Shells Property Owners Association, Inc.

(SILVER SHELLS BEACH RESORT: 31.24 acres, total)

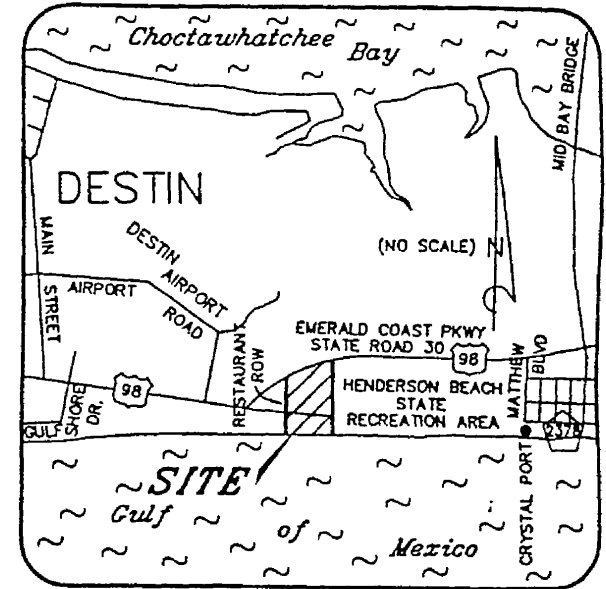
LEGAL DESCRIPTION (as furnished):

COMMENCING AT THE SOUTHWEST CORNER OF LOT 4, BLOCK 11, SILVER BEACH SUBDIVISION ACCORDING TO PLAT RECORDED IN PLAT BOOK 1, PAGE 18 1/2 OF THE PUBLIC RECORDS OF OKALOOSA COUNTY, FLORIDA, SAID POINT LYING IN THE NORTHERLY RIGHT-OF-WAY LINE OF OKALOOSA COUNTY ROAD NUMBER 2378 (OLD U.S. HIGHWAY 98, 100-FOOT WIDE RIGHT-OF-WAY); THENCE PROCEED SOUTH-EASTERLY ALONG SAID RIGHT-OF-WAY LINE WITH A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 11409.20 FEET, FOR AN ARC DISTANCE OF 727.92 FEET (CENTRAL ANGLE: 03°39'20"; CHORD BEARING AND DISTANCE: SOUTH 81°54'25" EAST, 727.79 FEET) TO THE POINT OF BEGINNING; THENCE CONTINUE ALONG SAID CURVED RIGHT-OF-WAY LINE FOR AN ARC DISTANCE OF 12.12 FEET (CENTRAL ANGLE: 00°03'39"; CHORD BEARING AND DISTANCE: SOUTH 83°45'53" EAST, 12.12 FEET) TO THE SOUTHEAST CORNER OF THAT CERTAIN PARCEL CONVEYED TO THE CITY OF DESTIN PER INSTRUMENT RECORDED IN OFFICIAL RECORD BOOK 1699, PAGE 590 OF THE PUBLIC RECORDS OF OKALOOSA COUNTY, FLORIDA; THENCE DEPARTING SAID RIGHT-OF-WAY LINE, PROCEED ALONG THE EAST LINE OF SAID PARCEL FOR THE NEXT FIVE CALLS: GO NORTH 03°58'04" EAST, FOR A DISTANCE OF 582.14 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHEASTERLY; THENCE PROCEED ALONG SAID CURVE, HAVING A RADIUS OF 160.00 FEET, FOR AN ARC DISTANCE OF 119.27 FEET (CENTRAL ANGLE: 42°42'34"; CHORD BEARING AND DISTANCE: NORTH 25°19'21" EAST, 116.53 FEET) TO THE POINT OF TANGENCY; THENCE GO NORTH 46°40'38" EAST FOR A DISTANCE OF 44.80 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTH-WESTERLY; THENCE PROCEED NORTHEASTERLY ALONG SAID CURVE, HAVING A RADIUS OF 240.00 FEET, FOR AN ARC DISTANCE OF 254.07 FEET (CENTRAL ANGLE: 60°39'17"; CHORD BEARING AND DISTANCE: NORTH 16°20'59" EAST, 242.37 FEET) TO THE POINT OF TANGENCY; THENCE GO NORTH 13°58'41" WEST, FOR A DISTANCE OF 49.21 FEET TO THE POINT OF INTERSECTION WITH THE CURVED SOUTHEASTERLY RIGHT-OF-WAY LINE OF STATE ROAD 30 (U.S. HIGHWAY 98 BYPASS, RIGHT-OF-WAY WIDTH VARIES); THENCE PROCEED ALONG SAID RIGHT-OF-WAY LINE FOR THE FOLLOWING FOUR CALLS: GO NORTHEASTERLY WITH A CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 1819.86 FEET, FOR AN ARC DISTANCE OF 365.48 FEET (CENTRAL ANGLE: 11°30'32"; CHORD BEARING AND DISTANCE: NORTH 83°38'36" EAST, 364.87 FEET); THENCE SOUTH 00°36'10" EAST, FOR A DISTANCE OF 20.00 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHEASTERLY; THENCE PROCEED SOUTHEASTERLY ALONG SAID CURVE, HAVING A RADIUS OF 1799.86 FEET, FOR AN ARC DISTANCE OF 143.42 FEET (CENTRAL ANGLE: 04°33'57"; CHORD BEARING AND DISTANCE: SOUTH 88°19'12" EAST, 143.39 FEET) TO THE POINT OF TANGENCY; THENCE GO SOUTH 86°02'18" EAST, FOR A DISTANCE OF 398.41 FEET; THENCE DEPARTING SAID SOUTHEASTERLY RIGHT-OF-WAY LINE OF STATE ROAD 30, GO SOUTH 03°58'04" WEST, FOR A DISTANCE OF 1401.4 FEET, MORE OR LESS, TO THE APPROXIMATE MEAN HIGH WATER LINE OF THE GULF OF MEXICO; THENCE MEANDER ALONG SAID WATER LINE NORTH-WESTERLY FOR A DISTANCE OF 108 FEET, MORE OR LESS TO THE POINT OF INTERSECTION WITH A LINE PASSED THROUGH THE POINT OF BEGINNING AND HAVING A BEARING OF SOUTH 06°18'39" WEST; THENCE GO NORTH 06°18'39" EAST, FOR A DISTANCE OF 350.3 FEET, MORE OR LESS, TO THE POINT OF BEGINNING; THE HEREIN DESCRIBED PARCEL CONTAINS 31.86 ACRES, MORE LESS, ALL LYING AND BEING WITHIN THE SILVER BEACH SUBDIVISION, TOWNSHIP 2 SOUTH, RANGE 22 WEST, CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA.

LESS & EXCEPT: (0.42 ACRES)

COMMENCING AT THE SOUTHWEST CORNER OF LOT 4, BLOCK 11, SILVER BEACH SUBDIVISION ACCORDING TO PLAT RECORDED IN PLAT BOOK 1, PAGE 16 1/2 OF THE PUBLIC RECORDS OF OKALOOSA COUNTY, FLORIDA, SAID POINT LYING IN THE NORTHERLY RIGHT-OF-WAY LINE OF OKALOOSA COUNTY ROAD NUMBER 2378 (OLD U.S. HIGHWAY 98, 100 FOOT WIDE RIGHT-OF-WAY); THENCE PROCEED SOUTHEASTERLY ALONG SAID RIGHT-OF-WAY LINE WITH A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 11409.20 FEET, FOR AN ARC DISTANCE OF 727.92 FEET (CENTRAL ANGLE: 03°39'20"; CHORD BEARING AND DISTANCE: SOUTH 81°54'25" EAST, 727.79 FEET); THENCE DEPARTING SAID NORTHERLY RIGHT-OF-WAY LINE, PROCEED SOUTH 06°16'39" WEST FOR A DISTANCE OF 100.00 FEET TO A POINT IN THE CURVED SOUTHERLY RIGHT-OF-WAY LINE OF SAID COUNTY ROAD NUMBER 2378, SAID POINT BEING THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL; THENCE GO ALONG SAID CURVED RIGHT-OF-WAY LINE, HAVING A RADIUS OF 11,509.20 FEET, FOR AN ARC DISTANCE OF 80.00 FEET (CENTRAL ANGLE: 00°23'54"; CHORD BEARING AND DISTANCE: SOUTH 84°05'02" EAST, 80.00 FEET); THENCE DEPARTING SAID RIGHT-OF-WAY LINE, PROCEED SOUTH 06°16'39" WEST, FOR A DISTANCE OF 234 FEET, MORE OR LESS, TO THE APPROXIMATE MEAN HIGH WATER LINE OF THE GULF OF MEXICO; THENCE MEANDER ALONG SAID WATER LINE NORTH-WESTERLY FOR A DISTANCE OF 82 FEET, MORE OR LESS, TO THE POINT OF INTERSECTION WITH A LINE PASSED THROUGH THE POINT OF BEGINNING AND HAVING A BEARING OF SOUTH 06°18'39" WEST; THENCE GO NORTH 06°16'39" EAST, FOR A DISTANCE OF 227 FEET, MORE OR LESS, TO THE POINT OF BEGINNING. THE HEREIN DESCRIBED PARCEL CONTAINS 0.42 ACRES, MORE OR LESS, ALL LYING AND BEING WITHIN THE SILVER BEACH SUBDIVISION, TOWNSHIP 2 SOUTH, RANGE 22 WEST, CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA.

AND LESS AND EXCEPT: CLUBHOUSE BUILDING (CONTINUED ON SHEET 16)



LOCATION MAP

CHOCTAW ENGINEERING, INC. LB #1682
112 TRUXTON AVENUE TELEPHONE: 850-862-6611
FORT WALTON BEACH, FL 32547 FAX: 850-868-8069
E-MAIL: ce1@choctaweng.com
CIVIL ENGINEERING SURVEYING ENVIRONMENTAL

ANNEXED TO AND EXPRESSLY MADE A PART
OF THE DECLARATION OF CONDOMINIUM

ST. MAARTEN AT SILVER SHELLS,
a condominium
CONDOMINIUM PLAT BOOK _____ PAGE _____
SHEET 16 OF 17 SHEETS

97-234-B

** OFFICIAL RECORDS **
BK 2225 PG 4945

[FILE: MAART15ASB]

17 SEPTEMBER 1999

ST. MAARTEN AT SILVER SHELLS, a condominium

A PORTION OF SILVER SHELLS BEACH RESORT (a Planned Unit Development,
Plat Book 18, Pages 57 & 58), IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST,
CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

AND LESS AND EXCEPT: CLUBHOUSE BUILDING (CONTINUED FROM SHEET 15)

DESCRIBED AS:

COMMENCING AT THE SOUTHWEST CORNER OF LOT 4, BLOCK 11, SILVER BEACH SUBDIVISION, ACCORDING TO PLAT RECORDED IN PLAT BOOK 1, PAGE 16 1/2 OF THE PUBLIC RECORDS OF OKALOOSA COUNTY, FLORIDA, SAID POINT LYING IN THE NORTHERLY RIGHT-OF-WAY LINE OF OKALOOSA COUNTY ROAD NUMBER 2378 (OLD U.S. HIGHWAY 98, 100 FOOT WIDE RIGHT-OF-WAY); THENCE PROCEED SOUTHEASTERLY ALONG SAID RIGHT-OF-WAY LINE WITH A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 11409.20 FEET, FOR AN ARC DISTANCE OF 728.41 FEET (CENTRAL ANGLE: 03°39'29", CHORD BEARING AND DISTANCE: SOUTH 81° 51' 55" EAST, 728.28 FEET); THENCE CONTINUE ALONG SAID CURVED RIGHT-OF-WAY LINE FOR AN ARC DISTANCE OF 9.91 FEET (CENTRAL ANGLE: 00° 02' 59"; CHORD BEARING AND DISTANCE: SOUTH 83° 43' 13" EAST, 9.91 FEET) TO THE SOUTHEAST CORNER OF THAT CERTAIN PARCEL CONVEYED TO THE CITY OF DESTIN PER INSTRUMENT RECORDED IN OFFICIAL RECORD BOOK 1699, PAGE 590 OF THE PUBLIC RECORDS OF OKALOOSA COUNTY, FLORIDA; THENCE DEPARTING SAID RIGHT-OF-WAY LINE, PROCEED ALONG THE EAST LINE OF SAID PARCEL, NORTH 03° 58' 04" EAST, 307.34 FEET; THENCE DEPARTING SAID EAST LINE, SOUTH 86° 01' 56" EAST, 337.98 FEET; THENCE NORTH 03° 59' 31" EAST, 489.96 FEET; THENCE SOUTH 86° 00' 29" EAST, 68.51 FEET TO THE POINT OF BEGINNING; THENCE NORTH 03° 59' 31" EAST, 60.00 FEET; THENCE SOUTH 86° 00' 29" EAST, 60.01 FEET; THENCE NORTH 03° 59' 31" EAST, 20.00 FEET; THENCE SOUTH 86° 00' 29" EAST, 11.02 FEET; THENCE NORTH 03° 59' 31" EAST, 33.95 FEET; THENCE SOUTH 86° 00' 29" EAST, 28.13 FEET; THENCE SOUTH 03° 39' 51" WEST, 33.95 FEET; THENCE SOUTH 86° 00' 29" EAST, 10.84 FEET; THENCE SOUTH 03° 59' 31" WEST, 20.00 FEET; THENCE SOUTH 86° 00' 29" EAST, 35.42 FEET; THENCE NORTH 03° 59' 31" EAST, 55.43 FEET; THENCE SOUTH 86° 00' 29" EAST, 48.01 FEET; THENCE NORTH 03° 59' 31" EAST, 12.00 FEET; THENCE SOUTH 86° 00' 29" EAST, 34.00 FEET; THENCE SOUTH 03° 59' 31" WEST, 34.00 FEET; THENCE NORTH 86° 00' 29" WEST, 12.00 FEET; THENCE SOUTH 03° 59' 31" WEST, 68.00 FEET; THENCE NORTH 86° 00' 29" WEST, 37.34 FEET; THENCE SOUTH 03° 59' 31" WEST, 25.43 FEET; THENCE NORTH 86° 00' 29" WEST, 27.43 FEET; THENCE SOUTH 03° 59' 31" WEST, 24.01 FEET; THENCE NORTH 86° 00' 29" WEST, 40.33 FEET; THENCE SOUTH 03° 59' 31" WEST, 20.54 FEET; THENCE NORTH 86° 00' 29" WEST, 50.00 FEET; THENCE NORTH 03° 59' 31" EAST, 20.55 FEET; THENCE NORTH 86° 00' 29" WEST, 40.33 FEET; THENCE NORTH 03° 59' 31" EAST, 24.00 FEET; THENCE NORTH 86° 00' 29" WEST, 20.01 FEET TO THE POINT OF BEGINNING, CONTAINING 0.52 ACRES, MORE OR LESS, ALL LYING AND BEING WITHIN THE SILVER BEACH SUBDIVISION, TOWNSHIP 2 SOUTH, RANGE 22 WEST, CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA.

NOTE:

ALL CONDOMINIUM PROPERTIES WHICH ARE MADE PART OF ANY INDIVIDUAL CONDOMINIUM DEVELOPED WITHIN SILVER SHELLS BEACH RESORT ARE SUBJECT TO THE MASTER DECLARATION; HOWEVER, SUCH INDIVIDUAL CONDOMINIUM PROPERTIES ARE EXCLUDED FROM THE DESCRIPTION OF COMMON PROPERTY WHICH IS OWNED BY THE MASTER ASSOCIATION AS DESCRIBED IN THE MASTER DECLARATION.

CHOCTAW ENGINEERING, INC.

LB #1582

112 TRUXTON AVENUE TELEPHONE: 850-862-6611
FORT WALTON BEACH, FL 32547 FAX: 850-868-9069
E-MAIL: cej@choctaweng.com

CIVIL ENGINEERING SURVEYING ENVIRONMENTAL

ANNEXED TO AND EXPRESSLY MADE A PART
OF THE DECLARATION OF CONDOMINIUM

ST. MAARTEN AT SILVER SHELLS,
a condominium

CONDOMINIUM PLAT BOOK _____ PAGE _____
SHEET 16 OF 17 SHEETS

97-234-B

** OFFICIAL RECORDS **
BK 2225 PG 4946

[FILE: MAART15ASB]

17 SEPTEMBER 1999

ST. MAARTEN AT SILVER SHELLS, a condominium

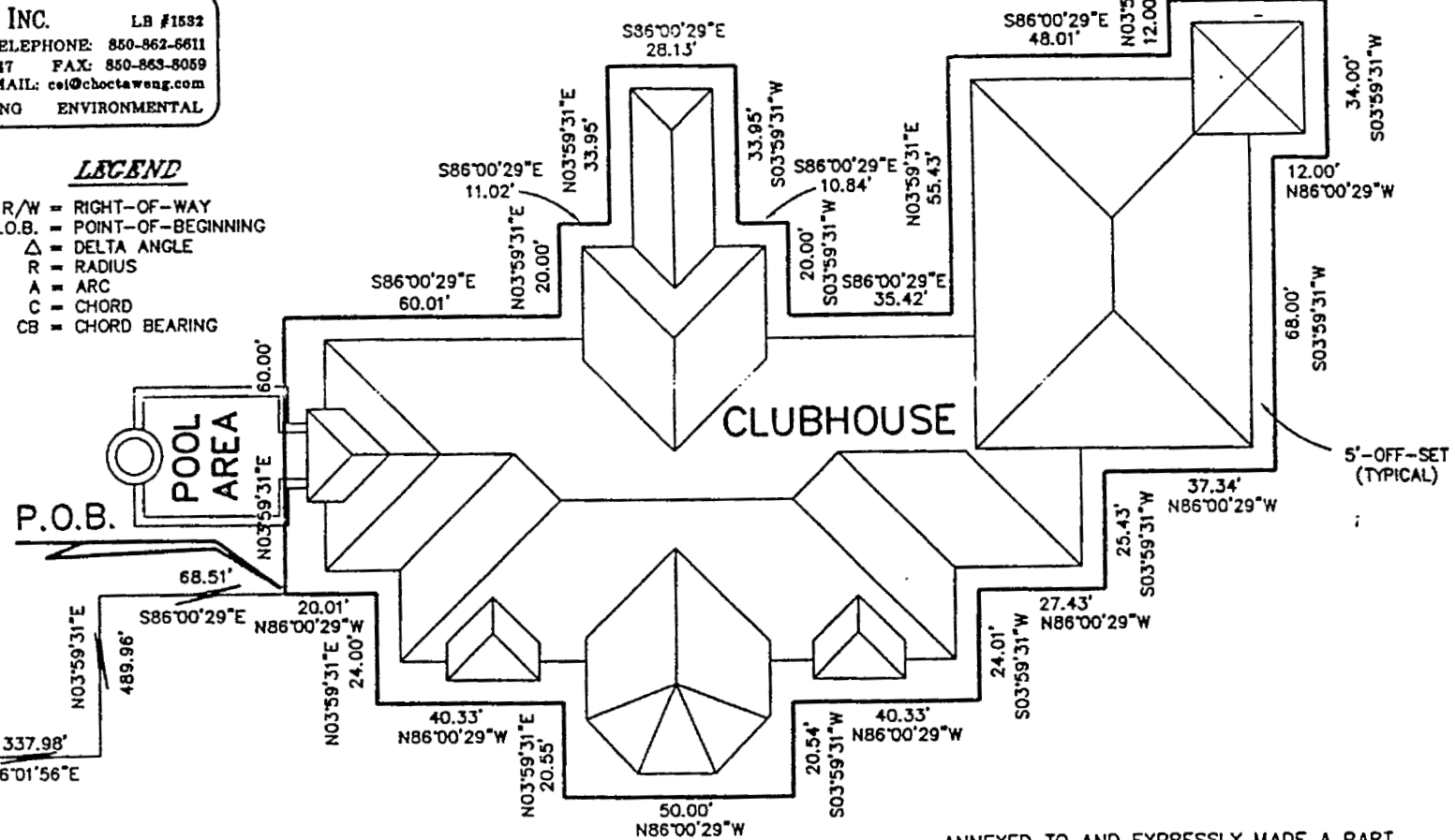
A PORTION OF SILVER SHELLS BEACH RESORT (a Planned Unit Development, Plat Book 18, Pages 57 & 58), IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

CHOCTAW ENGINEERING, INC. LB #1582
 112 TRUXTON AVENUE TELEPHONE: 850-862-6611
 FORT WALTON BEACH, FL 32547 FAX: 850-863-8059
 E-MAIL: cel@choctaweng.com
 CIVIL ENGINEERING SURVEYING ENVIRONMENTAL

OFFICIAL RECORDS ##
 BK 2225 PG 4947

LEGEND

- R/W = RIGHT-OF-WAY
- P.O.B. = POINT-OF-BEGINNING
- Δ = DELTA ANGLE
- R = RADIUS
- A = ARC
- C = CHORD
- CB = CHORD BEARING



Δ = 00°02'59"
 R = 11,409.20'
 A = 9.91'
 C = 9.91'
 CB = S83°43'13"E

Δ = 03°39'29"
 R = 11,409.20'
 A = 728.41'
 C = 728.28'
 CB = S81°51'55"E

POINT-OF-COMMENCEMENT
 SOUTHWEST CORNER OF LOT 4, BLOCK 11,
 SILVER BEACH SUBDIVISION (PLAT BOOK 1, PAGE 16 1/2)

NORTHERLY R/W
 COUNTY ROAD NO. 2378
 (OLD U.S. HWY. 98)

SKETCH OF LESS AND EXCEPT CLUBHOUSE BUILDING

ANNEXED TO AND EXPRESSLY MADE A PART
 OF THE DECLARATION OF CONDOMINIUM

ST. MAARTEN AT SILVER SHELLS
 a condominium
 CONDOMINIUM PLAT BOOK _____ PAGE _____
 SHEET 17 OF 17 SHEETS

97-234-B

17 SEPTEMBER 1999 [FILE: MAART15ASB]

6.00

**** OFFICIAL RECORDS ****
BK 2296 PG 3070

This instrument prepared by and
after recording return to:

FILE # 1841594 RCD: May 24 2001 @ 11:30AM
Newman C. Brackin, Clerk, Okaloosa Cnty Fl

Leo J. Salvatori, Esq.
Quarles & Brady LLP
4501 Tamiami Trail North
Suite 300
Naples, Florida 34103

CERTIFICATE OF AMENDMENT

TO

**BYLAWS OF ST. MAARTEN AT SILVER SHELLS
CONDOMINIUM ASSOCIATION, INC.**

Notice is hereby given that at a duly called special meeting of the members, held on April 15, 2000, by a vote of not less than two-thirds of the Voting Interests of Units present in person or by proxy and voting at the meeting of St. Maarten At Silver Shells Condominium Association, Inc. (the "Association"), Section 3.1 of the Bylaws of the Association, be and the same are hereby amended as set forth in Exhibit "A" attached hereto and incorporated herein.

EXECUTED this 17 day of March, 2000.

(Corporate Seal)

ST. MAARTEN AT SILVER SHELLS CONDOMINIUM
ASSOCIATION, INC., a Florida not-for-profit
corporation

ATTEST:

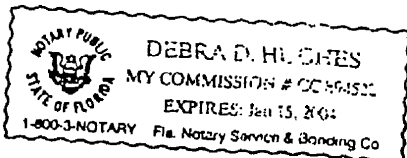
Thomas Earnhart, President
Thomas Earnhart, as President

Dick Lea
Dick Lea, Secretary

STATE OF FLORIDA
COUNTY OF Okaloosa

The foregoing was acknowledged before me this 24 day of April, 2000, by Thomas Earnhart, as President, and Dick Lea, as Secretary of St. Maarten At Silver Shells Condominium Association, Inc., who are personally known to me.

Debra D. Hughes
Notary Public



1-15-04
Typed/Printed Name of Notary
My Commission Expires:

10.00

AMENDMENT TO THE BYLAWS

OF

ST. MAARTEN AT SILVER SHELLS
CONDOMINIUM ASSOCIATION, INC.

The Bylaws of St. Maarten At Silver Shells Condominium Association, Inc. (the "Association"), as recorded in O.R. Book 2218, page 3300, of the Public Records of Okaloosa County, Florida, be and the same are hereby amended as set forth below:

NOTE: New language is underlined; language being deleted is shown in ~~struck through~~ type.

1. Section 3.1 of the Bylaws of the Association is amended as follows:

3.1 The annual meeting of Members shall be held, at the office of the Association or such other place in Okaloosa County, Florida, at such time and on such date in March ~~November~~ of each year as may be determined by the Board of Directors and as shall be specified in the notice of the meeting, for the purpose of electing Directors and of transacting any other business authorized to be transacted by the Members

DATED this 17 day of March, 2000.

(Corporate Seal)
ST. MAARTEN AT SILVER SHELLS CONDOMINIUM
ASSOCIATION, INC., a Florida not-for-profit
corporation

Thomas Earnhart, President
Thomas Earnhart, as President

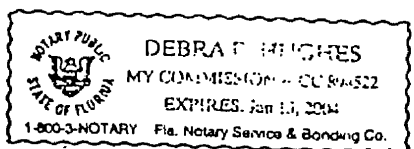
Attest:
Dick Lea
Dick Lea, as Secretary

STATE OF FLORIDA
COUNTY OF Okaloosa

The foregoing was acknowledged before me this 20 day of April, 2000, by Thomas Earnhart, as President and by Dick Lea, as Secretary of St. Maarten At Silver Shells Condominium Association, Inc., who are personally known to me.

Debra F. Hughes
Notary Public

1-15-04
Typed, Printed Name of Notary
My Commission Expires:



FILE # 1041000 NOV. 24 2001 @ 11:31AM
Newman C. Brackin, Clerk, Okaloosa Cnty Fl

EXHIBIT "A"
to
DECLARATION OF CONDOMINIUM
FOR
ST. MAARTEN AT SILVER SHELLS, a Condominium

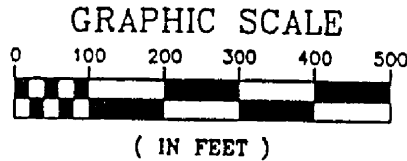
Legal Description

Commencing at the southwest corner of Lot 4, Block 11, Silver Beach Subdivision, according to plat recorded in Plat Book 1, Page 16-1/2, of the Public Records of Okaloosa County, Florida, said point lying in the northerly right-of-way line of Okaloosa County Road Number 2378 (Old U.S. Highway 98, 100 foot wide right-of-way); thence proceed southeasterly along said right-of-way line with a curve concave northerly and having a radius of 11409.20 feet, for an arc distance of 728.41 feet (central angle: 03°39'29", chord bearing and distance; south 81°51'55" east, 728.28 feet); thence continue along said curved right-of-way line for an arc distance of 9.91 feet (central angle: 00°02'59"; chord bearing and distance: south 83°43'13" east, 9.91 feet) to the southeast corner of that certain parcel conveyed to the City of Destin per instrument recorded in Official Records Book 1699, Page 590, of the Public Records of Okaloosa County, Florida; thence departing said right-of-way line, proceed along the east line of said parcel, north 03°58'04" east, 183.92 feet; thence departing said east line, south 86°01'56" east, 10.00 feet to the point of beginning; thence south 86°02'05" east, 31.50 feet; thence south 03°57'55" west, 11.50 feet; thence south 86°02'05" east, 112.00 feet; thence north 71°27'55" east, 50.87 feet; thence north 48°57'55" east, 124.83 feet; thence south 86°02'05" east, 26.40 feet; thence south 41°02'05" east, 118.67 feet; thence south 03°57'55" west, 35.59 feet; thence south 48°57'55" west, 25.00 feet; thence south 41°02'05" east, 25.00 feet; thence south 48°57'55" west, 166.00 feet; thence north 41°02'05" west, 25.00 feet; thence south 48°57'55" west, 22.17 feet; thence north 86°02'05" west, 220.00 feet; thence north 03°57'55" east, 18.33 feet; thence north 86°02'05" west, 18.33 feet; thence north 03°57'55" east, 155.67 feet to the point of beginning, containing 1.523 acres, more or less, all lying and being within the Silver Beach Subdivision, Township 2 South, Range 22 West, City of Destin, Okaloosa County, Florida.

ST. MAARTEN AT SILVER SHELLS, a condominium

IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, AND A RESUBDIVISION
 OF A PORTION OF SILVER BEACH SUBDIVISION (PLAT BOOK 1, PAGE 16 1/2),
 CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

DESCRIPTION
 NORTH



LEGEND

- R/W = RIGHT-OF-WAY
- C/L = CENTERLINE
- P = PROPERTY LINE
- P.O.C. = POINT-OF-COMMENCEMENT
- P.O.B. = POINT-OF-BEGINNING
- Δ = DELTA ANGLE
- R = RADIUS
- A = ARC
- C = CHORD
- CB = CHORD BEARING

- Δ = 04°33'57"
- R = 1799.86'
- A = 143.42'
- C = 143.39'
- CB = S88°19'12"E

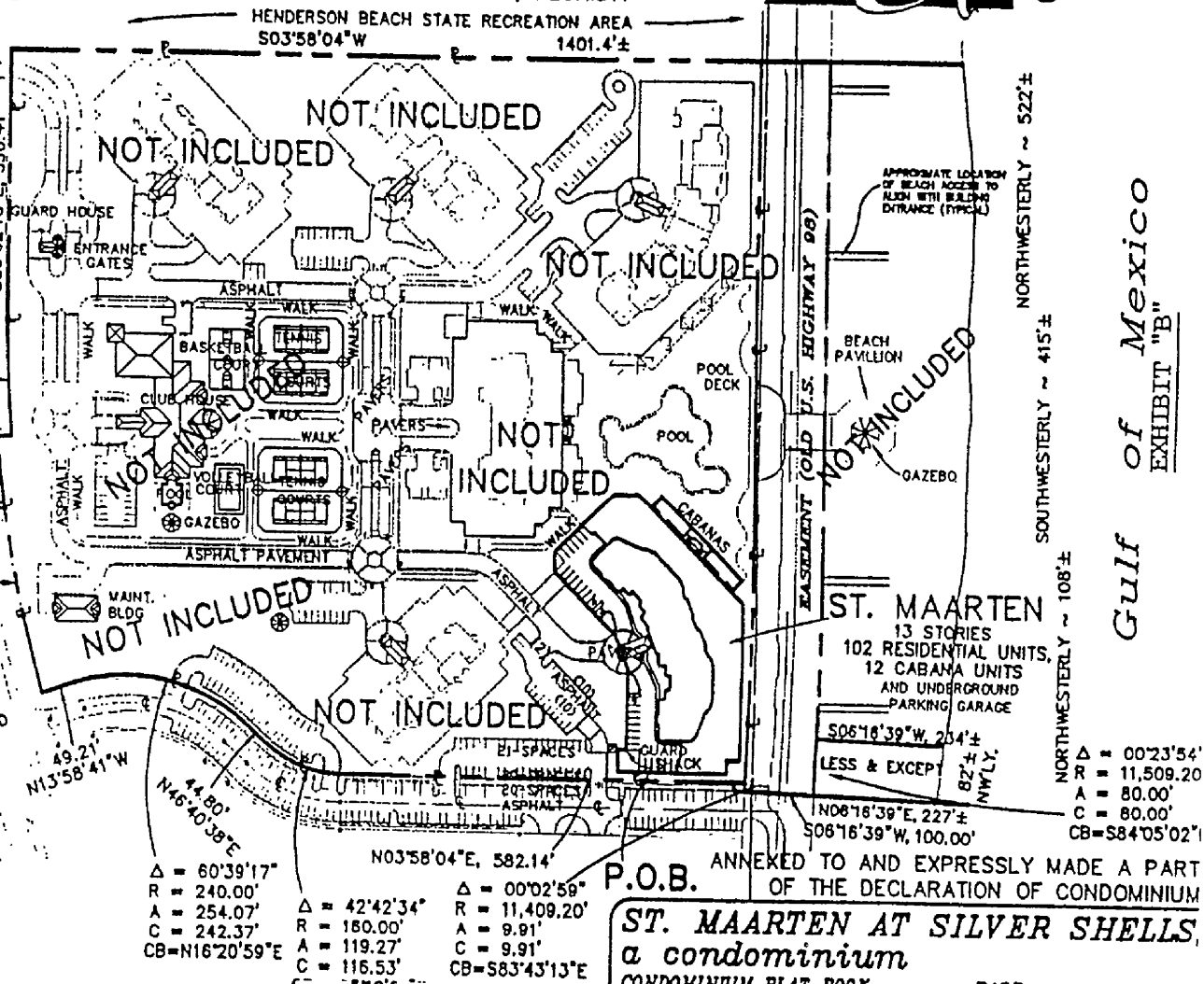
DETAIL

- (P.O.B. MATCH)
- 184.11'
 Δ = 00°02'59"
 R = 11,409.20'
 A = 9.91'
 C = 9.91'
 CB = S83°43'13"E
- 20.00'
 Δ = 11°30'32"
 R = 1819.86'
 A = 365.48'
 C = 364.87'
 CB = N83°38'36"E
- 12.49'
 Δ = 03°39'29"
 R = 11,409.20'
 A = 728.41'
 C = 728.28'
 CB = S81°51'55"E
- P.O.C. - SOUTHWEST CORNER
 OF LOT 4, BLK. 11, SILVER BEACH
 SUBDIVISION (P.B. 1, PG. 16 1/2)

NOTES

- 1) BALCONIES/TERRACES AND ASSIGNED PARKING SPACES ARE LIMITED COMMON ELEMENTS.
- 2) THE CONSTRUCTION OF THE CONDOMINIUM BUILDINGS SHOWN HEREON IS NOT SUBSTANTIALLY COMPLETE.

CHOCTAW ENGINEERING, INC. LB #1532
 111 TRUXTON AVENUE TELEPHONE: 850-852-6811
 FORT WALTON BEACH, FL 32547 FAX: 850-853-8059
 E-MAIL: ChoctawEng@aol.com
 CIVIL ENGINEERING SURVEYING ENVIRONMENTAL



- Δ = 60°39'17"
- R = 240.00'
- A = 254.07'
- C = 242.37'
- CB = N16°20'59"E
- Δ = 42°42'34"
- R = 180.00'
- A = 119.27'
- C = 116.53'
- Δ = 00°02'59"
- R = 11,409.20'
- A = 9.91'
- C = 9.91'
- CB = S83°43'13"E

P.O.B. ANNEXED TO AND EXPRESSLY MADE A PART
 OF THE DECLARATION OF CONDOMINIUM

ST. MAARTEN AT SILVER SHELLS,
 a condominium
 CONDOMINIUM PLAT BOOK

OFFICIAL RECORDS **
 BK 2218 PG 3275

LOTTED 12 MAY 1998

Recorders Memo:
 Legibility of some entries on this page not
 suitable for Microfilm/Imaging records.

ST. MAARTEN AT SILVER SHELLS, a condominium

IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, AND A RESUBDIVISION
 OF A PORTION OF SILVER BEACH SUBDIVISION (PLAT BOOK 1, PAGE 16 1/2),
 CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

OFFICIAL RECORDS **
 BK 2218 PG 3276



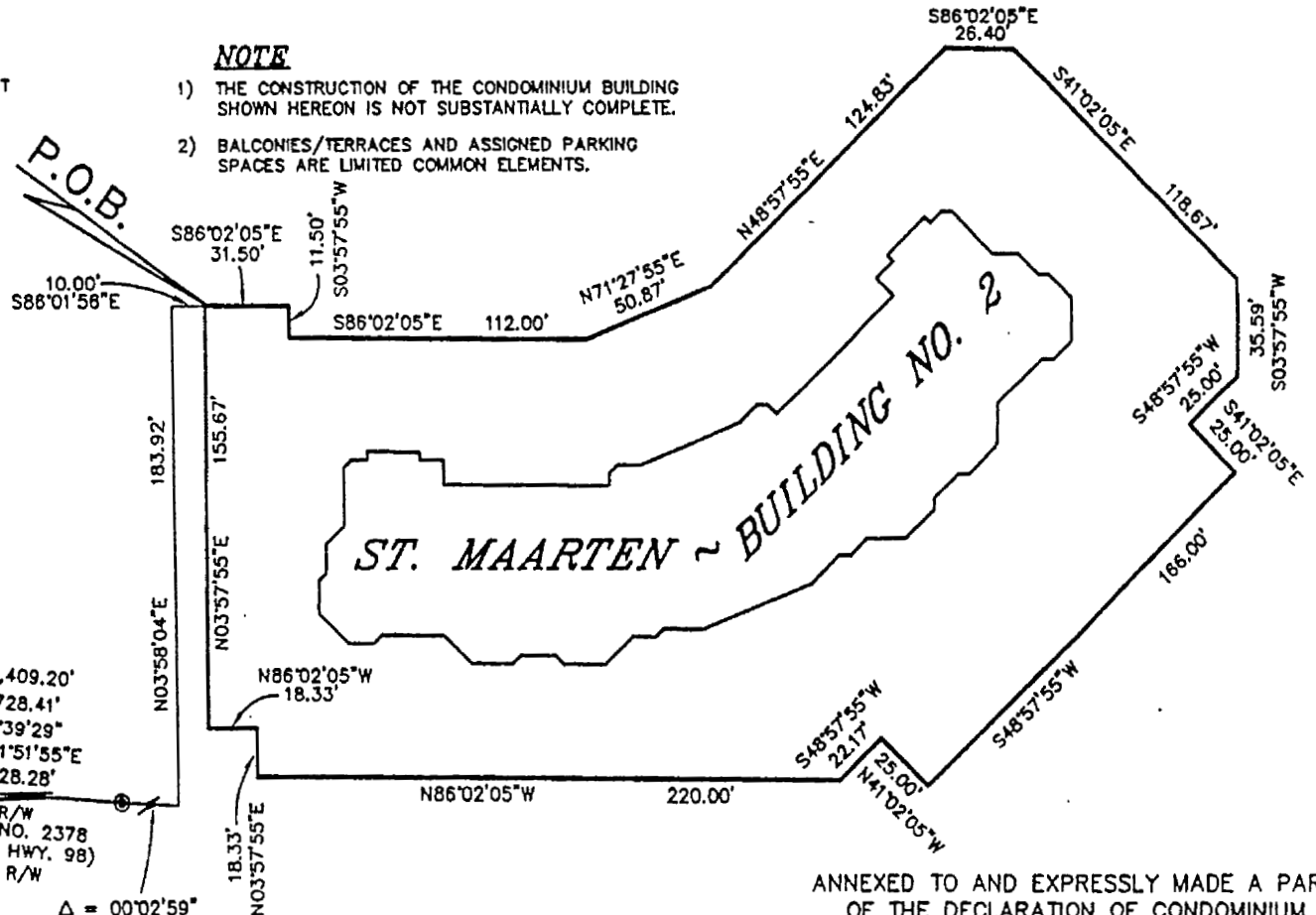
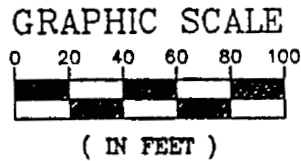
DESCRIPTION

LEGEND

- P.O.C. = POINT-OF-COMMENCEMENT
- P.O.B. = POINT-OF-BEGINNING
- Δ = DELTA ANGLE
- R = RADIUS
- A = ARC
- C = CHORD
- CB = CHORD BEARING

NOTE

- 1) THE CONSTRUCTION OF THE CONDOMINIUM BUILDING SHOWN HEREON IS NOT SUBSTANTIALLY COMPLETE.
- 2) BALCONIES/TERRACES AND ASSIGNED PARKING SPACES ARE LIMITED COMMON ELEMENTS.



P.O.C. - SOUTHWEST CORNER
 OF LOT 4, BLK. 11, SILVER BEACH
 SUBDIVISION (P.B. 1, PG. 16 1/2)

R=11,409.20'
 A=728.41'
 Δ=03°39'29"
 CB=S81°51'55"E
 C=728.28'

N. R/W
 CO. RD. NO. 2378
 (OLD U.S. HWY. 98)
 100' R/W

Δ = 00°02'59"
 R = 11,409.20'
 A = 9.91'
 C = 9.91'
 CB = S83°43'13"E

PLOTTED 12 MAY 1998

CHOCTAW ENGINEERING, INC. LB #1692
 112 TRUXTON AVENUE TELEPHONE: 850-862-6611
 FORT W. N. BEACH, FL 32547 FAX: 850-868-8059
 E-MAIL: ChoctawEng@aol.com
 CIVIL ENGINEERING SURVEYING ENVIRONMENTAL

ANNEXED TO AND EXPRESSLY MADE A PART
 OF THE DECLARATION OF CONDOMINIUM

ST. MAARTEN AT SILVER SHELLS,
 a condominium

ST. MAARTEN AT SILVER SHELLS, a condominium

IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, AND A RESUBDIVISION
OF A PORTION OF SILVER BEACH SUBDIVISION (PLAT BOOK 1, PAGE 18 1/2),
CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

LEGAL DESCRIPTION: ST. MAARTEN AT SILVER SHELLS, a condominium

COMMENCING AT THE SOUTHWEST CORNER OF LOT 4, BLOCK 11, SILVER BEACH SUBDIVISION ACCORDING TO PLAT RECORDED IN PLAT BOOK 1, PAGE 18 1/2 OF THE PUBLIC RECORDS OF OKALOOSA COUNTY, FLORIDA, SAID POINT LYING IN THE NORTHERLY RIGHT-OF-WAY LINE OF OKALOOSA COUNTY ROAD NUMBER 2378 (OLD U.S. HIGHWAY 98, 100 FOOT WIDE RIGHT-OF-WAY); THENCE PROCEED SOUTHEASTERLY ALONG SAID RIGHT-OF-WAY LINE WITH A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 11409.20 FEET, FOR AN ARC DISTANCE OF 728.41 FEET (CENTRAL ANGLE: 03° 39' 29", CHORD BEARING AND DISTANCE: SOUTH 81° 51' 55" EAST, 728.28 FEET); THENCE CONTINUE ALONG SAID CURVED RIGHT-OF-WAY LINE FOR AN ARC DISTANCE OF 9.91 FEET (CENTRAL ANGLE: 00° 02' 59"; CHORD BEARING AND DISTANCE: SOUTH 83° 43' 13" EAST, 9.91 FEET) TO THE SOUTHEAST CORNER OF THAT CERTAIN PARCEL CONVEYED TO THE CITY OF DESTIN PER INSTRUMENT RECORDED IN OFFICIAL RECORD BOOK 1699, PAGE 590 OF THE PUBLIC RECORDS OF OKALOOSA COUNTY, FLORIDA; THENCE DEPARTING SAID RIGHT-OF-WAY LINE, PROCEED ALONG THE EAST LINE OF SAID PARCEL, NORTH 03° 58' 04" EAST, 183.92 FEET; THENCE DEPARTING SAID EAST LINE, SOUTH 86° 01' 56" EAST, 10.00 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 86° 02' 05" EAST, 31.50 FEET; THENCE SOUTH 03° 57' 55" WEST, 11.50 FEET; THENCE SOUTH 86° 02' 05" EAST, 112.00 FEET; THENCE NORTH 71° 27' 55" EAST, 50.87 FEET; THENCE NORTH 48° 57' 55" EAST, 124.83 FEET; THENCE SOUTH 86° 02' 05" EAST, 28.40 FEET; THENCE SOUTH 41° 02' 05" EAST, 118.67 FEET; THENCE SOUTH 03° 57' 55" WEST, 35.59 FEET; THENCE SOUTH 48° 57' 55" WEST, 25.00 FEET; THENCE SOUTH 41° 02' 05" EAST, 25.00 FEET; THENCE SOUTH 48° 57' 55" WEST, 166.00 FEET; THENCE NORTH 41° 02' 05" WEST, 25.00 FEET; THENCE SOUTH 48° 57' 55" WEST, 22.17 FEET; THENCE NORTH 86° 02' 05" WEST, 220.00 FEET; THENCE NORTH 03° 57' 55" EAST, 18.33 FEET; THENCE NORTH 86° 02' 05" WEST, 18.33 FEET; THENCE NORTH 03° 57' 55" EAST, 155.67 FEET TO THE POINT OF BEGINNING, CONTAINING 1.523 ACRES, MORE OR LESS, ALL LYING AND BEING WITHIN THE SILVER BEACH SUBDIVISION, TOWNSHIP 2 SOUTH, RANGE 22 WEST, CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA.

TOGETHER WITH A NON-EXCLUSIVE EASEMENT AND RIGHT-OF-WAY FOR PEDESTRIAN AND VEHICULAR INGRESS, EGRESS, AND ACCESS, OVER, UPON, ACROSS, AND THROUGH ALL PARTS OF LOT 8 OF SILVER SHELLS BEACH RESORT, A PLANNED UNIT DEVELOPMENT, OKALOOSA COUNTY, FLORIDA, NOW OR HEREAFTER USED FOR ROADWAY, DRIVEWAY, OR VEHICULAR ACCESS PURPOSES, SUBJECT TO PROVISIONS OF SAID PLAT AND TO TERMS OF THE DECLARATION OF RESTRICTIVE COVENANTS AND EASEMENTS FOR SILVER SHELLS [MASTER DECLARATION] RECORDED IN OFFICIAL RECORDS BOOK _____ PAGE(S) _____ OF THE PUBLIC RECORDS OF OKALOOSA COUNTY, FLORIDA. THIS EASEMENT SHALL TERMINATE AUTOMATICALLY UPON THE CONVEYANCE, IF EVER, OF ALL OF SAID LOT 8 LAND TO SILVER SHELLS PROPERTY OWNERS ASSOCIATION, INC. [MASTER ASSOCIATION].

DESCRIPTION OF COMMON ELEMENTS

COMMON ELEMENTS SHALL MEAN AND COMPRISE ALL THE REAL PROPERTY IMPROVEMENTS AND FACILITIES TO ST. MAARTEN AT SILVER SHELLS, A CONDOMINIUM, INCLUDING ALL PARTS OF THE CONDOMINIUM BUILDING OTHER THAN THE CONDOMINIUM UNITS AS SAME ARE HEREIN DEFINED AND SHALL INCLUDE EASEMENTS THROUGH CONDOMINIUM UNITS FOR CONDUITS, PIPES, DUCTS, PLUMBING, WIRING, AND OTHER FACILITIES FOR THE FURNISHING OF UTILITY SERVICE TO CONDOMINIUM UNITS, AND EASEMENTS OF SUPPORT IN EVERY PORTION OF THE CONDOMINIUM UNIT WHICH CONTRIBUTES TO THE SUPPORT OF THE IMPROVEMENTS AND SHALL FURTHER INCLUDE ALL PERSONAL PROPERTY HELD AND MAINTAINED FOR THE JOINT USE AND ENJOYMENT OF ALL OF THE OWNERS OF ALL SUCH SUCH CONDOMINIUM UNITS AND SHALL EXCLUDE ALL THE CONDOMINIUM UNITS.

SURVEYOR'S CERTIFICATE

THE UNDERSIGNED, A REGISTERED LAND SURVEYOR DULY AUTHORIZED TO PRACTICE UNDER THE LAWS OF THE STATE OF FLORIDA, HEREBY CERTIFIES THAT THIS IS A TRUE AND CORRECT SURVEY OF THE PROPERTY DESCRIBED HEREON, AND THAT THE CONSTRUCTION OF THE IMPROVEMENTS DEPICTED AND DESCRIBED IN THIS EXHIBIT OF ST. MAARTEN AT SILVER SHELLS, A CONDOMINIUM, IS NOT SUBSTANTIALLY COMPLETE SO THAT SUCH MATERIAL WHICH COMPRISES THIS EXHIBIT, TOGETHER WITH THE PROVISIONS OF THE DECLARATION OF CONDOMINIUM DESCRIBING THE CONDOMINIUM PROPERTY, IS AN ACCURATE REPRESENTATION OF THE LOCATION AND APPROXIMATE DIMENSIONS OF THE IMPROVEMENTS, AND THAT THE IDENTIFICATION, LOCATION AND APPROXIMATE DIMENSIONS OF THE COMMON ELEMENTS AND OF EACH UNIT CAN BE DETERMINED FROM SAID MATERIALS.

J. A. Prohaska 14 MAY 1998
Registered Land Surveyor, JON A. PROHASKA (Date)
Fl. Certificate No. 4450

ANNEXED TO AND EXPRESSLY MADE A PART
OF THE DECLARATION OF CONDOMINIUM

**ST. MAARTEN AT SILVER SHELLS,
a condominium**

CHOCTAW ENGINEERING, INC. LB #1682
119 TRUXTON AVENUE TELEPHONE: 850-863-6611
PORT WALTON BEACH, FL 32547 FAX: 850-863-8059
E-MAIL: ChoctawEng@aol.com
CIVIL ENGINEERING SURVEYING ENVIRONMENTAL

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PLOTTED 14 MAY 1998

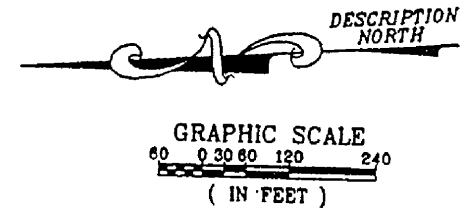
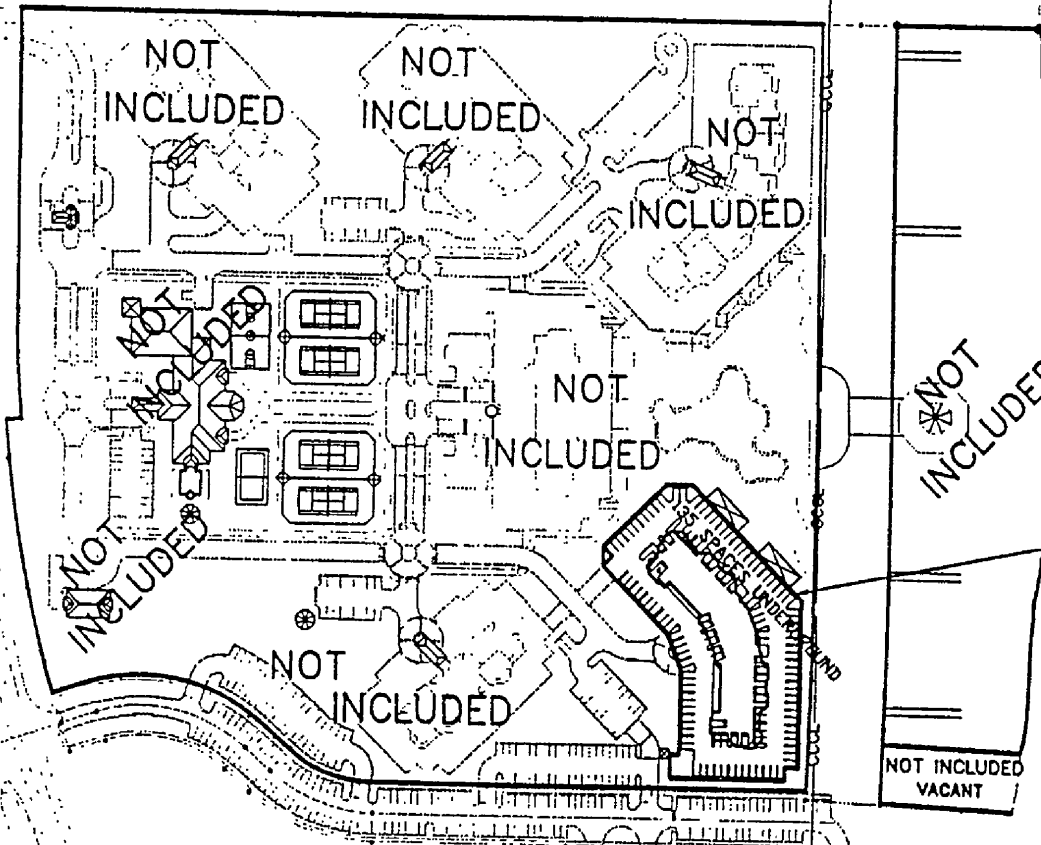
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ST. MAARTEN AT SILVER SHELLS, a condominium

IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, AND A RESUBDIVISION
OF A PORTION OF SILVER BEACH SUBDIVISION (PLAT BOOK 1, PAGE 16 1/2),
CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

OFFICIAL RECORDS ##
BK 2218 PG 3278

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PARKING PLAN
UNDERGROUND GARAGE
PARKING SPACES,
ST. MAARTEN = 135

NOTE: ASSIGNED PARKING SPACES ARE
LIMITED COMMON ELEMENTS.

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 112 TRUXTON AVENUE TELEPHONE: 850-862-8611
 FORT WATSON BEACH, FL 32547 FAX: 850-863-8069
 E-MAIL: ChoctawEng@aol.com
 CIVIL EN. SURVEYING ENVIRONMENTAL

PLANS FROM: ROBERT M. SWEN ARCHITECTS/PLANNERS
 1111 Lincoln Road, Suite 300 Miami Beach, FL 33139
 Phone: (305) 674-6002

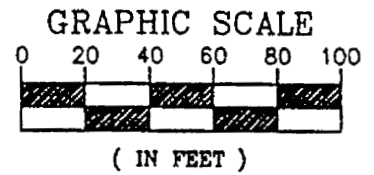
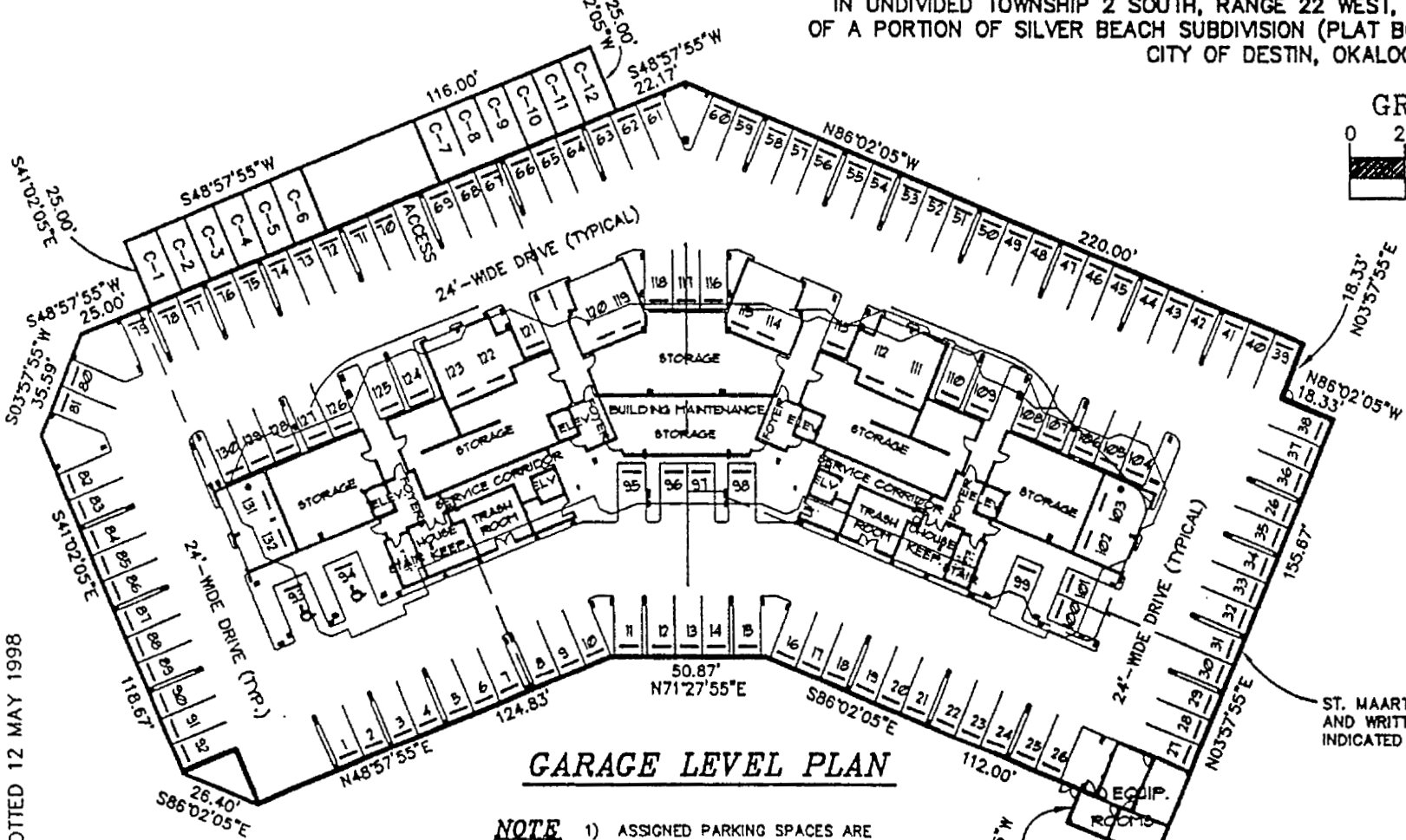
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ST. MAARTEN AT SILVER SHELLS,
 a condominium
 CONDOMINIUM PLAT BOOK

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ST. MAARTEN AT SILVER SHELLS, a condominium

IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, AND A RESUBDIVISION
 OF A PORTION OF SILVER BEACH SUBDIVISION (PLAT BOOK 1, PAGE 18 1/2),
 CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA



ST. MAARTEN BOUNDARY AS SHOWN
 AND WRITTEN RUNS AROUND WALL
 INDICATED ON ARCHITECTURAL PLANS.

GARAGE LEVEL PLAN

- NOTE**
- 1) ASSIGNED PARKING SPACES ARE LIMITED COMMON ELEMENTS.
 - 2) REFER TO SHEET 8 OF 15 FOR CABANA UNIT PLANS (UNITS DESIGNATED C-1 THROUGH C-12).

ANNEXED TO AND EXPRESSLY MADE A PART
 OF THE DECLARATION OF CONDOMINIUM

PLOTTED 12 MAY 1998

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 PORT WALTON BEACH, FL 32547 FAX: 850-863-8059
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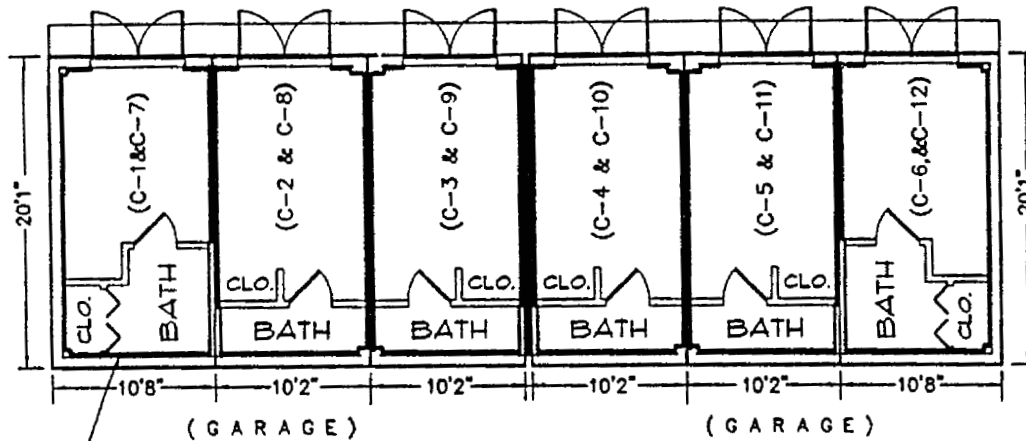
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 1111 Lincoln Road, Suite 300 Miami Beach, FL 33139
 Phone: (305) 675-6004

ST. MAARTEN AT SILVER SHELLS,
 a condominium
 CONDOMINIUM PLAT BOOK _____ PAGE _____

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 OF A PORTION OF SILVER BEACH SUBDIVISION (PLAT BOOK 1, PAGE 16 1/2),
 CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA



(DENOTES UNIT BOUNDARY)

CABANA UNIT PLAN

200 S.F.

(UNITS DESIGNATED AS C-1 THROUGH C-12)

CABANA UNITS, GARAGE LEVEL

(GARAGE LEVEL ~ LEVEL 1)

LEVEL	F.F.E.
(MACHINE ROOM ROOF ELEV. +162'1 1/2")	
(ROOF LEVEL)	F.F.E.: +148'8"
LEVEL 15 (PENTHOUSE LEVEL)	F.F.E.: +138'0"
	(UNITS 1401 - 1406)
LEVEL 14	F.F.E.: +128'6"
(LEVEL 13 OMITTED)	(UNITS 1201 - 1206)
LEVEL 12	F.F.E.: +119'0"
	(UNITS 1101 - 1106)
LEVEL 11	F.F.E.: +109'6"
	(UNITS 1001 - 1006)
LEVEL 10	F.F.E.: +100'0"
	(UNITS 901 - 906)
LEVEL 9	F.F.E.: +90'6"
	(UNITS 801 - 806)
LEVEL 8	F.F.E.: +81'0"
	(UNITS 701 - 706)
LEVEL 7	F.F.E.: +71'6"
	(UNITS 601 - 606)
LEVEL 6	F.F.E.: +62'0"
	(UNITS 501 - 506)
LEVEL 5	F.F.E.: +52'6"
	(UNITS 401 - 406)
LEVEL 4	F.F.E.: +43'0"
	(UNITS 301 - 306)
LEVEL 3 (FIRST TYPICAL LEVEL)	F.F.E.: +33'6"
	(UNITS 201 - 206)
LEVEL 2 (LOBBY/LANAI)	F.F.E.: +20'8"
LEVEL 1 (GARAGE)	F.F.E.: +10'0"

~ ELEVATIONS ~

F.F.E. = FINISHED FLOOR ELEVATION

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 OF THE DECLARATION OF CONDOMINIUM

ST. MAARTEN AT SILVER SHELLS, a condominium

CONDOMINIUM PLAT BOOK PAGE

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PLOTTED 12 MAY 1998

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 112 TRUXTON AVENUE TELEPHONE: 850-863-6611
 FORT WALTON BEACH, FL 32547 FAX: 850-863-8059
 E-MAIL: ChoctawEng@aol.com
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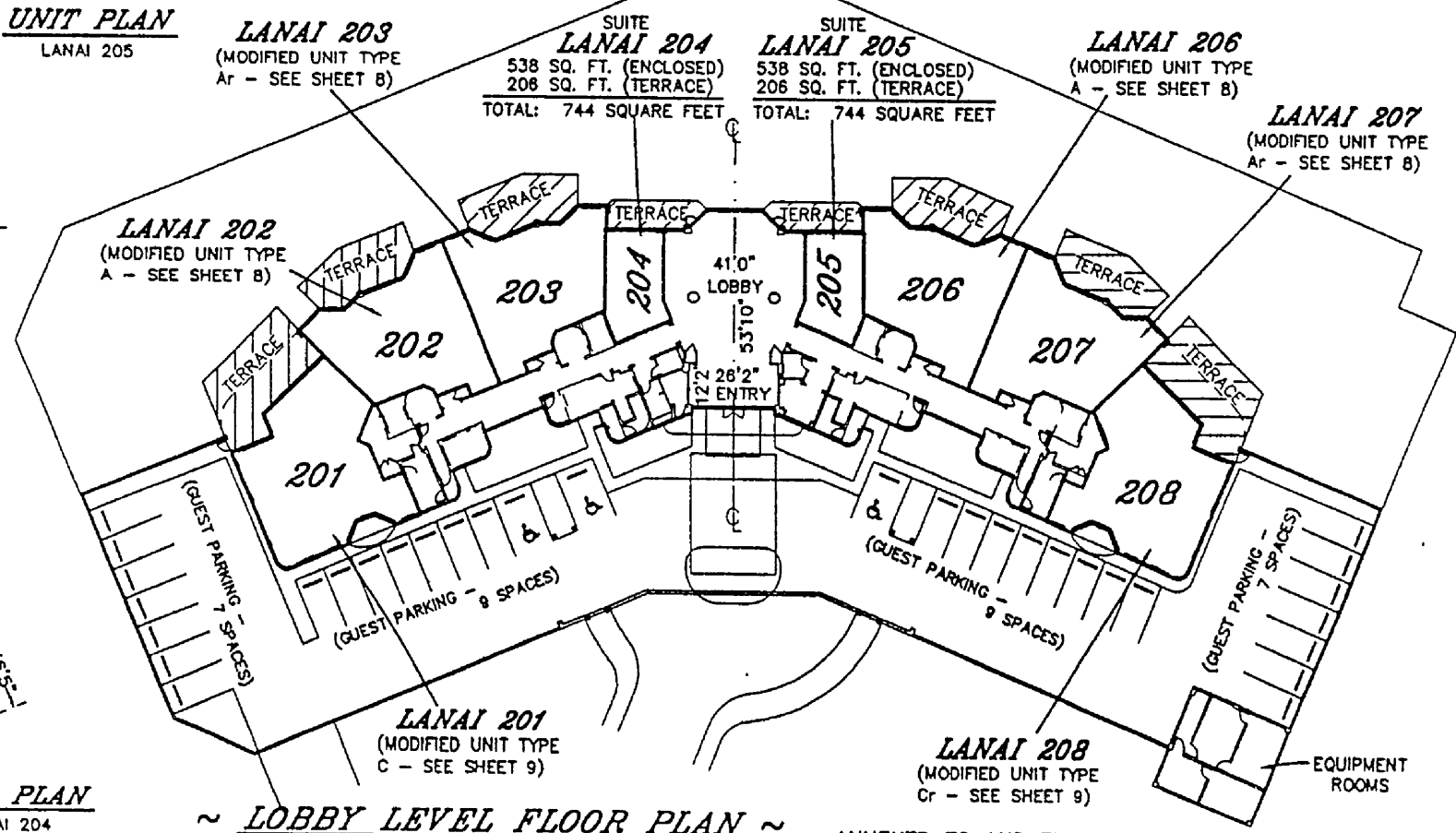
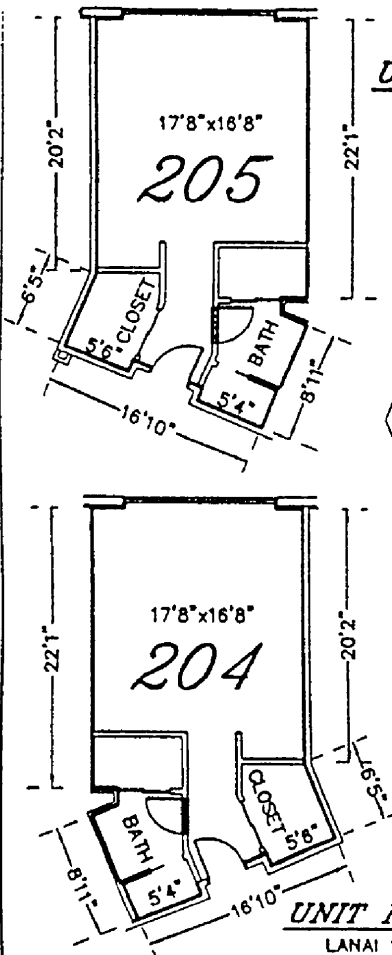
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 (PLAT BOOK 1, PAGE 16 1/2),
 CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

OFFICIAL RECORDS **
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PLOTTED 12 MAY 1998



~ LOBBY LEVEL FLOOR PLAN ~

LEGEND
 [Symbol] UNIT BOUNDARY
 [Symbol] LIMITED COMMON ELEMENT

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 E-MAIL: ChoctawEng@aol.com
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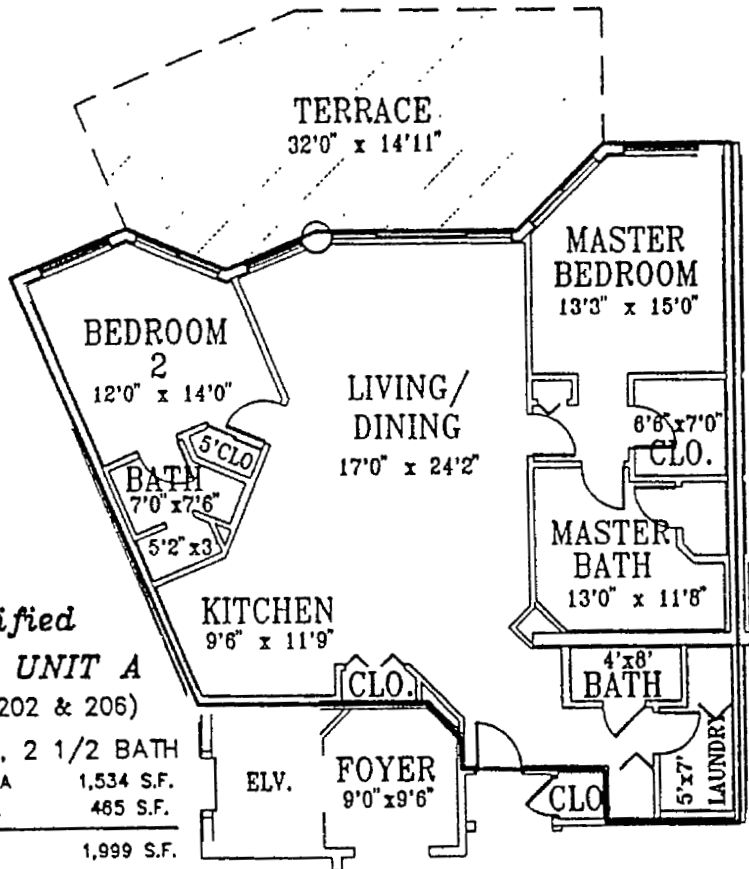
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 OF THE DECLARATION OF CONDOMINIUM
ST. MAARTEN AT SILVER SHELLS,
a condominium
 CONDOMINIUM PLAT BOOK --- PAGE ---

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ST. MAARTEN AT SILVER SHELLS, a condominium

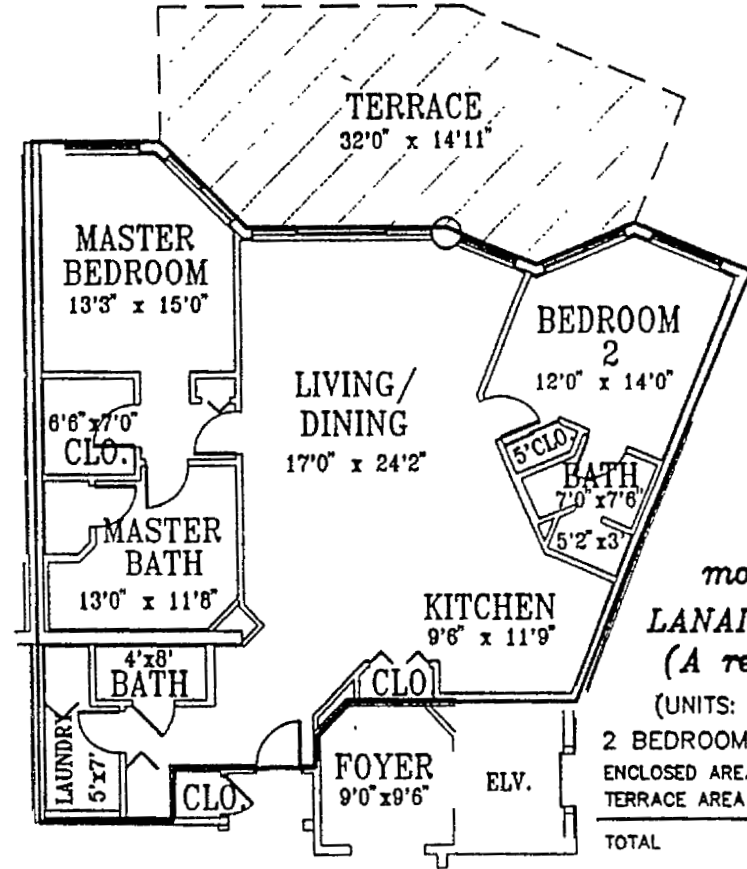
IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, AND A RESUBDIVISION
 OF A PORTION OF SILVER BEACH SUBDIVISION (PLAT BOOK 1, PAGE 16 1/2),
 CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

OFFICIAL RECORDS ##
 BK 2218 PG 3282



modified
LANAI UNIT A
 (UNITS: 202 & 206)

2 BEDROOM, 2 1/2 BATH
 ENCLOSED AREA 1,534 S.F.
 TERRACE AREA 485 S.F.
 TOTAL 1,999 S.F.



modified
LANAI UNIT A
 (A reversed)
 (UNITS: 203 & 207)

2 BEDROOM, 2 1/2 BATH
 ENCLOSED AREA 1,534 S.F.
 TERRACE AREA 485 S.F.
 TOTAL 1,999 S.F.

LOBBY/LANAI (LEVEL 2)

NOTE: TERRACES ARE LIMITED COMMON ELEMENTS.

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 OF THE DECLARATION OF CONDOMINIUM

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CHOCTAW ENGINEERING, INC. LB #1682
 112 TRUXTON AVENUE TELEPHONE: 850-862-8611
 FORT MONROE BEACH, FL 32547 FAX: 850-863-8069
 E-MAIL: ChoctawEng@aol.com
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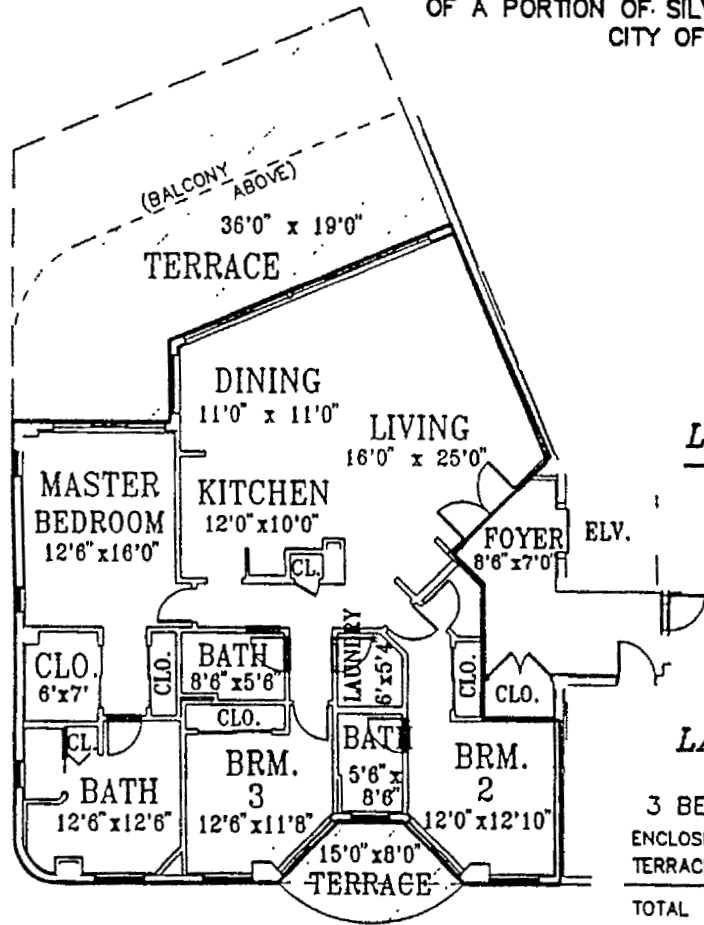
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ST. MAARTEN AT SILVER SHELLS, a condominium

IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, AND A RESUBDIVISION
 OF A PORTION OF SILVER BEACH SUBDIVISION (PLAT BOOK 1, PAGE 16 1/2),
 CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

OFFICIAL RECORDS ##
 BK 2218 PG 3283



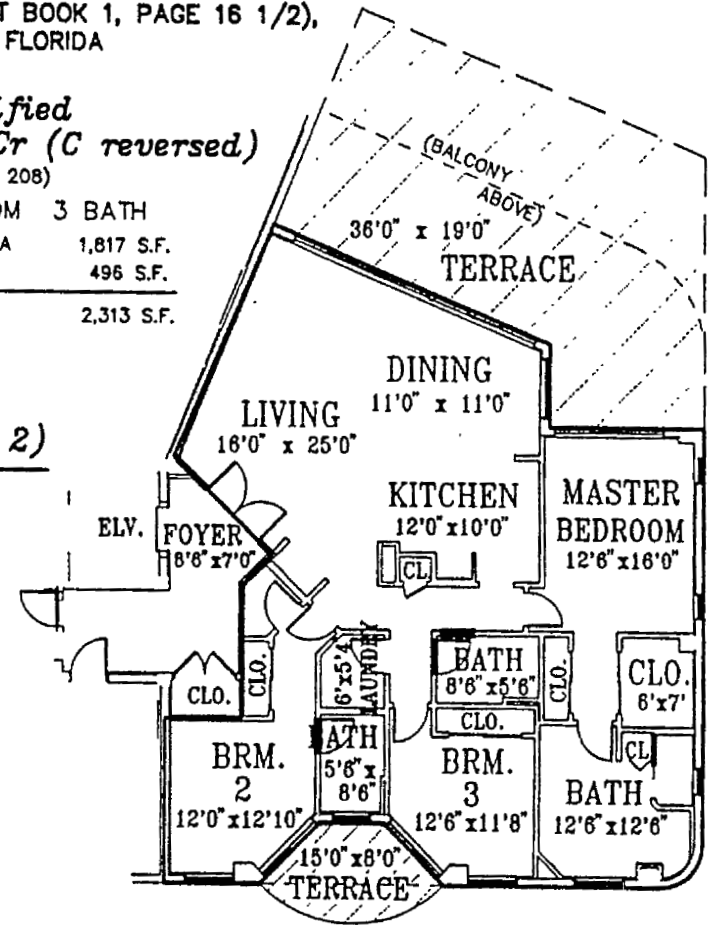
modified
LANAI UNIT Cr (C reversed)
 (UNIT: 208)

3 BEDROOM	3 BATH
ENCLOSED AREA	1,817 S.F.
TERRACE AREA	496 S.F.
TOTAL	2,313 S.F.

LOBBY/LANAI (LEVEL 2)

modified
LANAI UNIT C
 (UNIT: 201)

3 BEDROOM	3 BATH
ENCLOSED AREA	1,817 S.F.
TERRACE AREA	496 S.F.
TOTAL	2,313 S.F.



ANNEXED TO AND EXPRESSLY MADE A PART
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ST. MAARTEN AT SILVER SHELLS,
 a condominium
 CONDOMINIUM PLAT BOOK PAGE

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 113 TRUXTON AVENUE TELEPHONE: 850-862-6611
 FORT WALTON BEACH, FL 32547 FAX: 850-363-8059
 E-MAIL: ChoctawEng@aol.com
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NOTE: TERRACES ARE LIMITED COMMON ELEMENTS.

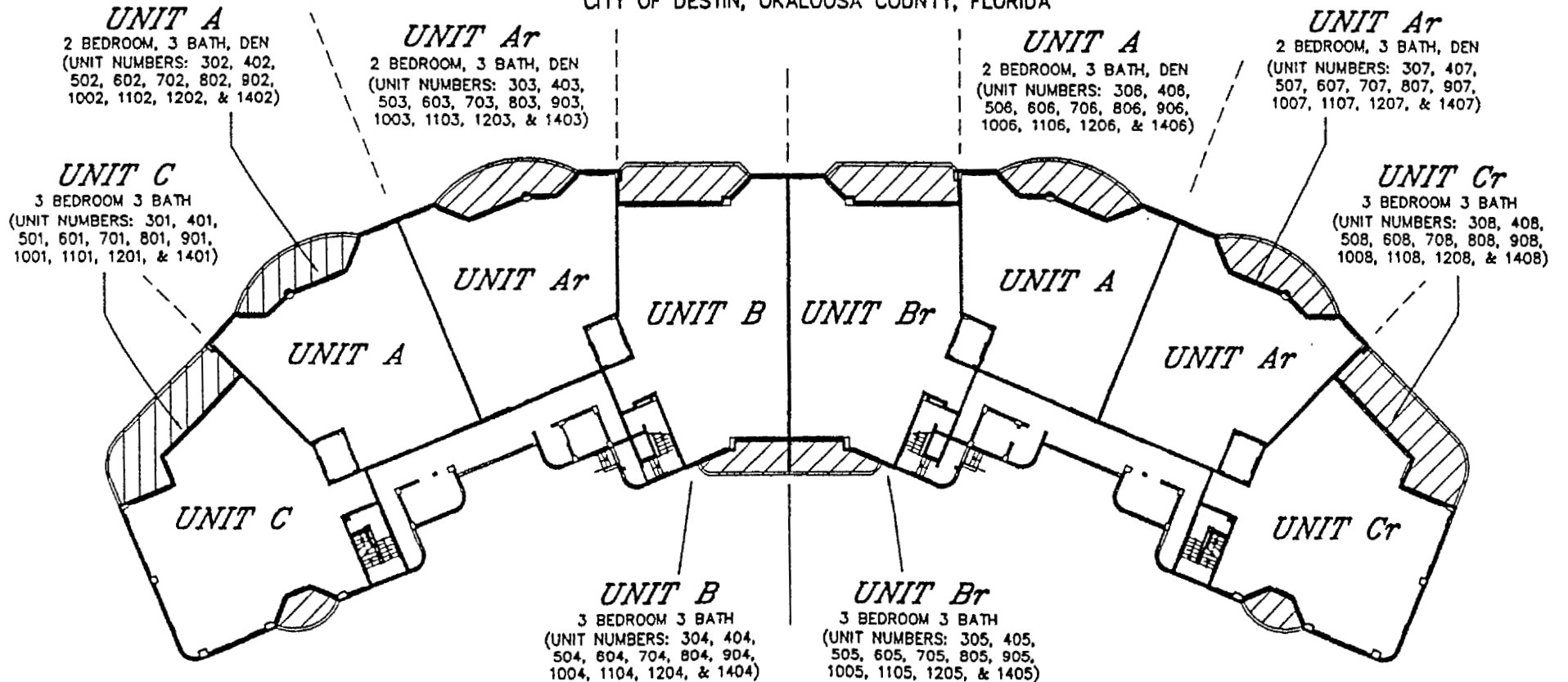
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OFFICIAL RECORDS ##
 BK 2218 PG 3284

ST. MAARTEN AT SILVER SHELLS, a condominium

IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, AND A RESUBDIVISION
 OF A PORTION OF SILVER BEACH SUBDIVISION (PLAT BOOK 1, PAGE 16 1/2),
 CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA



NOTE: REFER TO SHEETS 11, 12 AND 13 OF 17 FOR INDIVIDUAL
 UNIT A/Ar, B/Br AND C/Cr ROOM DIMENSIONS.

— UNIT BOUNDARY
 LIMITED COMMON ELEMENTS

*Typical unit lay-out numbering,
 floors 3 - 12 & 14
 (Floor/Level 13 omitted)*

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 FORT WALTON BEACH, FL 32547 FAX: 850-868-8059
 E-MAIL: ChoctawEng@aol.com
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ST. MAARTEN AT SILVER SHELLS,
 a condominium
 CONDOMINIUM PLAT BOOK _____ PAGE _____
 SHEET 10 OF 17 SHEETS

PLOTTED 15 MAY 1998

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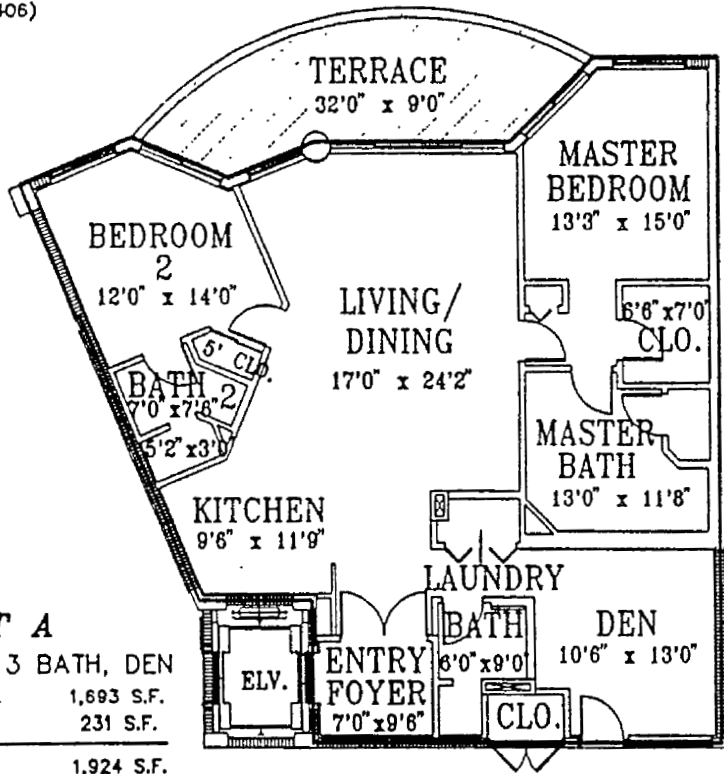
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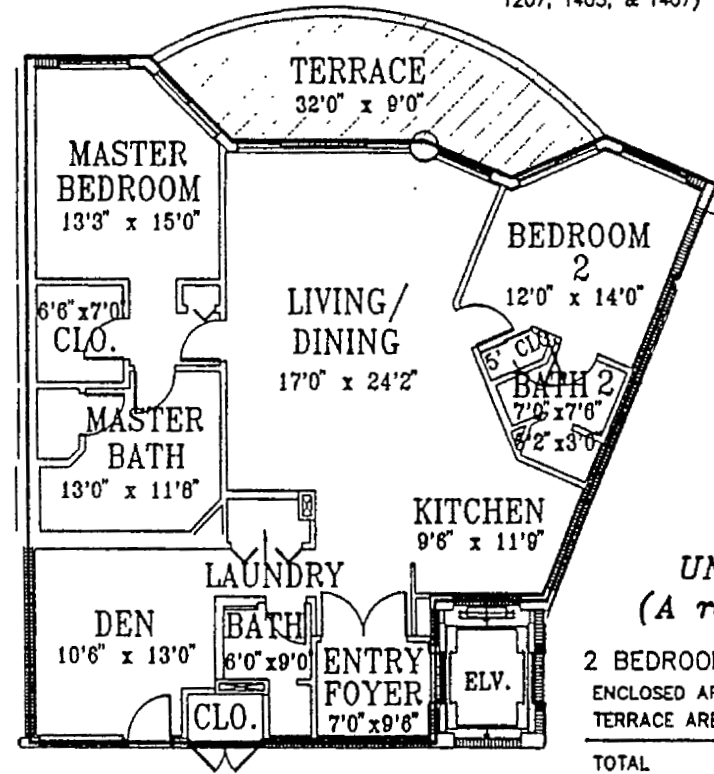
(UNITS: 302, 306, 402, 406,
 502, 508, 602, 606, 702, 706, 802, 806,
 902, 906, 1002, 1006, 1102, 1106, 1202,
 1206, 1402, & 1406)

(UNITS: 303, 307, 403, 407,
 503, 507, 603, 607, 703, 707, 803, 807,
 903, 907, 1003, 1007, 1103, 1107, 1203,
 1207, 1403, & 1407)

OFFICIAL RECORDS
 BK 2218 PG 3285



UNIT A
 2 BEDROOM, 3 BATH, DEN
 ENCLOSED AREA 1,693 S.F.
 TERRACE AREA 231 S.F.
 TOTAL 1,924 S.F.



UNIT Ar
 (A reversed)
 2 BEDROOM, 3 BATH, DEN
 ENCLOSED AREA 1,693 S.F.
 TERRACE AREA 231 S.F.
 TOTAL 1,924 S.F.

NOTE: BALCONIES/TERRACES ARE LIMITED COMMON ELEMENTS.

ANNEXED TO AND EXPRESSLY MADE A PART
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CHOCTAW ENGINEERING, INC. LB #1532
 112 TRUSTON AVENUE TELEPHONE: 850-862-6611
 FORT WALTON BEACH, FL 32547 FAX: 850-868-8069
 E-MAIL: ChoctawEng@aol.com
 CIVIL ENGINEERING SURVEYING ENVIRONMENTAL

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 1111 Lincoln Road, Suite 300 Miami Beach, FL 33139
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ST. MAARTEN AT SILVER SHELLS,
 a condominium
 CONDOMINIUM PLAT BOOK _____ PAGE

PLOTTED 12 MAY 1998

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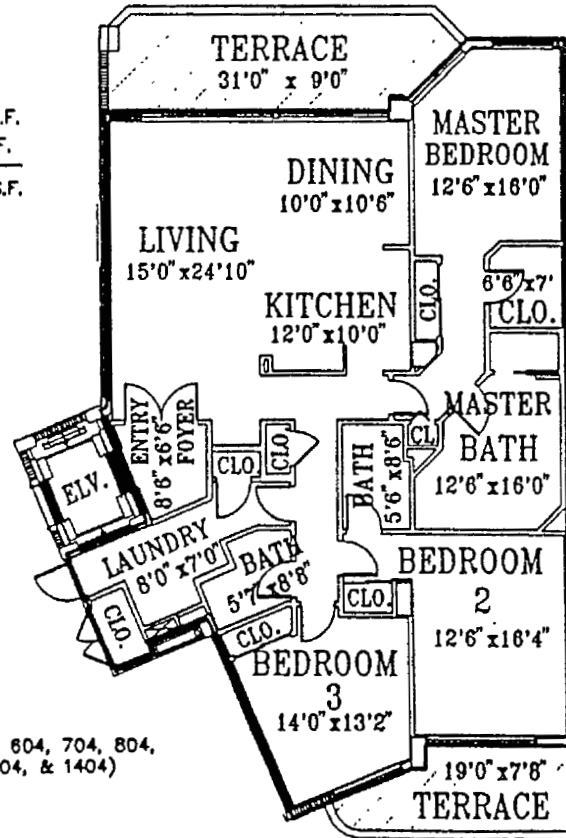
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 CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

OFFICIAL RECORDS **
 BK 2218 PG 3286

UNIT B

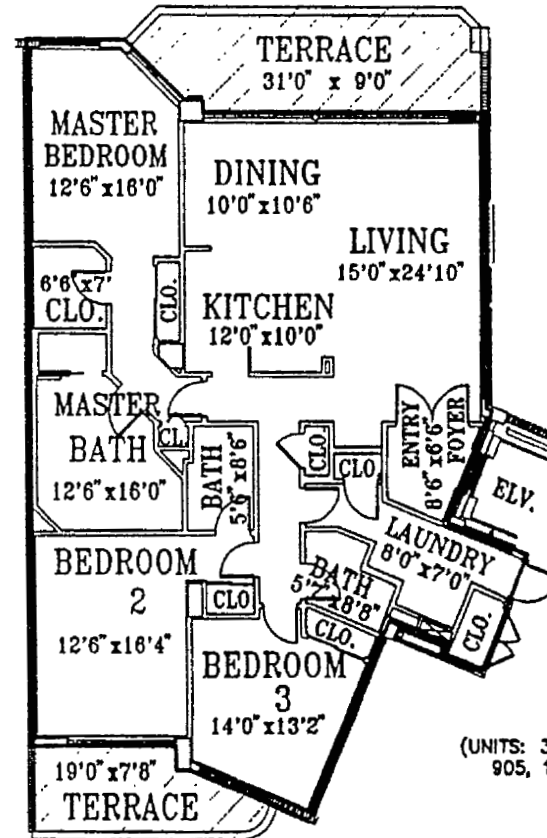
3 BEDROOM	3 BATH
ENCLOSED AREA	2,009 S.F.
TERRACE AREA	361 S.F.
TOTAL	2,370 S.F.



(UNITS: 304, 404, 504, 604, 704, 804,
 904, 1004, 1104, 1204, & 1404)

UNIT B_r (B reversed)

3 BEDROOM	3 BATH
ENCLOSED AREA	2,009 S.F.
TERRACE AREA	361 S.F.
TOTAL	2,370 S.F.



(UNITS: 305, 405, 505, 605, 705, 805,
 905, 1005, 1105, 1205, & 1405)

NOTE: BALCONIES/TERRACES ARE LIMITED COMMON ELEMENTS.

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 112 TRUXTON AVENUE TELEPHONE: 850-862-6611
 PORT WASHINGTON BEACH, FL 32547 FAX: 850-863-2059
 E-MAIL: ChoctawEng@aol.com
 CIVIL ENGINEERING SURVEYING ENVIRONMENTAL

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 1111 Lincoln Road, Suite 300 Ft. Beach, FL 33139
 Phone: (305) 673-2244

ST. MAARTEN AT SILVER SHELLS,
 a condominium
 CONDOMINIUM PLAT BOOK _____, PAGE _____

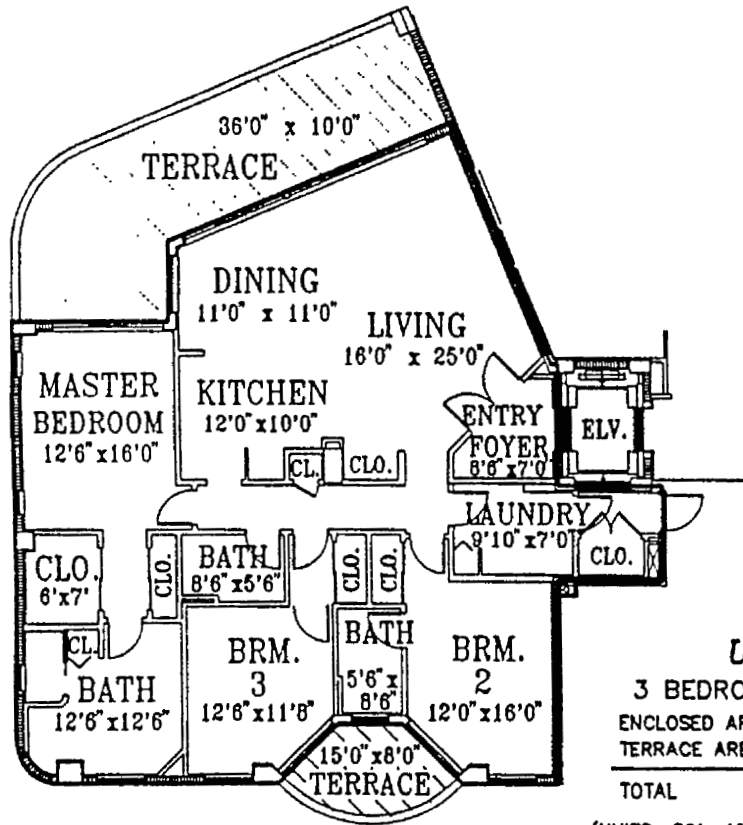
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 suitable for Microfilm/Imaging records.

ST. MAARTEN AT SILVER SHELLS, a condominium

IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, AND A RESUBDIVISION
 OF A PORTION OF SILVER BEACH SUBDIVISION (PLAT BOOK 1, PAGE 18 1/2),
 CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

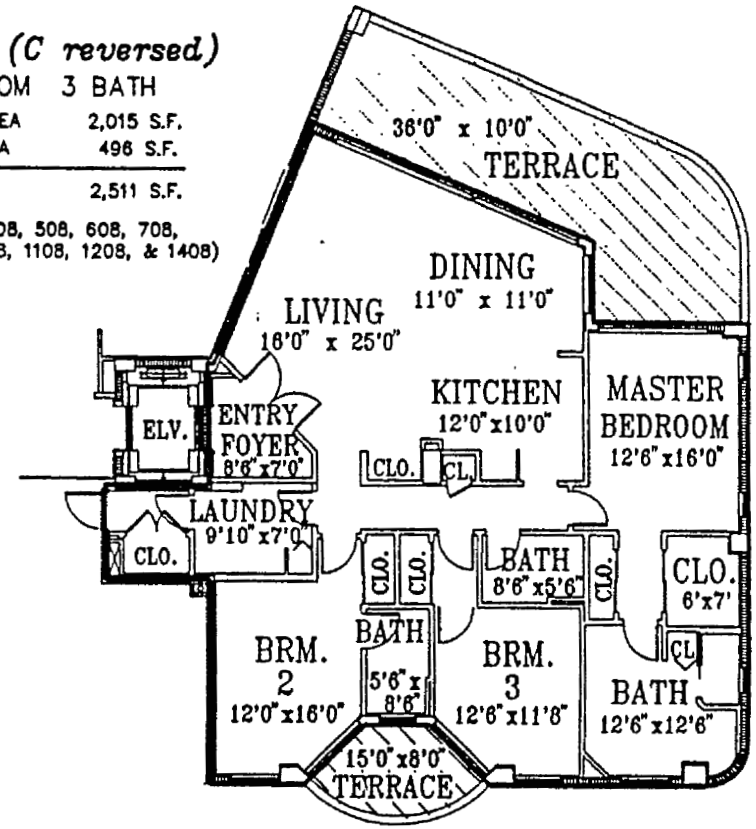
OFFICIAL RECORDS ##
 BK 2218 PG 3287



UNIT Cr (C reversed)

3 BEDROOM	3 BATH
ENCLOSED AREA	2,015 S.F.
TERRACE AREA	496 S.F.
TOTAL	2,511 S.F.

(UNITS: 308, 408, 508, 608, 708,
 808, 908, 1008, 1108, 1208, & 1408)



UNIT C

3 BEDROOM	3 BATH
ENCLOSED AREA	2,015 S.F.
TERRACE AREA	496 S.F.
TOTAL	2,511 S.F.

(UNITS: 301, 401, 501, 601, 701,
 801, 901, 1001, 1101, 1201, & 1401)

PLOTTED 12 MAY 1998

CHOCTAW ENGINEERING, INC. LB #1542
 112 TRUSTON AVENUE TELEPHONE: 850-363-6611
 FORT WALTON BEACH, FL 32547 FAX: 850-363-8059
 E-MAIL: ChoctawEng@aol.com
 CIVIL ENGINEERING SURVEYING ENVIRONMENTAL

NOTE: BALCONIES/TERRACES ARE LIMITED COMMON ELEMENTS.

PLANS FROM: ROBERT M. SWEDROE, ARCHITECTS/PLANNERS
 1111 Lincoln Road, Suite 300 Miami Beach, FL 33139
 Phone: (305) 693-6002

ANNEXED TO AND EXPRESSLY MADE A PART
 OF THE DECLARATION OF CONDOMINIUM

ST. MAARTEN AT SILVER SHELLS,
 a condominium
 CONDOMINIUM PLAT BOOK PAGE

Recorder's Memo:
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 suitable for Microfilm/Imaging records.

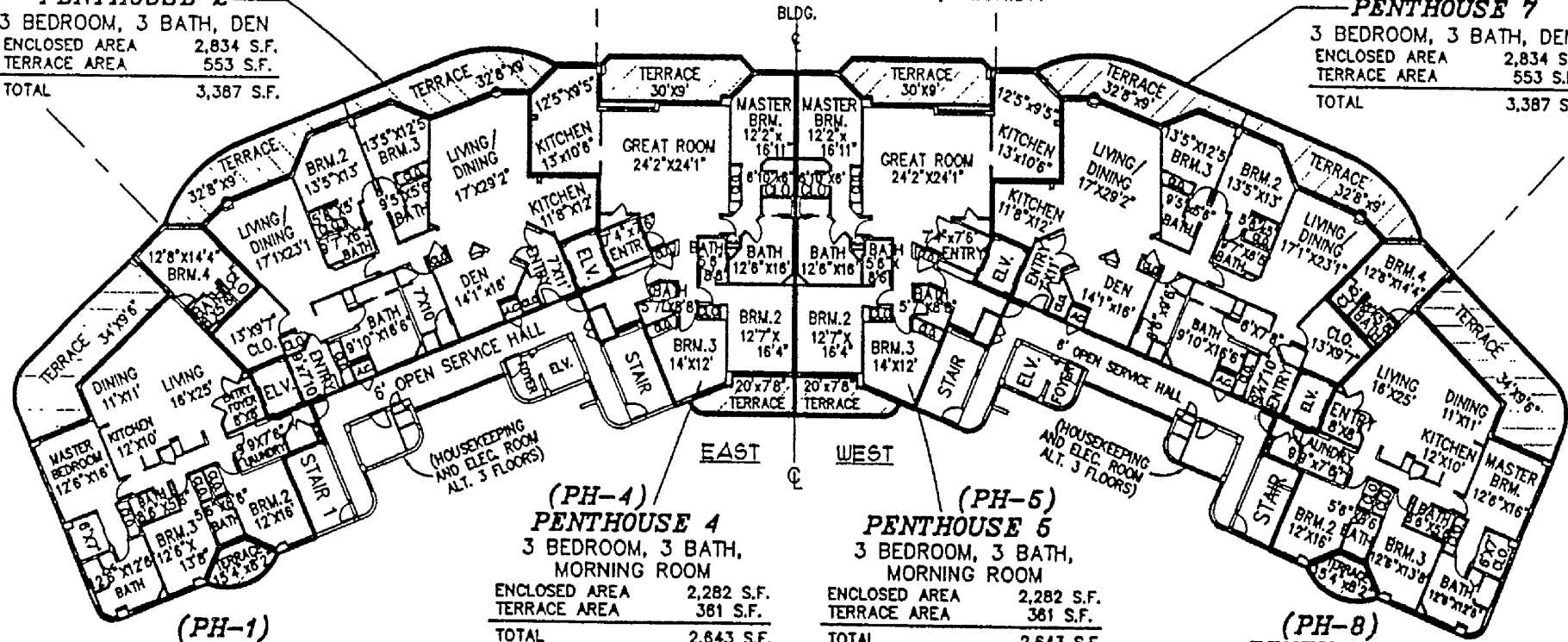
ST. MAARTEN AT SILVER SHELLS, a condominium

IN UNDIVIDED TOWNSHIP 2 SOUTH, RANGE 22 WEST, AND A RESUBDIVISION
 OF A PORTION OF SILVER BEACH SUBDIVISION (PLAT BOOK 1, PAGE 16 1/2),
 CITY OF DESTIN, OKALOOSA COUNTY, FLORIDA

OFFICIAL RECORDS
 BK 2218 PG 3288

(PH-2)
PENTHOUSE 2
 3 BEDROOM, 3 BATH, DEN
 ENCLOSED AREA 2,834 S.F.
 TERRACE AREA 553 S.F.
 TOTAL 3,387 S.F.

(PH-7)
PENTHOUSE 7
 3 BEDROOM, 3 BATH, DEN
 ENCLOSED AREA 2,834 S.F.
 TERRACE AREA 553 S.F.
 TOTAL 3,387 S.F.



(PH-1)
PENTHOUSE 1
 3 BEDROOM, 4 BATH,
 DEN/BEDROOM 4
 ENCLOSED AREA 2,290 S.F.
 TERRACE AREA 498 S.F.
 TOTAL 2,788 S.F.

(PH-4)
PENTHOUSE 4
 3 BEDROOM, 3 BATH,
 MORNING ROOM
 ENCLOSED AREA 2,282 S.F.
 TERRACE AREA 361 S.F.
 TOTAL 2,643 S.F.

(PH-5)
PENTHOUSE 5
 3 BEDROOM, 3 BATH,
 MORNING ROOM
 ENCLOSED AREA 2,282 S.F.
 TERRACE AREA 361 S.F.
 TOTAL 2,643 S.F.

(PH-8)
PENTHOUSE 8
 3 BEDROOM, 4 BATH,
 DEN/BEDROOM 4
 ENCLOSED AREA 2,290 S.F.
 TERRACE AREA 498 S.F.
 TOTAL 2,788 S.F.

NOTE: BALCONIES/TERRACES ARE LIMITED COMMON ELEMENT.
 ——— UNIT BOUNDARY

(Floor/Level 15)

CHOCTAW ENGINEERING, INC. LB #1822
 111 TRUXTON AVENUE TELEPHONE: 850-862-8011
 FORT WALTON BEACH, FL 32547 FAX: 850-862-8059
 E-MAIL: ChoctawEng@aol.com
 CIVIL ENG. SURVEYING ENVIRONMENTAL

PLANS FROM: ROBERT M. SWEDROE, ARCHITECTS/PLANNERS
 1111 Lincoln Road, Suite 300 Ft. Walton Beach, FL 32519
 Phone: (305) 673-

ANNEXED TO AND EXPRESSLY MADE A PART
 OF THE DECLARATION OF CONDOMINIUM
ST. MAARTEN AT SILVER SHELLS,
 a condominium
 CONDOMINIUM PLAT BOOK PAGE
 SHEET 14 OF 17 SHEETS

State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of ST. MAARTEN AT SILVER SHELLS CONDOMINIUM ASSOCIATION, INC., a Florida corporation, filed on July 9, 1998, as shown by the records of this office.

The document number of this corporation is N98000004015.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Tenth day of July, 1998



CR2EO22 (2-95)

Sandra B. Northam

Sandra B. Northam
Secretary of State

EXHIBIT D

FILED
98 JUL -9 AM 9:05
DIVISION OF CORPORATIONS
TALLAHASSEE, FLORIDA

ARTICLES OF INCORPORATION

C. B. Petersen

OF

Jul 13 1998

Naples

ST. MAARTEN AT SILVER SHELLS
CONDOMINIUM ASSOCIATION, INC.

A Corporation Not-For-Profit

In order to form a corporation under the Laws of Florida for the formation of corporations not for profit, we, the undersigned, hereby associate ourselves into a corporation for the purposes and with the powers herein specified; and to that end we do, by these Articles of Incorporation, set forth:

I. **Name.** The name of the corporation shall be: **ST. MAARTEN AT SILVER SHELLS CONDOMINIUM ASSOCIATION, INC.** (the "Association").

II. **Purposes.** The purposes of the Association shall be to administer the operation, maintenance, and management of **ST. MAARTEN AT SILVER SHELLS, A CONDOMINIUM** (the "Condominium"), to be established as a condominium in accordance with the Florida Condominium Act (the "Act") upon land situated in Okaloosa County, Florida (the "Land"), and to perform the acts and duties incident to operation and management of the Condominium in accordance with the provisions of these Articles of Incorporation, the By-Laws of the Association (the "By-Laws") and the Declaration of Condominium of the Condominium (the "Declaration"), which will be recorded in the Public Records of Okaloosa County, Florida, when the Land, and the improvements now and to be constructed thereon, are submitted to the condominium form of ownership; and to maintain, operate, encumber, lease, manage, and otherwise deal with the Land, the improvements and such other property, real and/or personal, as may be or become part of the Condominium (the "Condominium Property") to the extent necessary or convenient in the administration of the Condominium, including to operate and manage any recreation facilities which are part of the Condominium Property and created for the use and enjoyment of the Condominium. The Association shall be conducted as a non-profit organization for the benefit of its members.

III. **Powers.** The Association shall have the following powers:

3.1 All of the powers and privileges granted to corporations not for profit under the law pursuant to which this Corporation is chartered.

3.2 All of the powers conferred on a condominium association by law and which are reasonably necessary to implement and effectuate the purposes of the Association, including, without limitation, the power, authority and right to:

(a) Make and establish reasonable rules and regulations governing the use of the Units, Common Elements and Limited Common Elements in and of the Condominium, as such terms are defined in the Declaration.

(b) Levy and collect assessments against members of the Association to defray the Common Expenses of the Condominium, as provided in the Declaration and the By-Laws; including the right to levy and collect assessments for the purpose of acquiring, owning, holding, operating, leasing, encumbering, selling, conveying, exchanging, managing and otherwise dealing with the Condominium Property, including Units, which may be necessary or convenient in the operation and management of the Condominium and in accomplishing the purposes set forth in the Declaration and the right to levy and collect assessments for the management and operation of any recreation facilities which are created for the use of the members of the Association.

(c) Maintain, repair, replace, operate and manage the Condominium Property, including the right to reconstruct improvements after casualty and further to improve and add to the Condominium Property.

(d) Contract for the management of the Condominium and, in connection therewith, to delegate any and/or all of the powers and duties of the Association to the extent and in the manner permitted by the Declaration, the By-Laws, and the Act.

(e) Enforce the provisions of these Articles of Incorporation, the Declaration, the By-Laws, and all rules and regulations governing use of the Condominium and Condominium Property which may from time to time be established.

(f) Exercise, undertake and accomplish all of the rights, duties and obligations which may be granted to or imposed upon the Association in the Declaration and the Act.

(g) Participate as a member of a Master Association having jurisdiction over the Condominium Property as described in the Declaration on behalf of and for the benefit of the members of the Association.

(h) Provide and/or arrange for all services which the law permits to be provided by a condominium association including those services set forth in Florida Statutes, Section 718.111.

IV. Members. The qualification of members, the manner of their admission to and the termination of membership, and voting by members shall be as follows:

4.1 The record owners of all Units in the Condominium shall be members of the Association, and no other persons or entities shall be entitled to membership, except as provided in Article 4.5 hereof.

4.2 Membership shall be established by the acquisition of fee title to a Unit in the Condominium, or by acquisition of a fee ownership interest therein, by voluntary conveyance or operation of law, and the membership of any person or entity shall be automatically terminated when such person or entity is divested of all title or his or her entire fee ownership in such Unit; provided, that nothing herein contained shall be construed as terminating the membership of any person or entity owning fee title to or a fee ownership interest in two or more Units at any time while such person or entity shall retain fee title to or a fee ownership interest in any Unit.

4.3 The interest of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to the Unit(s) owned by such member. The funds and assets of the Association shall be expended, held or used only for the benefit of the membership and for the purposes authorized herein, in the Declaration, and in the By-Laws.

4.4 On all matters on which the membership shall be entitled to vote, there shall be one, and only one, vote for each Unit in the Condominium (the "Voting Interest"), which Voting Interest may be exercised or cast by the owner(s) of each Unit as provided in the By-Laws. Should any member own more than one Unit, such member shall be entitled to exercise or cast one (1) Voting Interest for each such Unit, in the manner provided by the By-Laws.

4.5 Until such time as the Land, and the improvements now and to be constructed thereon, are submitted to the condominium form of ownership by recordation of the Declaration in the Public Records of Okaloosa County, Florida, the membership of the Association shall be comprised of the subscribers to these Articles, each of whom shall be entitled to cast one vote on all matters on which the membership shall be entitled to vote.

V. Duration. The Association shall have perpetual existence.

VI. Office. The principal office of the Association shall be located in Florida, but the Association may maintain offices and transact business in such places, within or without the State of Florida, as may from time to time be designated by the Board of Directors. The initial principal place of business shall be c/o Resort Development, 15000 Emerald Coast Parkway, Destin, Florida 32541.

VII. **Management.** The affairs of the Association shall be managed by the Board of Directors of the Association ("Board"), directing and acting through the officers of the Association, including the President of the Association assisted by the Vice Presidents, Secretary and Treasurer and, if any, the Assistant Secretaries and Assistant Treasurers, always subject to the direction of the Board of Directors. The Board of Directors, or the President with the approval of the Board of Directors, may employ a managing agent, agency, and/or other managerial and supervisory personnel for the operation and management of the Condominium and the affairs of the Association, and any and all such persons and/or entity or entities may be so employed without regard to whether any such person or entity is a member of the Association or a Director or officer of the Association, as the case may be.

VIII. **Directors.** The number of members of the first Board of Directors shall be three (3). The number of members of succeeding Boards of Directors shall be not less than three (3), or as otherwise provided for from time to time by the By-Laws, and they shall be elected by the members of the Association at the annual meetings of the membership as provided by the By-Laws. At least a majority of the members of all Boards of Directors shall be members of the Association or shall be authorized representatives, officers or employees of a corporate member of the Association, except during the period of Declarant control specified herein.

Silver Shells Corporation, a Florida corporation, (the "Declarant"), shall have the right to designate the members of the Board of Directors for so long as the law will permit it to do so. Unit owners, other than the Declarant, shall have the right to elect such Directors at such time and in such manner as the law requires. The Declarant shall have the right to elect, in the manner provided in the By-Laws, one (1) member of the Board of Directors as long as the Declarant holds for sale in the ordinary course of business at least five percent (5%) of the Units in the Condominium. Notwithstanding the foregoing, the Declarant shall be entitled at any time to waive in writing its rights hereunder, and to transfer control of the Association to the Unit owners prior to the times required by law. After Unit owners other than the Declarant elect a majority of the members of the Board of Directors, the Declarant shall, within the time required by law and in a manner to be provided in the By-Laws, relinquish control of the Association and shall deliver to the Association possession and control of all Condominium Property of the Unit Owners and of the Association held or controlled by the Declarant.

IX. **Officers.** The Board of Directors shall elect a President, Secretary, Treasurer, and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board of Directors shall deem advisable from time to time. The President shall be elected from the membership of the Board of Directors, but no other officer need be a Director. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the office of President and Vice President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by the same person.

X. **Initial Board.** The names and addresses of the members of the first Board of Directors, who, subject to the provisions of the laws of Florida, these Articles of Incorporation and

the By-Laws, shall hold office until the annual meeting of the Association in the year following the year this corporation is formed, and thereafter until their successors are selected and have qualified, are as follows:

Thomas R. Becnel
101 La Rue France, Suite 500
Lafayette, Louisiana 70508

Carla Becnel
101 La Rue France, Suite 500
Lafayette, Louisiana 70508

William G. P. Kreuser
15000 Emerald Coast Parkway
Destin, Florida 32541

XI. Initial Officers. The initial officers of the Corporation, who shall hold office until their successors are elected and have qualified pursuant to these Articles of Incorporation and the By-Laws, shall be the following:

President: Thomas R. Becnel
101 La Rue France, Suite 500
Lafayette, Louisiana 70508

Vice-President: William G. P. Kreuser
15000 Emerald Coast Parkway
Destin, Florida 32541

Vice-President, Secretary: Carla Becnel
101 La Rue France, Suite 500
Lafayette, Louisiana 70508

Treasurer: Christine Barbier
101 La Rue France, Suite 500
Lafayette, Louisiana 70508

XII. Subscribers. The Subscribers to these Articles of Incorporation and their respective addresses, are set forth below:

Leo J. Salvatori, Esquire
c/o **QUARLES & BRADY**
4501 Tamiami Trail North
Suite 300
Naples, Florida 34103

David L. Petersen, Esquire
c/o **QUARLES & BRADY**
4501 Tamiami Trail North
Suite 300
Naples, Florida 34103

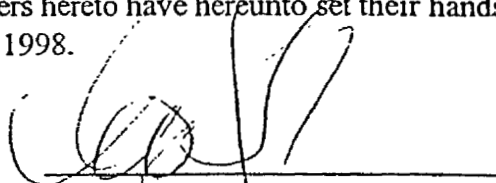
XIII. By-Laws. The original By-Laws of the Association shall be adopted by a majority vote of the Directors of this Association at a meeting at which a majority of the Directors are present, and, thereafter, the By-Laws may be altered or rescinded only by affirmative vote of two-thirds (2/3) of the votes entitled to be cast by members of the Association.

XIV. Indemnification. Every Director and every officer of the Association shall be indemnified by the Association to the fullest extent permitted by Florida law against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him or her in connection with any proceeding to which he or she may be a party, or in which he or she may become involved, by reason of his or her being or having been a Director or officer of the Association, whether or not he or she is a Director or officer at the time such expenses are incurred, except in such cases wherein the Director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Director or Officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors approves such settlement and reimbursement as being in the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

XV. Amendment. An amendment or amendments to these Articles of Incorporation may be proposed by the Board of Directors of the Association acting upon a vote of the majority of the Directors, or by the members of the Association owning a majority of the Units in the Condominium, whether meeting as members or by instrument in writing signed by them. Upon any amendment or amendments to these Articles of Incorporation being proposed by the Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of the Association, or the acting chief executive officer in the absence of the President, who shall thereupon call a special meeting of the members of the Association for a date not sooner

than twenty (20) days or later than sixty (60) days from the receipt by him or her of the proposed amendment or amendments, and it shall be the duty of the Secretary to give each member written notice of such meeting stating the time and place of the meeting and reciting the proposed amendment or amendments in reasonably detailed form, which notice shall be mailed or presented personally to each member not less than ten (10) days nor more than thirty (30) days before the date set for such meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail, addressed to the member at his or her Post Office address as it appears on the records of the Association, with first class postage thereon prepaid. Such notice shall further be posted on the Condominium Property for at least 14 continuous days preceding the meeting. Any member may waive such notice by written waiver of notice signed by such member and such waiver when filed in the records of the Association, whether before, during or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member. At such meeting, the amendment or amendments proposed must be approved by an affirmative vote of the members holding Voting Interests of Units in the Condominium to which not less than two-thirds (2/3) of the Common Elements are appurtenant in order for such amendment or amendments to become effective. Thereupon, such amendment or amendments of these Articles of Incorporation shall be transcribed and certified in such form as may be necessary to file the same in the office of the Secretary of State of the State of Florida. A certified copy of each such amendment of these Articles of Incorporation shall be recorded in the Public Records of Okaloosa County, Florida, within thirty (30) days from the date on which the same is filed in the office of the Secretary of State. Notwithstanding the foregoing provisions of this Article XV, no amendment to these Articles of Incorporation which shall abridge, amend or alter the right of Declarant to designate and select members of the Board of Directors of the Association, as provided in Article VIII hereof, or otherwise alter or abrogate rights of Declarant, may be adopted or become effective without the prior written consent of Declarant.

IN WITNESS WHEREOF, the Subscribers hereto have hereunto set their hands and seals
this 18 day of June, 1998.



LEO J. SALVATORI



DAVID L. PETERSEN

STATE OF FLORIDA
COUNTY OF COLLIER

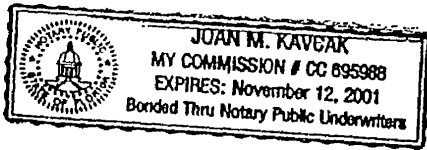
**** OFFICIAL RECORDS ****
BK 2218 PG 3298

I HEREBY CERTIFY that on this day personally appeared before me, the undersigned authority, LEO J. SALVATORI and DAVID L. PETERSEN, to me well known and well known to me to be the persons who executed the foregoing instrument and acknowledged before me that they executed the same freely and voluntarily for the uses and purposes therein set forth and expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on this the 18th day of June, 1998.

(Affix Seal)

Joan M. Kavcak
Signature of Person Taking Acknowledgment
Joan M. Kavcak
Name of Acknowledger Typed, Printed or Stamped



Title or Rank

Serial Number, if any

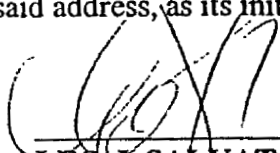
My Commission expires:

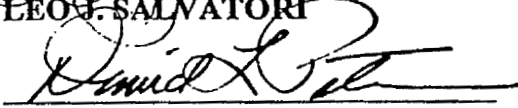
CERTIFICATE DESIGNATING REGISTERED AGENT
AND REGISTERED OFFICE

In compliance with Florida Statutes Sections 48.091, 617.0501 and 607.0501, the following is submitted:

ST. MAARTEN AT SILVER SHELLS CONDOMINIUM ASSOCIATION, INC.

desiring to organize as a corporation under the laws of the State of Florida, has designated 4501 Tamiami Trail North, Suite 300, Naples, Florida 34103, as its initial Registered Office, and has named NAPLES-LAWDOCK, INC., located at said address, as its initial Registered Agent.



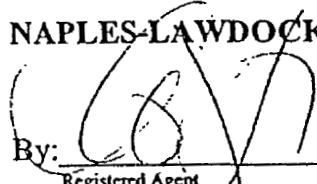
LEO J. SALVATORI


DAVID L. PETERSEN

ACCEPTANCE OF REGISTERED AGENT

Having been named Registered Agent for the above stated corporation, at the designated Registered Office, the undersigned hereby accepts said appointment, is familiar with and accepts the obligations thereof, and agrees to comply with the provisions of Florida Statutes Section 48.091 and 617.0501, relative to keeping open said office.

NAPLES-LAWDOCK, INC.

By: 

Registered Agent
Vice-President

DIVISION OF CORPORATIONS
TALLAHASSEE, FLORIDA

98 JUL -9 AM 9:05

FILED

BY-LAWS
OF
ST. MAARTEN AT SILVER SHELLS
CONDOMINIUM ASSOCIATION, INC.

A Corporation Not For Profit

I. THE ASSOCIATION.

1.1 These are the By-Laws of **ST. MAARTEN AT SILVER SHELLS CONDOMINIUM ASSOCIATION, INC.** (the "Association"), a Florida corporation not-for-profit, the Articles of Incorporation (the "Articles") of which were filed in the office of the Secretary of State of Florida on July 8, 1998. The Association has been organized for the purpose of administering the maintenance, operation and management of **ST. MAARTEN AT SILVER SHELLS, A CONDOMINIUM** (the "Condominium"), established or to be established in accordance with the Florida Condominium Act (the "Act") upon land, situated in Okaloosa County, Florida, described in the Declaration of Condominium.

1.2 The provisions of these By-Laws are applicable to the Condominium and are subject to the provisions of the Articles. A copy of the Articles and a copy of these By-Laws will be annexed, as Exhibits, to the Declaration of Condominium for St. Maarten at Silver Shells, a Condominium (the "Declaration") which will be recorded in the Public Records of Okaloosa County, Florida. The terms and provisions of the Articles and Declaration shall control wherever the same may conflict herewith.

1.3 All members of the Association and their invitees, including, without limitation, all present or future owners and tenants of units in the Condominium ("Units") and other persons using the Condominium or any of the facilities thereof in any manner, are subject to these By-Laws, the Articles and the Declaration.

1.4 The office of the Association shall be at c/o Resort Development, 15000 Emerald Coast Parkway, Destin, Florida 32541, or at such other place as may be established by resolution of the Board of Directors.

1.5 The fiscal year of the Association shall be the calendar year.

1.6 The seal of the Association shall bear the name of the Association, the word "Florida", the words, "Corporation Not For Profit", and the year of incorporation. An impression of the seal is as follows:

(SEAL)

II. MEMBERSHIP, VOTING, QUORUM, AND PROXIES.

2.1 The qualification of members of the Association (the "Members"), the manner of their admission to membership and termination of such membership, and voting by Members, shall be as set forth in Article IV of the Articles, the provisions of which are incorporated herein by reference.

2.2 A quorum at meetings of Members shall consist of persons entitled to cast one-third (1/3) of the Voting Interests of the entire membership.

2.3 The Voting Interest of the owner(s) of a Unit owned by more than one natural person, as tenants in common, joint tenants (including a husband and wife as tenants by the entirety), a partnership, or any other association of natural persons, or by a corporation, a trust, or any other entity shall be cast or otherwise exercised, at all meetings at which members of the Association are entitled to vote or otherwise act, by one natural person designated by the owner(s) of such Unit as the "Unit Representative" thereof. In each instance where title to a Unit is proposed to be conveyed or is otherwise to become vested in more than one natural person (excluding a husband and wife, a partnership, or any association of natural persons, or a corporation, a trust, or any other entity, the prospective owner(s) shall designate one natural person as the Unit Representative, whose name shall be included in the Registry of Owners under the Declaration. The written instrument designating the Representative shall be filed with the Association, and the person so designated shall be and remain the Unit Representative until such designation has been revoked by written instrument executed by the owner(s) of the Unit or by conveyance of the Unit. The Unit Representative shall be the only person entitled to cast or exercise, in person or by proxy, the Voting Interest of the owner(s) of such Unit at any meeting of members or in connection with any action concerning which members of the Association shall be required or allowed to vote or otherwise act. In the case of a Unit, title to which is held by a husband and wife, each of them shall be the Representative but only one may cast the vote.

2.4 Evidence of the approval or disapproval of the owner(s) of a Unit upon any matter, whether or not the subject of an Association meeting, shall be given to the Association by the same person who would cast the Voting Interest of such owner if in an Association meeting.

2.5 Except where otherwise required under the provisions of the Articles, these By-Laws or the Declaration, or where the same may otherwise be required by law, the affirmative vote of the persons holding a majority of the Voting Interests represented at any meeting of the Members duly called and at which a quorum is present, shall be binding upon the members.

2.6 Voting Interests may be cast in person or by proxy pursuant to terms of the Act. Proxies may be made by the Unit Representative and shall be effective only for the specific meeting for which given and any lawfully adjourned meetings thereof. In no event shall any proxy be valid for a period

longer than 90 days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time by written notice from the Unit Representative.

III. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP.

3.1 The annual meeting of Members shall be held, at the office of the Association or such other place in Okaloosa County, Florida, at such time and on such date in March of each year as may be determined by the Board of Directors and as shall be specified in the notice of the meeting, for the purpose of electing Directors and of transacting any other business authorized to be transacted by the Members.

3.2 Special meetings of Members 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 owning a majority of the Units or as otherwise required herein or by law. If the Board of Directors adopts a budget which requires assessments against unit owners in any fiscal or calendar year which exceed 115 percent of the assessments for the preceding year, upon written request to the Board of Directors by unit owners holding 10 percent or more of the Voting Interests, the Board shall call a special meeting for the enactment of a budget by the unit owners. Subject to the rights of the Declarant to maintain control of the Association pursuant to Florida law, a special meeting of the unit owners to recall a member or members of the Board of Directors may also be called by unit owners holding 10 percent or more of the Voting Interests.

3.3 Notice of all meetings of Members shall be given by the Secretary or, in the absence of the Secretary, another officer of the Association, to each Member (unless waived in writing). Each notice shall be written or printed and shall state the time and place of and purpose for which the meeting is called. The notice of any meeting to consider assessments shall specifically state that fact and the nature of the assessment. Each notice shall be given to each Member not less than fourteen (14) days nor more than sixty (60) days prior to the date set for the meeting, and shall be mailed or delivered personally to each Member. If delivered personally, receipt of the notice shall be signed by the Member, indicating the date received. If mailed, such notice shall be mailed via first class United States mail, certified, return receipt requested, addressed to the Member at the Member's Post Office address as it appears on the records of the Association, with postage thereon prepaid. The post office certificate of mailing shall be retained as proof of such mailing; provided, however, that if Florida law is subsequently changed to eliminate the requirement for a post office certificate of mailing, such notice shall be deemed properly given when deposited in the United States Mail, postage prepaid, addressed as hereinabove described, to the Member, and proof of such mailing shall be given by the affidavit of the person giving the notice. Any Member may, in writing signed by such Member, waive such notice, and such waiver, when filed in the records of the Association, whether before, at or after the holding of the meeting, shall be deemed equivalent to the filing of such notice to such Member. Each notice shall in addition be posted in a conspicuous place in the Condominium at least fourteen (14) continuous days prior to said meeting. The Secretary of the Association shall provide an affidavit to be included in the official records of the Association

affirming that notices of such Association meeting were mailed or hand-delivered in accordance with the By-Laws of the Association and applicable law, to each member at the address last furnished to the Association. If any meeting of Members cannot be held because a quorum is not present, or because a greater percentage of the membership required to constitute a quorum for particular purposes is not present, whenever the latter percentage of attendance may be required as set forth in the Articles, the By-Laws or the Declaration, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum, or the required percentage of attendance is present.

3.4 At meetings of Members, the President of the Association, or in his or her absence, the Vice-President, shall preside, or in the absence of both, the Members present shall select a chairman of the meeting.

3.5 The order of business at annual meetings of Members, and, as far as practical, at other meetings of Members, shall be:

- (1) Calling the roll and certifying of proxies
- (2) Proof of notice of meeting or waiver of notice
- (3) Reading or waiver of reading of minutes of previous meeting of Members
- (4) Reports of officers
- (5) Reports of committees
- (6) Appointment by Chairman of Inspectors of Election
- (7) Election of Directors
- (8) Unfinished business
- (9) New business
- (10) Adjournment

IV. BOARD OF DIRECTORS.

4.1 The first Board of Directors shall consist of three (3) persons who are so identified in the Articles; succeeding Boards of Directors shall consist of not less than three (3) persons and shall be elected and composed as provided in the Articles.

4.2 Directors shall be elected in the following manner:

(a) Until such time as Members other than the Declarant own 15% or more of the Units, Declarant shall be entitled to elect all Members of the Board. At such time as Members other than Declarant own 15% or more of the Units, Members other than the Declarant shall be entitled to elect no less than one-third of the members of the Board. Members other than Declarant shall be entitled to elect a majority of the Members of the Board upon the first of the following occur: (i) three years after 50% of the Units have been conveyed to purchasers; (ii) three months after 90% of the Units have been conveyed to purchasers; (iii) when all of the Units have been completed, some of which have been conveyed to purchasers, and none of the others of which are being offered for sale by

Declarant in the ordinary course of business; (iv) at such time as some of the Units have been conveyed to purchasers and none of the others are being constructed or offered for sale by Declarant in the ordinary course of business; or (v) seven years after recordation of the Declaration of Condominium.

Declarant shall be entitled to elect at least one member of the Board for so long as Declarant holds for sale in the ordinary course of business at least 5% of all Units operated by the Association. At such time as the Declarant fully relinquishes control of the Board, Declarant may exercise the right to vote any Declarant owned Units in the same manner as any other Member, except for purposes of re-acquiring control of the Association or selecting the majority members of the Board.

(b) All members of the Board who Declarant shall not be entitled to designate under these By-Laws or under the Florida Condominium Act, shall be elected by written ballot or voting machine. Proxies shall in no event be used in electing the Board, either in general elections or elections to fill vacancies caused by recall, resignation, or otherwise. Not less than sixty (60) days before a scheduled election, the Association shall mail or deliver, whether by separate Association mailing or inclusion in another Association mailing or delivery including regularly published newsletters, to each unit owner entitled to vote, a first notice of the date of election. Any unit owner or other eligible person desiring to be a candidate for the Board of Directors must give written notice to the Association not less than forty (40) days before a scheduled election. Together with the written notice and agenda for the meeting, the Association shall mail or deliver a second notice of the election to all Unit Owners entitled to vote therein, together with a ballot which shall list all candidates. Upon request of the Candidate, the Association shall include an information sheet, no larger than 8 1/2" by 11", which must be furnished by the Candidate not less than thirty-five (35) days before the election, to be included with the mailing of the ballot, with the costs of mailing and copying to be borne by the Association. However, the Association has no liability for the contents of the information sheets prepared by the candidates. Elections shall be decided by a plurality of those ballots cast. There shall be no quorum requirement; however, at least twenty (20%) percent of the eligible voters must cast a ballot in order to have a valid election of members of the Board. No unit owner shall permit any other person to cast the unit owner's ballot, and any such ballots improperly cast shall be deemed invalid. The regular election shall occur on the date of the annual meeting. Notwithstanding the provisions of this Section, election and balloting are not required unless more candidates file notices of intent to run or are nominated than vacancies exist on the Board. Upon election of the first unit owner other than the Declarant, the Declarant shall forward to the Division of Florida Land Sales, Condominiums and Mobile Homes the name and mailing address of the Unit Owner Director.

(c) Vacancies on the Board may be filled, to expire on the date of the next annual meeting, by the remaining Directors; except that (i) should any vacancy in the Board be created in any directorship previously filled by any person designated by Declarant, such vacancy shall be filled by Declarant designating, by written instrument delivered to any officer of the Association,

the successor Director and (ii) should any vacancy in the Board be created in any directorship previously filled by any person elected by members other than Declarant, such vacancy shall be filled by the remaining Directors who were elected by such members, and if there are no such remaining Directors, such vacancy shall be filled by a majority vote of the members other than Declarant, present in person at a special meeting called for such purpose. The Board shall call such special meeting when required for filling such vacancy. Directors appointed or elected to fill vacancies shall fill the vacated directorship for the unexpired term thereof.

(d) By a vote of the membership at any duly called meeting the members may determine to elect Directors to staggered terms of no more than 3 years. At the same meeting a procedure for implementing the terms may be approved. Directors shall hold office for the terms to which elected or designated, and thereafter until their successors are duly elected, or designated by Declarant, and qualified or until removed in the manner elsewhere herein provided or as provided by law.

(e) In the election of Directors, there shall be appurtenant to each Unit as many votes for Directors as there are Directors to be elected; provided, however, that no member or owner of any Unit may cast more than one vote for any person nominated as a Director; it being the intent hereof that voting for Directors shall be non-cumulative.

(f) In the event that Declarant selects any person or persons to serve on any Board, Declarant shall have the absolute right at any time, in its sole discretion, to replace any such person or persons with another person or other persons to serve on the Board. Replacement of any person or persons designated by Declarant to serve on any Board shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name or names of the person or persons designated as successor or successors to the persons so removed from the Board. The removal of any Director and designation of his successor shall be effective immediately upon delivery of such written instrument by Declarant to any officer of the Association.

4.3 The organizational meeting of a newly elected or designated Board shall be held within fifteen (15) days of their election or designation, at such time and place as shall be fixed at the meeting at which they were elected.

4.4 Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Directors, and shall be open to all members of the Association. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegram, at least seven (7) days prior to the day named for such meeting, unless notice is waived; notice shall also be posted in a conspicuous place in the Condominium at least forty-eight (48) continuous hours prior to said meeting. The notice of any Board meeting at which assessments to be made against Unit owners are to be considered shall so state and shall also set forth the nature of the assessment.

4.5 Special meetings of the Board may be called by the President, and must be called by the Secretary at the written request of one of the Directors. Not less than three (3) days notice of a

special meeting shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting. Such notice shall also be posted in a conspicuous place in the Condominium at least forty-eight (48) continuous hours prior to said meeting.

4.6 Any Director may waive notice of a meeting before, at or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

4.7 A quorum at meetings of the Board shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as may be specifically otherwise provided in the Articles, these By-Laws or the Declaration. If any meeting of the Board cannot be held because a quorum is not present, or because a greater percentage of the Directors required to constitute a quorum for particular purposes is not present, wherever the latter percentage of attendance may be required as set forth in the Articles, these By-Laws or the Declaration, the Directors who are present may adjourn the meeting from time to time until a quorum or the required percentage of attendance if greater than a quorum, is present. Upon adjournment, the Board shall state the time and date the adjourned meeting is to be re-convened, and shall post a notice of such meeting in a conspicuous place in the Condominium at least forty-eight (48) continuous hours prior to said meeting. At any re-convened meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

4.8 The presiding officer at meetings of the Board shall be the President of the Association. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

4.9 All of the powers and duties of the Association shall be exercised by the Board, including those existing under the law of Florida, the Articles, these By-Laws and the Declaration. Such powers and duties shall be exercised in accordance with the Articles, these By-Laws and the Declaration, and shall include, without limitation, the right, power and authority to:

(a) Make, levy and collect assessments against Members and Members' Units to defray the expenses of the Condominium, and to use the proceeds of assessments in the exercise of the powers and duties of the Association;

(b) Maintain, repair, replace, operate and manage the Condominium and Condominium Property as the same is required to be done and accomplished by the Association for the benefit of Members;

(c) Repair and reconstruct improvements after casualty;

(d) Make and amend regulations governing the use of the Condominium Property, real and personal; provided that such regulations or amendments thereto shall not conflict with the

restrictions and limitations which may be placed upon the use of such property under the terms of the Articles and Declaration;

(e) Acquire, own, hold, operate, lease, encumber, convey, exchange, manage, and otherwise trade and deal with property, real and personal, including Units, of and in the Condominium, as may be necessary or convenient in the operation and management of the Condominium, and in accomplishing the purposes set forth in the Declaration, including to grant easements for the benefit of others on, over, or across the Condominium Property and to accept easements for the use and benefit of the Condominium;

(f) Contract for the management of the Condominium and in connection therewith to delegate such of the powers and duties of the Association as may be deemed appropriate, except those which may be required by the Declaration to have approval by the Board or Members of the Association, or which may not be delegated by law;

(g) Enforce by legal means the provisions of the Articles, these By-Laws, the Declaration and all regulations governing use of property of and in the Condominium hereafter adopted;

(h) Pay all taxes and assessments which are liens against any part of the Condominium other than Units and the appurtenances thereto, and to assess the same against the members and their respective Units subject to such liens;

(i) Carry insurance for the protection of the members and the Association against casualty and liability;

(j) Pay all costs of power, water, sewer and other utility services rendered to the Condominium and not billed to the owners of the separate Units;

(k) Employ personnel for reasonable compensation to perform the services required to properly accomplish the purposes of the Association;

(l) Maintain, operate and manage any recreation facilities created for the use of the members of the Association, including to employ personnel and enter into contracts for such management and to assess members for costs associated with such recreation facilities;

(m) Make arrangements and enter into contracts to purchase any services for which a budget exists and which the law permits the Association to provide.

4.10 Should any member of the first Board be unable to serve for any reason, the Declarant shall have the right to select and designate a successor to act and serve for the unexpired term of the Director who is unable to serve.

4.11 Directors may be removed from office in the manner provided by applicable Florida law.

V. ADDITIONAL PROVISIONS - MEETINGS OF MEMBERS AND DIRECTORS.

5.1 Notwithstanding anything contained in these By-Laws to the contrary, any meeting of Members or the Board may be held at any place, within the city of Destin, Okaloosa County, in the State of Florida, designated in the notice of any such meeting, or notice of which is waived.

5.2 To the extent now or from time to time hereafter permitted by the laws of Florida, Unit Owners may take any action which they might take at a meeting of the Members of the Association by written consent without a meeting; provided, however, that any approval of Unit Owners to be made only at a meeting, called for by the laws of Florida, as from time to time amended, the Declaration or these By-Laws, shall only be made at a duly noticed meeting of Unit Owners.

5.3 Minutes of all Board and membership meetings shall be retained in a secure place, available for review by the membership, for a period of at least ten (10) years from the date of the meeting.

VI. OFFICERS.

6.1 The Board shall elect a President, Secretary, Treasurer, and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board shall deem advisable from time to time. The President shall be elected from the membership of the Board, but no other officer need be a Director. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the office of President and Vice President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by the same person. The Board may from time to time elect such other officers, and designate their powers and duties, as the Board may deem necessary properly to manage the affairs of the Association. Officers may be removed from office by the Board.

6.2 The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of President of a corporation not for profit, including but not limited to the power to appoint committees from among the Members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Association. He shall preside at all meetings of the Board and the Members at which he is present. He shall have such additional powers as the Board may designate.

6.3 The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board.

6.4 The Secretary shall keep the minutes of all proceedings of the Board and the Members. He shall attend to the giving and serving of all notices to the Members and Board, and such other notices as may be required by law. He shall have custody of the seal of the Association and affix the same 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 a corporation not for profit and as may be required by the Board and the President. The Assistant Secretary shall perform the duties of Secretary when the Secretary is absent.

6.5 The Treasurer shall have custody of all of the monetary properties of the Association, including funds, bank accounts, check books, securities and evidences of indebtedness. He shall keep the assessment rolls and accounts of the Members; he shall keep the books of the Association in accordance with good accounting practices; and he shall perform all other duties customarily incident to the office of Treasurer.

6.6 The compensation of all employees of the Association shall be fixed by the Board. This provision shall not preclude the Board from employing a Director as an employee of the Association, nor preclude contracting with a Director for the management of the Condominium.

VII. FISCAL MANAGEMENT.

The provisions for fiscal management of the Association set forth in the Declaration and Articles shall be supplemented by the following provisions:

7.1 The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Unit. Such account shall designate the name and mailing address of the owner(s) and mortgagee(s) of each Unit, the amount of each assessment against the owner(s) of each Unit, the amount of each assessment and due date thereof, and all amounts paid, and the balance due upon each assessment.

7.2 The Board shall adopt for, and in advance of, each calendar year, a budget showing the estimated costs of performing all of the functions of the Association for the year. Each budget shall show the total estimated expenses of the Association for that year and shall contain an itemized breakdown of the Common Expenses, which shall include, without limitation, the costs of operating and maintaining the Common Elements and Limited Common Elements, wages and salaries of Association employees, management, legal and accounting fees, office supplies, public utility services not metered or charged separately to Units, premiums for insurance carried by the Association and any reserve accounts and/or funds which may be established from time to time by the Board. The budget shall be prepared in the form and contain categories, including reserves, as required from time to time by the Florida Condominium Act. Each budget shall also show the proportionate share of the total estimated expenses to be assessed against and collected from the owner(s) of each Unit and the due date(s) and amounts of installments thereof. Nothing herein contained shall be construed as a limitation upon any additional assessment in the event that any budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies.

7.3 A copy of the proposed annual budgets of the Association shall be mailed to the Unit owners not less than fourteen (14) days prior to the meeting of the Board at which the budget will be considered, together with a notice of the time and place of the meeting. Such meeting of the Board

shall be open to Unit owners. If a budget is adopted by the Board which requires aggregate assessments of the Unit owners in any budget year exceeding 115% of such assessments for the preceding budget year, upon written application of persons holding 10% of the Voting Interests, a special meeting of the Unit owners shall be held upon not less than ten (10) days' written notice to each Unit owner, but within thirty (30) days of the delivery of such application of the Board or any member thereof, at which special meeting Unit owners may consider only and enact only a revision of the budget. Any such revision of the budget shall require a vote of persons holding not less than two-thirds (2/3) of the Voting Interests. The Board may in any event first propose a budget to the Unit owners at any such meeting of members or by writing, and if such budget or proposed budget be approved by persons holding a majority of the Voting Interests at such meeting or in writing, such budget may not thereafter be reexamined by the Unit owners in the manner hereinabove set forth. If a meeting of Unit Owners has been called and a quorum is not attained or a substituted budget is not adopted by the Unit Owners, the budget adopted by the Board of Directors shall become effective as scheduled.

7.4 In determining whether assessments exceed 115% of assessments in the prior budget year, there shall be excluded in the computation any provision for reasonable reserves made by the Board in respect of repair and replacement of the Condominium Property, or in respect of anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis; and there shall be excluded from such computation, assessments or betterments to the Condominium Property. Provided, however, that so long as Declarant is in control of the Board of Directors the Board shall not impose an assessment for a budget year greater than 115% of the prior budget year's assessment without approval of persons, other than the Declarant, holding a majority of the Voting Interests.

7.5 Upon adoption of budgets, the Board shall cause a written copy thereof to be delivered to each Unit owner. Assessments shall be made against Unit owners pursuant to procedures established by the Board, and in accordance with terms of the Declaration and the Articles. The assessments collected by the Association hereunder shall include those of the Master Association and The Club at Silver Shells pursuant to Article XI of these By-Laws. Assessments shall be levied on an annual basis and installments shall be due and payable not less often than quarterly. Provided, however, that the lien or lien rights of the Association as to assessments shall not be impaired by failure to comply with procedures established pursuant to these By-Laws.

7.6 The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board, in which all monies of the Association shall be deposited. Withdrawal of monies from such bank(s) shall be only by check signed by such persons as are designated by the Board.

7.7 A review and written report of the accounts of the Association shall be made annually by a Certified Public Accountant, and a copy of the report together with a financial report in the form required by law shall be furnished to each Member not later than sixty (60) days following the year for which the report is made.

7.8 Fidelity bonds shall be required by the Board as to all officers, employees and/or agents of the Association handling or responsible for Association funds. The amount of such bonds shall be determined by the Directors, but shall be at least the amount required by law. The premiums on such bonds shall be paid by the Association.

VIII. PARLIAMENTARY RULES.

Roberts' Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles, these By-Laws or the laws of Florida.

IX. AMENDMENTS TO BY-LAWS.

Amendments to these by-Laws shall be proposed and adopted in the following manner:

9.1 Amendments to these By-Laws may be proposed by the Board, acting upon vote of a majority of the Directors, or by persons holding a majority of the Voting Interests whether meeting as members or by instrument in writing signed by them.

9.2 Upon any amendment or amendments to these By-Laws being proposed by the Board or Members, such proposed amendment or amendments shall be transmitted to the President of the Association, or acting chief executive officer in the absence of the President, who shall thereupon call a special meeting of the members for a date not sooner than twenty (20) days or later than sixty (60) days from receipt by such officer of the proposed amendment or amendments, and it shall be the duty of the Secretary to give each member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a special meeting of the members is required as herein set forth; provided, that proposed amendments to the By-Laws may be considered and voted upon at annual meetings of the members.

9.3 In order for such amendment or amendments to become effective, the same must be approved by an affirmative vote of the persons holding Voting Interests of Units to which not less than two-thirds (2/3) of the Common Elements are appurtenant and a copy of such amendment or amendments to these By-Laws shall be transcribed, certified by the President and Secretary of the Association, and a copy thereof shall be recorded in the Public Records of Okaloosa County, Florida, within fifteen (15) days from the date on which any amendment or amendments have been affirmatively approved by the Members.

9.4 At any meeting held to consider such amendment or amendments to these By-Laws, the written vote of Unit Representative shall be recognized if such person is not present at such meeting in person or by proxy, provided such written vote is delivered to the Secretary at or prior to such meeting.

9.5 Notwithstanding the foregoing provisions of this Article IX, no amendment to these By-Laws which shall abridge, amend or alter the right of Declarant to designate members of each Board of

Directors of the Association, as provided in Article IV hereof, or otherwise abrogate any rights of Declarant, may be adopted or become effective without the prior written consent of Declarant.

X. MANDATORY NON-BINDING ARBITRATION.

In the event of a dispute between one or more Unit owners and/or the Association arising from the operation of the Condominium, the parties shall submit the dispute to mandatory non-binding arbitration under the rules of the Division of Florida Land Sales and Condominiums.

XI. SILVER SHELLS PROPERTY OWNERS ASSOCIATION, INC.

Recognizing that the Association is a member of the Silver Shells Property Owners Association, Inc. ("Master Association"), and the Condominium Property is subject to the provisions of the Declaration of Restrictive Covenants and Easements for Silver Shells recorded on May 27, 1999 in Official Records Book 2210, Page 4856-4891, et seq. of the Public Records of Okaloosa County, Florida, as amended, the Association shall include in its budget the amount of the periodic and special assessments due to the Master Association and collect same from its members, including those of The Club at Silver Shells. In addition, as to matters involving the Members of the Master Association which require a vote, the Association, acting through its President, shall and is hereby empowered to act and vote in respect to such matters, as provided in the Master Association Declaration described above.

The foregoing were adopted as the By-Laws of **ST. MAARTEN AT SILVER SHELLS CONDOMINIUM 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 9th day of July, 1998.

Silver Shells Beach Resort
Silver Shells Property Owners Association, Inc.
Estimated 1st Year Operating Budget
January 1,2001 thru December 31,2001

<i>Reserves</i>	<u>Monthly</u>	<u>Quarterly</u>	<u>Yearly</u>
Airconditioning - Courtesy Gate	42	125	500
Parking & Waterproffing	79	238	950
Parking & Street Paving	250	750	3,000
Roof	50	150	600
Swimming Pool	208	625	2,500
Tennis Courts	167	500	2,000
Total Reserves	796	2,388	9,550

Total Expenses	53,173	159,518	638,070
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Reserves

	Estimated Useful Life	Estimated Remaining Life	Estimated Replacement Cost	Annual Reserve Contribution	Beginning Fund Balance	Ending Fund Balance
Airconditioning - Courtesy Gate	10	10	5,000	500	0	500
Parking & Waterproffing	7	7	6,650	950	0	950
Parking & Street Paving	15	15	45,000	3,000	0	3,000
Roof	25	25	15,000	600	0	600
Swimming Pool	10	10	25,000	2,500	0	2,500
Tennis Courts	3	3	6,000	2,000	0	2,000
Total Reserves			102,650	9,550	0	9,550

Master1
06/22/00

St. Maarten at Silver Shells, a Condominium
Estimated 1st Year Operating Budget
Jan 1, 1999 thru December 31, 1999

Units	Sq. Footage Unit Type	Sq. Footage Total	Unit Percentage	Percentage Total	Description	Monthly Per Unit	Quarterly Per Unit	Monthly Total Units	Quarterly Total Units	Yearly Total Units
With Reserves										
44	1,693	74,492	0.89%	39.16%	A Unit	387.93	1,163.78	17,069	51,206	204,825
22	2,009	44,198	1.05%	23.10%	B Unit	457.67	1,373.00	10,069	30,206	120,824
22	2,015	44,330	1.05%	23.10%	C Unit	457.67	1,373.00	10,069	30,206	120,824
2	2,290	4,580	1.20%	2.40%	Penthouses PH-1 & PH-8	523.07	1,569.20	1,046	3,138	12,554
2	2,834	5,668	1.48%	2.96%	Penthouses PH-2 & PH-7	645.09	1,935.27	1,290	3,871	15,482
2	2,282	4,564	1.19%	2.38%	Penthouses PH-4 & PH-5	518.67	1,556.00	1,037	3,112	12,448
4	1,534	6,136	0.81%	3.24%	Lanal A Unit	353.04	1,059.13	1,412	4,237	16,946
2	1,817	3,634	0.95%	1.90%	Lanal C Unit	414.04	1,242.13	828	2,484	9,937
2	538	1,076	0.28%	0.56%	Lanal Unit	122.04	366.13	244	732	2,929
12	200	2,400	0.10%	1.20%	Cabana Unit	43.60	130.79	523	1,570	6,278
114		191,078		100.0%	Total Units			43,587	130,762	523,047

Please review the footnote within the reserves section. The assessments above include the reserves.

Description	Monthly Per Unit	Quarterly Per Unit	Monthly Total Units	Quarterly Total Units	Yearly Total Units
Without Reserves					
A Unit	361.21	1,083.82	15,893	47,679	190,717
B Unit	426.14	1,278.43	9,375	28,125	112,502
C Unit	426.14	1,278.43	9,375	28,126	112,502
Penthouses PH-1 & PH-8	487.02	1,461.06	974	2,922	11,689
Penthouses PH-2 & PH-7	600.86	1,801.98	1,201	3,604	14,416
Penthouses PH-4 & PH-5	482.96	1,448.89	966	2,898	11,591
Lanal A Unit	328.74	986.22	1,315	3,945	15,779
Lanal C Unit	385.56	1,156.67	771	2,313	9,253
Lanal Unit	113.64	340.91	227	682	2,727
Cabana Unit	40.59	121.76	487	1,461	5,844
Total Units			40,585	121,755	487,021

All assessments per unit above include all assessments due to Silver Shells Property Association, Inc. (Master Association) & dues to the Club at Silver Shells.

Assessments (Income) with Reserves	43,537	130,612	523,047
Assessments (Income) without Reserves	40,585	121,755	487,021

Expenses			
Operating Capital		0	0
Administration & General			
Fees Payable to Division		34	102
Insurance		6,196	18,587
Licenses		21	64
Management Fees		2,280	6,840
Master Association		9,289	27,866
Other Expenses		208	625
Office Supplies		250	750
Postage & Freight		146	438
Recreational Fees		0	0
Rent for Recreational Areas		0	0
Silver Shells Club Fees	75	7,650	22,950
Tax on Leased Areas		0	0
Total Admn & General		26,074	78,221
Maintenance & Repairs			
Building		1,000	3,000
Cleaning Supplies		150	450
Elevators		1,732	5,196
Fire Systems		200	600
Grounds Maint.		1,000	3,000
Security (Keyless Entry System)		83	250
Total MainL & Repairs		4,165	12,496
		312,886	50,584

<i>Utilities</i>			
Electricity	4,130	12,391	49,565
Pest Control	684	2,052	8,208
Water & Sewer	3,565	10,694	42,778
Telephone	417	1,250	5,000
Waste Removal	1,500	4,500	18,000
Total Utilities	10,296	30,888	123,551
Total Expenses without Reserves	40,535	121,605	487,021
<i>Reserves</i>			
Air-conditioning (Common)	50	150	600
Flooring & Deck (Common)	200	600	2,400
Painting	1,652	4,957	19,826
Roof	433	1,300	5,200
Cabanas - Roof/Painting	667	2,000	8,000
Total Reserves	3,002	9,007	36,026
Total Expenses with Reserves	43,537	130,612	523,047

Footnote to Reserves: the developer intends to vote to waive the funding of the reserves for the first two years from the recording of the declaration.	Reserves						
		Estimated Useful Life	Estimated Remaining Life	Estimated Replacement Cost	Annual Reserve Contribution	Beginning Fund Balance	Ending Fund Balance
Air-conditioning (Common)	10	10	6,000	600	0	600	
Flooring & Deck (Common)	5	5	12,000	2,400	0	2,400	
Painting	10	10	198,261	19,826	0	19,826	
Roof	25	25	130,000	5,200	0	5,200	
Cabanas - Roof/Painting	10	10	80,000	8,000	0	8,000	
Total Reserves			426,261	36,026	0	36,026	

THIS AGREEMENT IS VOIDABLE BY PURCHASER BY DELIVERING WRITTEN NOTICE OF THE PURCHASER'S INTENTION TO CANCEL WITHIN FIFTEEN (15) DAYS AFTER THE DATE OF EXECUTION OF THIS AGREEMENT, AND RECEIPT BY PURCHASER OF ALL ITEMS REQUIRED TO BE DELIVERED TO HIM BY THE DEVELOPER UNDER SECTION 718.503, FLORIDA STATUTES. THIS AGREEMENT IS ALSO VOIDABLE BY PURCHASER BY DELIVERING WRITTEN NOTICE OF THE PURCHASER'S INTENTION TO CANCEL WITHIN FIFTEEN (15) DAYS AFTER THE DATE OF RECEIPT FROM DEVELOPER OF ANY AMENDMENT WHICH MATERIALLY ALTERS OR MODIFIES THE OFFERING IN A MANNER THAT IS ADVERSE TO THE PURCHASER. ANY PURPORTED WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. PURCHASER MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN FIFTEEN (15) DAYS AFTER THE PURCHASER HAS RECEIVED ALL OF THE ITEMS REQUIRED. PURCHASER'S RIGHT TO VOID THIS AGREEMENT SHALL TERMINATE AT CLOSING.

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

PURCHASE AGREEMENT AND DEPOSIT RECEIPT

ST. MAARTEN AT SILVER SHELLS, A CONDOMINIUM

THIS AGREEMENT, entered into this ____ day of _____, 2000, by and between:

SILVER SHELLS CORPORATION, a Florida corporation, hereinafter referred to as "SELLER", and _____ (title to be taken as specified above) hereinafter referred to as "PURCHASER", whose address, telephone number, and social security number(s) are as follows:

(Printed Name)

(Printed Name)

(Social Security Number)

(Social Security Number)

(Address)

(Address)

(Office Telephone Number)

(Office Telephone Number)

(Home Telephone Number)

(Home Telephone Number)

WITNESSETH:

1. **PROPERTY.** SELLER will sell and PURCHASER will purchase the following property situated in Okaloosa County, Florida, to-wit:

Unit No. _____, St. Maarten at Silver Shells, a Condominium, according to the Declaration of Condominium recorded in Official Record Book 2218, Pages 3241 to 3312, inclusive, of the Public Records of Okaloosa County, Florida.

TOGETHER with an assigned Parking Space.

2. **PURCHASE PRICE.** The Purchase Price is \$ _____, payable as follows:

- | | | |
|----|---|-----------------|
| a. | Deposit of 10% with the execution of this Purchase Agreement: | \$ _____ |
| b. | Additional deposit of ten percent (10%) due and payable _____ | \$ _____ |
| c. | Balance by wire transfer, or cashier's check, due at closing: | \$ _____ |
| | TOTAL: | \$ _____ |

In addition to the Purchase Price, PURCHASER shall pay the PURCHASER'S Expenses listed in Paragraph 12 below.

3. **DEPOSITS.** All deposits made hereunder shall be paid to **QUARLES & BRADY LLP, 4501 Tamiami Trail N., Suite 300, Naples, Florida 34103, Escrow Agent**, and such Escrow Agent shall provide a receipt for any deposits made. The Escrow Agent will hold the escrowed funds pursuant to this Agreement and the Escrow Agreement entered into by the SELLER and Escrow Agent, copy of which has been furnished to the PURCHASER. All deposits will be held in escrow in accordance with the Escrow Agreement contained in the Prospectus. All deposits will be held in a non-interest bearing account. Upon closing, SELLER will be entitled to all deposits made by PURCHASER. Upon default by either party to, or upon cancellation, of this Agreement, all deposits made by PURCHASER shall be paid to the party entitled to receive the deposits, according to the terms of this Agreement.

4. **UNIT SPECIFICATIONS.** A description of the standard features included in the Unit is attached hereto as Exhibit A and made a part hereof.

5. **INSPECTIONS.** PURCHASER will have a reasonable opportunity to inspect the Unit, accompanied by SELLER's agent, before closing. After inspection and prior to closing, PURCHASER and SELLER will prepare and sign a list ("punch list") of any defects in the workmanship or materials. Any necessary minor repairs or "touch-ups" will be made, without cost to PURCHASER, by the servicing organization maintained by SELLER for that purpose or, if they are items that are covered by the warranties of manufacturers, suppliers, contractors or subcontractors which have been assigned or are assignable by SELLER to PURCHASER, by service providers designated in such warranties. The closing will not be delayed by any un-remedied defects or unperformed repairs or "touch-ups". The contractor's work will be judged against construction standards in Okaloosa County, Florida. PURCHASER agrees

not to hold back any part of the purchase price or impose any conditions on the closing because of defects or because of minor details of the Unit which are not usually completed until after closing and occupancy.

6. **DAMAGE BEFORE CLOSING.** If the Unit is damaged by fire or other casualty before closing, and if **SELLER** decides to repair the damage, **SELLER** will have a reasonable time to complete repairs, which will be made without cost to **PURCHASER**. The repair work will be judged by the same standard used to evaluate new construction. **PURCHASER** will have no right to any reduction in the purchase price nor any claims against **SELLER** by reason of the damage and will close on the scheduled closing date if the repairs have been completed (to the extent that **PURCHASER** is not prevented from living in the Unit) by that date.

SELLER reserves the right to decide, in its sole discretion, not to repair the damage. If **SELLER** makes this decision, this Agreement will be canceled, in which case **SELLER** will refund all **PURCHASER**'s deposits with any interest earned. This will terminate any rights or responsibilities the parties have to each other and each party will thereafter be released from any and all liability hereunder.

7. **CLOSING.** The Closing of this transaction shall take place on _____, 2000, or such earlier date as **PURCHASER** and **SELLER** may hereafter reasonably agree. The Closing shall be effected in the following manner:

a. If **PURCHASER** does not intend to be present for closing, it is **PURCHASER**'s responsibility to give written notice to Escrow Agent at least ten (10) days before the closing date of the address to which the closing documents should be sent. All closing documents will then be delivered to **PURCHASER** by either facsimile (if originals are not necessary to effectuate a closing) or via overnight delivery and **PURCHASER** shall pay all costs of delivery and return of closing documents.

b. This Agreement is not contingent upon **PURCHASER** obtaining financing for purchase of the Unit. If **PURCHASER** obtains such financing, it is **PURCHASER**'s responsibility to ensure that **PURCHASER**'s lender will be ready to close by the date of closing. The fact that **PURCHASER**'s lender is not ready to close may not be cause for a delay in closing. Additionally, it is **PURCHASER**'s responsibility to give written notice to Escrow Agent at least ten (10) days before the closing date of the name of **PURCHASER**'s lender, address, phone number, loan amount, and contact person. It is also **PURCHASER**'s responsibility to notify its lender of the closing date set by **SELLER**.

c. At closing, the balance of the purchase price plus **PURCHASER**'s closing costs must be paid by cashier's check, or wire transfer to Escrow Agent's account completed before noon on the closing date. Cashier's checks are accepted subject to clearance, and are not considered paid until cleared.

d. **SELLER** is not obligated to extend the closing date. In the event **PURCHASER** requests an extension to the Closing Date, which extension is agreed to by **SELLER**, **PURCHASER** agrees that **PURCHASER** shall pay **SELLER** at Closing an extension fee equal to the Purchase Price multiplied by fifteen (15%) percent per annum for the number of days by which the Closing is extended. Furthermore, if closing is extended beyond the closing date, prorations for taxes and condominium charges shall be calculated based on the original Closing Date.

8. **TITLE AND CONVEYANCE.** **SELLER** shall deliver to **PURCHASER** an ALTA Title Insurance Commitment at least three (3) days prior to closing. The title insurance commitment may be sent by the **SELLER** (i) in the manner described below, (ii) with the closing documents delivered as described above, or (iii) by facsimile if **PURCHASER** has provided a facsimile number to **SELLER**. In the event the Closing Information Sheet is not timely returned, the ALTA Title Insurance Commitment will be given to the **PURCHASER** at Closing or sent to the **PURCHASER** after closing if **PURCHASER** does not

attend closing. The ALTA Title Insurance Commitment shall show that the title **PURCHASER** will receive at closing will be marketable and insurable, subject only to the permitted exceptions described below:

- a. Liability for all current and future ad valorem taxes on the Unit.
- b. Any restrictions, covenants, conditions, limitations, agreements, reservations, and easements now recorded in the public records, or hereafter created by **SELLER** in connection with development of the Condominium, and zoning ordinances or other restrictions imposed by governmental authority.
- c. The restrictions, covenants, conditions, easements, terms and other provisions imposed by the documents contained or referred to in the Offering Circular.
- d. The standard exceptions contained in the ALTA Owner's Title Insurance Policy issued in Okaloosa County, Florida for condominium units.
- e. Statutory rights of access to the Unit in favor of the Condominium Association by virtue of Florida Statutes.
- f. Easements, and other encumbrances created by the Developer in connection with the development of the Condominium and the Master Association for **SILVER SHELLS BEACH RESORT**.
- g. Any liens or encumbrances created by or against **PURCHASER**.
- h. Personal property will not be insured; and
- i. Riparian and littoral rights will not be insured.

None of the foregoing will, however, prevent use of the Unit for the purposes permitted in the Declaration.

If **SELLER** cannot convey title in the condition required, **SELLER** will have a reasonable time to correct any defects in title, but **SELLER** is not obligated to do so. If **SELLER** cannot or will not correct the title defects, **PURCHASER** will have two options:

- (i) **PURCHASER** may accept the title in the condition it exists and pay the full purchase price waiving any claims against **SELLER** because of the defects; or
- (ii) **PURCHASER** may cancel this Agreement, in full settlement, and receive a full refund on all deposits with such interest as may have been earned and would have been paid had **PURCHASER** closed as planned.

At the time of closing **SELLER** will deliver a special warranty deed conveying title to the Unit and **PURCHASER** will pay the balance of the purchase price and any additional amounts owed under this Agreement. After the recordation of the closing instruments, the **SELLER** shall cause a title insurance policy consistent with the terms of the aforesaid binder to be issued to the **PURCHASER**. The cost of such policy shall be paid by the **SELLER**.

9. **POSSESSION/WARRANTY.** No **PURCHASER** may take possession of or make improvements to the Unit until all amounts due **SELLER** have been paid and title to the property has been conveyed to

PURCHASER. It is clearly understood between the parties to this Agreement that any "punch list" or "touch up" items required to be completed by the **SELLER** will not constitute grounds for delaying a closing. Delivery and acceptance of such possession shall not limit or waive the warranties of the **SELLER** or those of the manufacturer of items within the Unit as imposed by the Condominium Act; however, there shall be no warranties which go beyond those imposed by said Condominium Act. **SELLER** shall assume risk of loss from fire or otherwise until closing takes place on the Unit.

10. **LIENS PRIOR TO CLOSING.** Any mortgage or lien now or hereafter encumbering the real estate or said Unit will be discharged or released at or prior to closing, but until such discharge or release, **PURCHASER** acknowledges and agrees that his rights hereunder are subordinate to the lien of any construction loan mortgage which now or shall hereafter encumber said property prior to closing.

11. **SELLER'S EXPENSES.** At closing, **SELLER** shall pay all costs and expenses of the Title Insurance Commitment delivered prior to closing, and expenses of issuance of the title insurance policy to **PURCHASER**, as well as furnishing the special warranty deed and related closing documents.

12. **PURCHASER'S EXPENSES.** **PURCHASER** shall pay for and/or furnish:

a. Any Note and Mortgage, together with the Florida documentary stamp tax and intangible tax thereon, and all costs incident to the obtaining of such mortgage, including Lender's Title Insurance.

b. Florida documentary stamp taxes payable on the special warranty deed.

c. Fees for any attorney retained by the **PURCHASER**.

d. Pro rata share of assessments by **ST. MAARTEN AT SILVER SHELLS CONDOMINIUM ASSOCIATION, INC.** and **SILVER SHELLS PROPERTY OWNERS ASSOCIATION, INC.** for the period from date of closing to the first day of the next succeeding assessment period, together with any initial capital assessments owed said association, which will include dues to The Club at Silver Shells, Inc.

e. Pro rata share of real estate taxes and any other municipal or county assessments for the year in which the transaction closes.

13. **REAL ESTATE BROKER.** **PURCHASER** warrants that the sale was made by _____ and _____, and **PURCHASER** covenants to defend and indemnify the **SELLER** against claims of any other broker claiming under **PURCHASER**.

14. **NO RECREATIONAL LEASE.** The Unit that is the subject of this Agreement is not subject to any land or recreational lease or sublease.

15. **DEFAULT.**

a. Should the **PURCHASER** fail to close or to pay the deposits within the time period set forth in this Agreement, such non-performance shall constitute a default under this Agreement. Upon default by the **PURCHASER**, the **SELLER'S** sole remedy shall be to retain all deposits made by the **PURCHASER** to the date of such default, as full and liquidated damages and not as a penalty. This provision has been specifically agreed upon by the parties because the amount of actual damages is incapable of ascertainment, and default on the part of the **PURCHASER** would have serious adverse

financial effects upon the **SELLER**, as a result of increased costs, expenses and fees having been incurred by **SELLER**, and by its having lost the opportunity to sell the Unit to other prospective purchasers.

b. If for any reason consummation of this transaction is prevented after acceptance of this Agreement by **SELLER'S** act, neglect or inability to deliver as per this Agreement, the **PURCHASER** shall be entitled to the refund of his deposit, plus any interest accrued thereon; or **PURCHASER** can pursue any of **PURCHASER'S** lawful remedies.

16. **WARRANTIES.** **SELLER** grants to **PURCHASER** those warranties specifically set forth in Section 718.203, Florida Statutes, as such section exists as of the date of this Agreement (said warranties being hereinafter referred to as the "Sole Warranties"). The sole warranties are expressly in lieu of any other warranties, expressed or implied.

Maximum liability of the **SELLER** under the Sole Warranties shall be the replacement cost of the defective portion of the Unit, Common Elements, fixtures, items of personal property or other real or personal property. **SELLER** shall have the right to determine whether a defect shall be corrected by repair or replacement. In no event shall the **SELLER** be liable to the **PURCHASER** or the Condominium Association for consequential damages arising from any breach of the Sole Warranties.

The **SELLER** warrants that the Unit that is the subject of this Agreement has never been occupied as a residence or living unit.

17. **PLANS AND SPECIFICATIONS.** The **PURCHASER** acknowledges that the **SELLER** has advised the **PURCHASER** that the **PURCHASER** may inspect a copy of the complete Plans and Specifications for the Unit offered to him and of the improvements to the common elements appurtenant to the Unit. Such inspection may be made during regular business hours at the information center or such other location as may be agreed.

18. **INSULATION DISCLOSURE.** The parties acknowledge that the insulation installed in the building containing this Unit is as follows:

- a. **INTERIOR WALLS (PER PLANS - NOT ALL WALLS):**
Type:
Thickness: 3.5" Batts
R-Value: R-11

- b. **EXTERIOR WALLS ALL FLOORS:**
Type:
Thickness: 1" Batts
R-Value: R-3

- c. **CEILINGS IN ALL AREAS (TOP PENTHOUSES ONLY)**
Type:
Thickness:
R-Value: R-19 Roof Only

19. **RIGHT OF AMENDMENT.** Prior to closing, **SELLER** reserves the right to change or amend the condominium documents. If **SELLER** does so, **SELLER** shall furnish the **PURCHASER** a copy of the revised proposed documents. If any amendment materially alters or modifies the documentation in a manner that is adverse to **PURCHASER**, **PURCHASER** shall have 15 days after receipt within which to approve the proposed documents. If **PURCHASER** does not approve the modified documents that

materially alter or modify the documentation in a manner adverse to **PURCHASER**, **PURCHASER** shall have the immediate right of cancellation on notice furnished to **SELLER** within the 15-day period and the right to return of any deposit money paid to **SELLER** or Escrow Agent under this Agreement. Failure to so notify of cancellation within the time provided shall be deemed a waiver of that right. Such right shall be **PURCHASER**'s exclusive remedy relative to any such amendments.

20. **ATTORNEY'S FEES.** In the event litigation should arise with respect to this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and court costs, including those incident to any appeal.

21. **ASSIGNMENT.** The **PURCHASER'S** rights and obligations under this Agreement are not assignable or transferrable by the **PURCHASER** without the prior written consent of the **SELLER**, which may be withheld by the **SELLER** at its sole discretion.

22. **ENTIRE AGREEMENT.** This Agreement contains the entire understanding between the parties hereto. No promise, representation, warranty, or covenant not included in this Agreement has been or is relied on by either party. Each party has relied on its own examination of this Agreement and the provisions hereof, and the counsel of its own advisors, and the warranties, representations, and covenants expressly contained in this Agreement itself. The failure or refusal of either party to inspect the Agreement or other documents, or the failure to obtain legal or other advice relevant to this transaction, constitutes a waiver of any objection, contention, or claim that might have been based on such reading, inspection or advice. No modification or amendment to this Agreement shall be of any force or effect unless in writing and executed by the **PURCHASER** and by the **SELLER**.

23. **NOTICES AND TIME.** Whenever any notice to **PURCHASER** is required, the same may be delivered either personally or by mail, addressed to the **PURCHASER** at the address set forth in this Agreement. Whenever notice to **SELLER** is required, the same must be mailed by certified mail to **SELLER** at its address set forth in this Agreement, with a copy to **QUARLES & BRADY**, 4501 Tamiami Trail North, Suite 300, Naples, Florida 34103.

All notices sent by United States Mail shall be conclusively presumed to have been received within five (5) days from the date such notice was deposited with the United States Postal Service.

24. **RECORDING OF THIS AGREEMENT.** **SELLER** and **PURCHASER** agree that neither this Agreement nor any short form summary hereof shall be recorded in the Public Records of Okaloosa County, Florida.

25. **GOVERNING LAW.** This Agreement shall be governed by the Laws of the State of Florida.

26. **ITEMS NOT INCLUDED IN THE PROPERTY.**

a. The model condominium units and common elements which may be shown in sales brochures and other advertising materials may contain certain items for demonstration purposes that are not included in the Condominium Unit, including, but not limited to, furniture, accessories, and equipment.

b. The sales brochures or other documents which may be received by **PURCHASER** may show certain fixtures, finished hardware, and equipment. **SELLER** reserves the right to substitute items of equal or better quality for those items or any component of the building.

c. The purchase price of the Unit includes the appliances and equipment listed in the attached Exhibit "A". Any other appliances, furnishings or decorations contained in any model apartments are for display purposes only.

27. **RADON GAS.** Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to person who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

28. **WAIVER OF COASTAL CONSTRUCTION CONTROL LINE SURVEY.** Exhibit 1 to the Prospectus for St. Maarten at Silver Shells, a Condominium is a proposed survey of the overall site plan of the Silver Shells project. The proposed survey depicts the location of existing structures, the proposed location of St. Maarten at Silver Shells, a Condominium and the location of the coastal construction control line. The PURCHASER by executing this Agreement, waives the requirement in Section 163.57, Florida Statutes, that the PURCHASER be provided an affidavit or survey meeting the technical requirements of Chapter 472, Florida Statutes, at or prior to closing.

29. **AIRPORT NOISE.** The Unit subject to this Agreement is in close proximity to the Destin-Ft. Walton Airport and is accordingly subject to airport noise that may be objectionable to some persons. The undersigned certifies that he/she understands the foregoing disclosure statement and acknowledges the pre-existence of the airport and the potentially objectionable noise.

30. **TIME IS OF THE ESSENCE.** The performance of all obligations on the precise times stated in this Agreement is of absolute importance and failure to perform any of them on time is a default, time being of the essence.

31. **MISCELLANEOUS.** This Agreement may be executed in any number of counterparts, which together shall constitute the understanding of the parties. The paragraph headings herein are for purposes of identification only and shall not be considered in construing this Agreement. Whenever used, the singular shall include the plural, and the plural the singular, and the use of any gender shall include all genders as appropriate.

32. **SPECIAL CLAUSES.**

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the day and year first above written.

THIS AGREEMENT IS VOIDABLE BY PURCHASER BY DELIVERING WRITTEN NOTICE OF THE PURCHASER'S INTENTION TO CANCEL WITHIN FIFTEEN (15) DAYS AFTER THE

DATE OF EXECUTION OF THIS AGREEMENT, AND RECEIPT BY PURCHASER OF ALL ITEMS REQUIRED TO BE DELIVERED TO HIM BY THE DEVELOPER UNDER SECTION 718.503, FLORIDA STATUTES. THIS AGREEMENT IS ALSO VOIDABLE BY PURCHASER BY DELIVERING WRITTEN NOTICE OF THE PURCHASER'S INTENTION TO CANCEL WITHIN FIFTEEN (15) DAYS AFTER THE DATE OF RECEIPT FROM DEVELOPER OF ANY AMENDMENT WHICH MATERIALLY ALTERS OR MODIFIES THE OFFERING IN A MANNER THAT IS ADVERSE TO THE PURCHASER. ANY PURPORTED WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. PURCHASER MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN FIFTEEN (15) DAYS AFTER THE PURCHASER HAS RECEIVED ALL OF THE ITEMS REQUIRED. PURCHASER'S RIGHT TO VOID THIS AGREEMENT SHALL TERMINATE AT CLOSING.

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

Signed, sealed and delivered
in the presence of:

PURCHASER:

Witness #1

PURCHASER

Witness #2

Witness #1

PURCHASER

Witness #2

SELLER:

(Corporate Seal)
SILVER SHELLS CORPORATION, a
Florida corporation

Witness #1

By: _____
Name: _____
Title: _____

Witness #2

DEPOSIT RECEIPT

Subject to clearance of funds, receipt of **PURCHASER's** deposit in the sum of \$ _____ is hereby acknowledged by _____ for transmittal to **QUARLES & BRADY LLP**, as Escrow Agent. The deposit will be held in escrow by Escrow Agent as per the above stated terms and conditions. The Realtor below is executing this Deposit Receipt for the sole purpose of acknowledging the receipt of **PURCHASER's** deposit. The execution of this Deposit Receipt by Realtor does not constitute acceptance or execution of this Agreement or any Addendum thereto by **SILVER SHELLS CORPORATION**.

REALTOR:

By:

Fla. Lic. No.

Dated:

REAL ESTATE AGENT(S)

_____ of _____
Salesperson Firm Name

_____ _____
Address Telephone

_____ of _____
Salesperson Firm Name

_____ _____
Address Telephone

**ST. MAARTEN AT SILVER SHELLS, A CONDOMINIUM
(A Proposed Condominium)**

**RECEIPT FOR CONDOMINIUM DOCUMENTS
RE: UNIT NO. _____**

Purchaser Name(s) _____

The undersigned acknowledges that the documents checked below have been received or, as to plans and specifications, made available for inspection, as required by the Florida Condominium Act, relating to:

Name of Condominium: St. Maarten at Silver Shells, A Condominium
Address of Condominium: _____

Place a check-mark in the column by each item received. If an item does not apply, place N/A in the column.

DOCUMENT	RECEIVED
Frequently asked Questions and Answers	_____
Prospectus (Offering Circular)	_____
Declaration of Condominium	_____
Site Plan of Project	_____
Legal Description of Condominium Property	_____
Survey-Site Plan of Condominium (Plot Plan)	_____
Graphic Description of Condominium Improvements, including Floor Plan	_____
Articles of Incorporation of Condominium Association	_____
By-Laws of Condominium Association	_____
Estimated Operating Budget	_____

Purchase Agreement and Deposit Receipt	_____
Copy of Executed Escrow Agreement	_____
Sales Brochure	<u>N/A</u>
Plans and Specifications	<u>(Made Available)</u>
Declaration of Restrictions Easements (Master Declaration)	_____
Legal Description of Property Submitted to Master Declaration	_____
Articles of Incorporation of Silver Shells Property Owners Association, Inc. (Master Association)	_____
By-Laws of Master Association	_____
Budget for Master Association	_____
Rules and Regulations	<u>N/A</u>
Ground Lease	<u>N/A</u>
Management and Maintenance Contracts for More than One Year	<u>N/A</u>
Renewable Management Contracts	<u>N/A</u>
Lease of Recreational and Other Facilities to be Used Exclusively by the Unit Owners of Subject Condominium	<u>N/A</u>
Form of Unit Lease if a Leasehold	<u>N/A</u>
Description of Management for Single Management of Multiple Condominiums	<u>N/A</u>
Conversion Inspection Report	<u>N/A</u>

THE PURCHASE AGREEMENT IS VOIDABLE BY PURCHASER BY DELIVERING WRITTEN NOTICE OF THE PURCHASER'S INTENTION TO CANCEL WITHIN FIFTEEN (15) DAYS AFTER THE DATE OF EXECUTION OF THE PURCHASE AGREEMENT BY THE PURCHASER, AND RECEIPT BY THE PURCHASER OF ALL OF THE ITEMS REQUIRED TO BE DELIVERED TO HIM OR HER BY THE DEVELOPER UNDER SECTION 718.503, FLORIDA STATUTES. THE AGREEMENT IS ALSO VOIDABLE BY PURCHASER BY DELIVERING WRITTEN NOTICE OF THE PURCHASER'S INTENTION TO CANCEL WITHIN FIFTEEN (15) DAYS AFTER THE DATE OF RECEIPT FROM THE DEVELOPER OF ANY AMENDMENT WHICH MATERIALLY ALTERS OR MODIFIES THE OFFERING IN A MANNER THAT IS ADVERSE TO THE PURCHASER. ANY PURPORTED WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. PURCHASER MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN FIFTEEN (15) DAYS AFTER THE PURCHASER HAS RECEIVED ALL OF THE DOCUMENTS REQUIRED. PURCHASER'S RIGHT TO VOID THE PURCHASE AGREEMENT SHALL TERMINATE AT CLOSING.

Executed this _____ day of _____, 19_____.

Purchaser

Purchaser

**ST. MAARTEN AT SILVER SHELLS, A CONDOMINIUM
ESCROW AGREEMENT
(Contracts)**

THIS AGREEMENT, made this 30th day of August, 2000, between **QUARLES & BRADY LLP**, (the Escrow Agent) whose address is 4501 Tamiami Trail N., Suite 300, Naples, FL 34103, and **SILVER SHELLS CORPORATION**, (the Developer), whose address is 15000 Emerald Coast Parkway, Destin, FL 34125.

WITNESSETH THAT:

WHEREAS, Developer proposes to construct and develop a condominium known as St. Maarten at Silver Shells, a Condominium, in Destin, Okaloosa County, Florida; and

WHEREAS, Developer intends to enter into Purchase Contracts pertaining to the units in said Condominium, each of which is hereinafter referred to as the "Purchase Agreement"; and ;

WHEREAS, Developer desires to make arrangements to escrow the funds deposited under each Purchase Agreement in accordance with the provision of Section 718.202, Florida Statutes; and

WHEREAS, Escrow Agent has consented to hold payments it receives, pursuant to the terms and provisions hereof:

NOW, THEREFORE, in consideration of the premises, Escrow Agent and Developer agree as follows:

1. From time to time, Developer will deliver checks payable to Quarles & Brady Escrow Account, which will represent deposits on such Purchase Agreements, together with a copy of each executed Purchase Agreement.
2. The conditions for the release of funds from escrow shall be:
 - a. If a Purchaser properly terminates the Purchase Agreement pursuant to its terms and pursuant to Chapter 718, Florida Statutes, the deposited funds shall be paid to the Purchaser, without interest, within a reasonable time period after the receipt of the Developer's written certification that the Developer has properly terminated his contract.



Attorneys at Law in
Milwaukee and Madison, Wisconsin
Chicago, Illinois
West Palm Beach, Naples and
Boca Raton, Florida
Phoenix, Arizona

4501 Tamiami Trail North
Suite 300
Naples, FL 34103
FAX 941/434-4999

FAX TRANSMITTAL COVER SHEET

DATE: February 6, 2001

NAME: Ms. Patricia Hosford
Firm: Bureau of Condominums
City/State: Tallahassee FL
FAX NUMBER: 850-488-7473

FROM: Leo J. Salvatori
SENDER'S PHONE: 941-434-4903

NUMBER OF PAGES: 3 (including cover sheet)

***** MESSAGE *****

Re: St. Croix at Silver Shells, a Condominium Association, PR1G024409-A00004-01/30/01

Enclosed is a copy of the "dated" 1st page of the Escrow Agreement, along with a copy of the revised page of the Purchase Agreement reflecting the name/address of Escrow Agent.

Any questions, please call.

THE INFORMATION CONTAINED IN THIS MESSAGE IS PERSONAL AND CONFIDENTIAL
FOR THE RECIPIENT(S) NAMED ABOVE.

IF YOU HAVE RECEIVED THIS MESSAGE IN ERROR, PLEASE NOTIFY US IMMEDIATELY BY TELEPHONE AND
RETURN THIS MESSAGE TO US BY MAIL. THANK YOU.

IN CASE OF ANY TRANSMISSION PROBLEM, CALL Nancy (941) 434-4906] OR CALL (941) 262-5959

SENT BY: Nancy

TIME:

WITNESSETH:

1. **PROPERTY.** SELLER will sell and PURCHASER will purchase the following property situated in Okaloosa County, Florida, to-wit:

Unit No. _____, St. Maarten at Silver Shells, a Condominium, according to the Declaration of Condominium recorded in Official Record Book 2218, Pages 3241 to 3312, inclusive, of the Public Records of Okaloosa County, Florida.

TOGETHER with an assigned Parking Space.

2. **PURCHASE PRICE.** The Purchase Price is \$ _____, payable as follows:

- | | | |
|----|--|------------|
| a. | Deposit of 10% with the execution of this Purchase Agreement: | \$ _____ |
| b. | Additional deposit of ten percent (10%) due and payable _____. | \$ _____ |
| c. | Balance by wire transfer, or cashier's check, due at closing: | \$ _____ |
| | TOTAL: | \$ _____ ; |

In addition to the Purchase Price, PURCHASER shall pay the PURCHASER'S Expenses listed in Paragraph 12 below.

3. **DEPOSITS.** All deposits made hereunder shall be paid to QUARLES & BRADY LLP, 4501 Tamiami Trail N., Suite 300, Naples, Florida 34103, Escrow Agent, and such Escrow Agent shall provide a receipt for any deposits made. The Escrow Agent will hold the escrowed funds pursuant to this Agreement and the Escrow Agreement entered into by the SELLER and Escrow Agent, copy of which has been furnished to the PURCHASER. All deposits will be held in escrow in accordance with the Escrow Agreement contained in the Prospectus. All deposits will be held in a non-interest bearing account. Upon closing, SELLER will be entitled to all deposits made by PURCHASER. Upon default by either party to, or upon cancellation, of this Agreement, all deposits made by PURCHASER shall be paid to the party entitled to receive the deposits, according to the terms of this Agreement.

4. **UNIT SPECIFICATIONS.** A description of the standard features included in the Unit is attached hereto as Exhibit A and made a part hereof.

5. **INSPECTIONS.** PURCHASER will have a reasonable opportunity to inspect the Unit, accompanied by SELLER's agent, before closing. After inspection and prior to closing, PURCHASER and SELLER will prepare and sign a list ("punch list") of any defects in the workmanship or materials. Any necessary minor repairs or "touch-ups" will be made, without cost to PURCHASER, by the servicing organization maintained by SELLER for that purpose or, if they are items that are covered by the warranties of manufacturers, suppliers, contractors or subcontractors which have been assigned or are assignable by SELLER to PURCHASER, by service providers designated in such warranties. The closing will not be delayed by any un-remedied defects or unperformed repairs or "touch-ups". The contractor's work will be judged against construction standards in Okaloosa County, Florida. PURCHASER agrees

AFFIDAVIT OF DEVELOPER

STATE OF Florida
COUNTY OF Collier

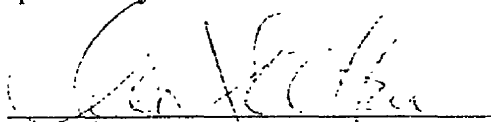
BEFORE ME, the undersigned authority, personally appeared THOMAS R. BECNEL, as President of SILVER SHELLS CORPORATION, a Florida corporation (hereinafter referred to as the "Affiant"), who being by me first duly sworn, did depose and say:

1. That Affiant's name is Thomas R. Becnel.
2. That Affiant is over the age of eighteen (18) years and has personal knowledge of the facts contained herein.
3. That Affiant is the President of SILVER SHELLS CORPORATION, a Florida corporation (hereinafter referred to as "Developer").
4. That Developer intends to develop a condominium project to be located on certain real property in Destin, Okaloosa County, Florida, to be referred to as St. Maarten, a Condominium.
5. That Developer has entered into a contract with The Henderson Beach Land Trust for the purchase and sale of the property upon which the proposed condominium is to be constructed.

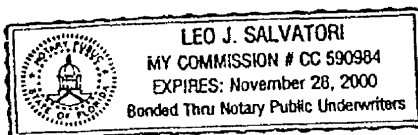
FURTHER AFFIANT SAITH NOT.


Thomas R. Becnel

SWORN TO AND SUBSCRIBED before me this 27 day of August, 1997, by Thomas R. Becnel, as President of SILVER SHELLS CORPORATION, a Florida corporation, who is personally known to me.


NOTARY PUBLIC

TYPED OR PRINTED NAME OF NOTARY
MY COMMISSION EXPIRES:



**FREQUENTLY ASKED QUESTIONS AND ANSWERS
ST. MAARTEN AT SILVER SHELLS CONDOMINIUM ASSOCIATION, INC.**

As of May 18, 1998

- Q. 1. What are my voting rights in the condominium association?**
A. Each Unit shall be entitled to one vote. There are a total of one hundred two (102) residential Units and twelve (12) Cabana Units in this Condominium, for a total of one hundred fourteen (114) votes in the Association.
- Q. 2. What restrictions exist in the condominium documents on my right to use my Unit?**
A. There are restrictions on use of Units in the Condominium. For example, Units may be occupied for residential purposes only, domestic pets are limited by size and may be kept in Units by Unit owners only, and other similar restrictions. The details of such restrictions are more particularly set forth at Paragraph 15 of the Declaration of Condominium, beginning on Page 17.
- Q. 3. What restrictions exist in the condominium documents on my the leasing of my Unit?**
A. There are no restrictions on leasing of residential Units in the Condominium. Cabana Units may be leased only to owners or tenants of residential Units at Silver Shells Beach Resort.
- Q. 4. How much are my assessments to the condominium association for my Unit type and when are they due?**
A. The Association will charge each Unit Owner a quarterly assessment for the maintenance and operation of the Condominium. The projected 1999 quarterly assessments (including Master Association and Club assessments described in Questions 5 and 6 below, but not reserve funds) for the various Unit types in the Condominium are as follows: A Unit \$1,083.62 per quarter; B Unit \$1,278.43 per quarter; C Unit \$1,278.43 per quarter; PH-1 & 8 \$1,461.06 per quarter; PH-2 & 7 \$1,801.98 per quarter; PH-4 & 5 \$1,448.89 per quarter; Lanai A Unit \$986.22 per quarter; Lanai C Unit \$1,156.67 per quarter; Lanai Unit \$340.91 per quarter; Cabana Unit \$121.76 per quarter. The estimated operating budget for the Association is attached to this Prospectus at Tab 6.
- 5. Do I have to be a member in any other association? If so, what is the name of the association and what are my voting rights in this association? Also, how much are my assessments?**
A. The Association will be a member of Silver Shells Property Owners Association, Inc. ("Master Association") which Master Association will be the fee owner of certain recreational facilities and other commonly used facilities and amenities available to all Unit Owners at Silver Shells. The Association as Member of the Master Association will vote on behalf of all Unit Owners it represents and Unit Owners will not vote individually. The Master Association will charge each Condominium Association at Silver Shells which in turn will assess Unit Owners therein for the maintenance and operation of these facilities. The projected 1999 quarterly assessment per residential Unit at Silver Shells for the Master Association is \$273 per quarter. The Master Association assessments are included in the Association assessments described in Question 4 above. The budget for the Master Association is attached to this Prospectus at Tab 15. Membership and voting rights of the Master Association are more particularly set forth at Article 3 of the Master Association Declaration found at Tab 12 of this Prospectus.
- Q. 6. Am I required to pay rent or land use fees for recreational or other commonly used facilities? If so, how much am I obligated to pay annually?**
A. Each owner of a residential Unit within Silver Shells shall be entitled and required to be a member of The Club at Silver Shells, which will provide certain facilities and amenities as described in the Prospectus beginning on Page 15. The monthly dues payable by members of the Club are initially set at \$75.00 per month, or total annual dues of \$900.00 per residential Unit at St. Maarten at Silver Shells, a Condominium. These dues are included in the Association assessments described in Question 4 above.
- Q. 7. Is the Condominium association or other mandatory membership association involved in any court cases in which it may face liability in excess of \$100,000? If so, identify each such case.**
A. No.

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

DBPR 33-032

This instrument prepared by and
after recording return to:

163-50
Leo J. Salvatori, Esquire
Quarles & Brady
4501 Tamiami Trail North
Suite 300
Naples, Florida 34103

FILE # 1702808 RCD: May 27 1999 @ 11:28AM
Newman C. Brackin, Clerk, Okaloosa Cnty Fl

**DECLARATION OF RESTRICTIVE COVENANTS AND EASEMENTS
FOR SILVER SHELLS**

THIS DECLARATION is made this 30th day of April, 1999, by **SILVER SHELLS CORPORATION**, a Florida corporation (hereinafter called "Developer").

RECITALS

A. Developer is the owner of a parcel of land located in Okaloosa County, Florida, legally described on Exhibit A hereto (the "Properties" or the "Property") on which Developer is developing a mixed use community together with certain facilities for the common use and enjoyment of the owners of Units ("Units") located and constructed by Developer within the Properties pursuant to a general plan of development, such development on the Properties to be known as "**Silver Shells Beach Resort**"; and

B. In order to (i) ensure that a general plan of development is adhered to; (ii) establish certain continuing relationships in the form of mutual rights and obligations between Developer and the persons who acquire ownership of Units developed in Silver Shells Beach Resort by Developer, and their respective successors, with respect to use, enjoyment and maintenance of certain areas and facilities (hereafter described) within Silver Shells Beach Resort and (iii) protect, preserve, and enhance the value of Silver Shells Beach Resort, Developer has determined that this Declaration, establishing certain easements, servitudes, restrictions, and conditions in the form of covenants running with the land shall be binding upon, enforceable against and inure to the benefit of all such present and future owners of the Property developed within Silver Shells Beach Resort and shall run with title to the land hereby and hereafter subjected to it; and

C. As a part of its general development plan, Developer may, but is not obligated to, develop and construct certain improvements, facilities and amenities upon and as a part of the Properties for the common use, benefit and enjoyment of the Owners and Occupants of the Units, as set forth hereinafter.

NOW, THEREFORE, Developer hereby declares that title to the Property described in Exhibit A, together with such other properties as Developer may hereafter subject to this

Declaration, and all Units (as hereafter defined) now and hereafter existing thereon shall be held, sold, conveyed, encumbered, used and occupied subject to the terms and conditions of this Declaration as covenants running with the land enforceable as aforesaid.

ARTICLE 1

DEFINITIONS

The following terms when used in this Declaration shall have the following meanings:

- (a) **"Articles"** means the Articles of Incorporation of the Master Association.
- (b) **"Board"** means the Board of Directors of the Master Association.
- (c) **"By-Laws"** means the By-Laws of the Master Association.
- (d) **"Cabana Unit"** means a portion of a completed condominium upon the Property so designated in the respective Declaration of Condominium, and not intended for separate residency but subject to exclusive ownership and intended for uses supplemental and incidental to the use and enjoyment of a residential Unit within Silver Shells Beach Resort. ;
- (e) **"Club"** means The Club at Silver Shells, Inc., a Florida corporation controlled by the Developer, which is to own, administer and operate the Clubhouse Property at Silver Shells Beach Resort. All Owners of Units at Silver Shells Beach Resort shall have an automatic non-equity membership in the Club by virtue of Unit ownership. The Club and the Clubhouse Property, and dues payable by Unit Owner members are described in Section 2.8 herein.
- (f) **"Clubhouse Property"** means that property excluded from the Property and described on Exhibit B hereto, and improvements thereon and thereto, which shall not be subject to this Declaration, but title to which shall be retained by Developer, and shall not be conveyed to the Master Association or the Owners at the time of Turnover. The Clubhouse Property shall be administered by The Club at Silver Shells, Inc. (the "Club"). The Clubhouse Property and the Club are described in Section 2.8 herein.
- (g) **"Common Assessment"** shall mean the annual charge against each Owner and his Unit, representing a portion of the total costs to the Master Association of maintaining, improving, repairing, replacing, managing and operating the Common Properties pursuant to this Declaration, plus dues and fees payable the Club.
- (h) **"Common Expenses"** means the actual and estimated costs of maintenance, management, operation, repair and replacement of the Common Properties (including unpaid Special Assessments) and the various amenities and facilities thereon including those costs not paid by the Owners responsible for payment; the costs of any and all commonly metered utilities, cable or

master television charges, and other commonly metered charges for the Common Properties; the Water Management System; costs of management and administration of the Master Association, including, but not limited to, legal and accounting and similar services, compensation paid by the Master Association to managers, contractors, utilities, landscaping and other services benefiting the Common Properties, and all facilities thereon; the cost of equipment, materials, labor, services, and management and supervision thereof; the costs of fire, casualty and liability insurance, workmen's compensation insurance, and other insurance covering the Common Properties; the costs of bonding of the members of the management body; taxes paid by the Master Association, including any real property taxes for the Common Properties; amounts paid by the Master Association to discharge any lien or encumbrance levied against the Common Properties, or portions thereof; and the costs of any other expenses incurred by the Master Association for any reason whatsoever in connection with the Common Properties for the benefit of Owners.

(i) **"Common Properties"** means the land described on Exhibit C hereto, and improvements thereon and thereto, and such additional lands as may be so designated by Supplemental Declarations hereto, and which are intended to be devoted to the common use and enjoyment of the Owners of Units within the Property. "Common Properties" includes lands, systems, facilities, rights and easements which may be deeded, leased, conveyed, granted, reserved or assigned to the Master Association and/or designated by Developer as Common Property, together with all improvements thereon and equipment, facilities and rights associated therewith that are so designated by Developer. Common Property includes personal property acquired by the Master Association, and property which the Master Association owns and for which it has maintenance responsibilities, such as Roads, roadways, driveways, sidewalks, boardwalks, pedestrian walkways, beach cross-overs, outdoor swimming pool and deck, any shuttle service, and various recreational and athletic facilities, lawns, landscaping, and utility lines and easements and such other facilities within the Property that are designated as the responsibility of the Master Association to maintain. Common Property may also include property not located within the Property but made subject to this Declaration, such as easements, leases or other rights in other property.

(j) **"Condominium Association"** means any corporation, so identified in a Declaration of Condominium filed by Developer with respect to any portion of the Properties, which Condominium Association exists for purposes of administering and maintaining such portion of the Properties.

(k) **"Developer"** means Silver Shells Corporation, as aforesaid, and its successors and assigns who acquire any portion of Silver Shells Beach Resort for the purpose of development so long as Silver Shells Corporation assigns its rights hereunder to such persons by express assignment or by operation of law.

(l) **"First Mortgage"** means an Institutional Lender, as hereafter defined, which holds a first mortgage encumbering a Unit, as hereafter defined. The purchaser at a foreclosure sale of property included in a mortgage from Developer and the successors in title to that purchaser may.

but shall not be obligated to, include all or a portion of the property so purchased at the sale as a part of the Properties affected by this Declaration.

(m) **"Improved Unit"** means a Unit within Silver Shells Beach Resort on which construction has been completed, as evidenced by a Certificate of Occupancy for such Unit or the building in which it is located.

(n) **"Institutional Lender"** means a governmental agency, commercial or savings bank, savings and loan association, mortgage company, life insurance company, licensed mortgage company, pension fund, or business trust including, but not limited to, a real estate investment trust, or any assignee of a loan made by any such lender including, but not limited to GNMA, FNMA, VA, FHA or FHLMC, or any private or governmental institution which has insured the loan of a lender or any combination of the foregoing entities.

(o) **"Master Association"** means Silver Shells Property Owners Association, Inc., a non-profit Florida corporation, whose purpose is to administer the Common Properties, as hereafter defined, in accordance with the provisions of this Declaration and the governing documents of the Master Association.

(p) **"Member"** means a Condominium Association, as hereafter defined, or the Developer. The Master Association has Class "A" Members and a Class "B" Member as defined in its Articles of Incorporation.

(q) **"Notice"** means:

(i) Written notice delivered personally or mailed to the last known address of the intended recipient, in the manner set forth herein; or

(ii) Notice given in any other manner provided in the By-Laws of the Master Association.

(r) **"Occupant"** means the occupant of any Unit on the Properties other than the Owner or the immediate family (children) of the Owner; Occupant shall include guests, tenants, invitees, lessees, and any other person occupying a Unit for any length of time.

(s) **"Owner"** means the record owner, whether one or more persons or entities, of the fee simple title to any residential Unit developed by Developer or its assigns upon any portion of the Properties subject hereto, but shall not include Developer and, notwithstanding any applicable theory of mortgage, shall not mean any holder of a mortgage encumbering a Unit unless and until such holder has acquired title thereto pursuant to foreclosure or any proceeding or conveyance in lieu of foreclosure.

(t) **"Property"** or **"Properties"** means all real property which has become subject to this Declaration together with such other real property as may from time to time be annexed thereto.

(u) **"Restricted Common Properties"** means any portion of the Common Properties such as but not limited to automobile parking spaces, designed for the exclusive use of particular Units, as may, from time to time, be constructed and existing and designated as Restricted Common Properties.

(v) **"Roads"** means those private streets, roads, terraces, drives, cul-de-sacs, courts and avenues, including contiguous parking areas, as from time to time are improved and exist within the Common Properties.

(w) **"Silver Shells Beach Resort"** means and refers to the entire project being developed by Developer upon the Properties, including all improvements and amenities, the Condominium Associations, and other components thereof, unless the context otherwise requires, but excluding the Clubhouse Property.

(x) **"Special Assessments"** means a charge or assessment in addition to Common Assessments as described in Section 5.4 herein, including an assessment against only a particular Owner or Owners, pursuant to this Declaration.

(y) **"Supplemental Declarations"** shall have the meaning assigned in Section 13.10 herein.

(z) **"Turnover"** means that time at which the Members (other than Developer) are given control of the Master Association, and title to the Common Properties (not including the Clubhouse Property) is conveyed to the Master Association.

(aa) **"Unimproved Living Unit"** means a Unit within Silver Shells Beach Resort for which a certificate of occupancy has not been issued by the appropriate governmental authority.

(bb) **"Unit"** means any portion of a completed building situated upon the Property designed and intended for separate use and occupancy for residential or commercial purposes pursuant to a declaration of condominium. For purposes of this Declaration, unless otherwise provided, "Unit" does not include a Cabana Unit.

(cc) **"Water Management System"** shall mean and refer to lakes, ditches, culverts, lines, and constructed surface and/or underground systems and facilities for the drainage and/or storage of surface water. Said Water Management System may be entirely located upon the Property, but may also be comprised of public and private easements located outside of the Property, if those facilities service all or some portion of the Property on an exclusive or non-exclusive basis. The Water Management System shall be for the use and benefit of all lands that are now or hereafter a part of the Property. The Water Management System may, if Developer so elects, service other

lands that do not form a part of the Property; or, at Developer's election, may need the service of other lands outside of the Property, for which the Master Association may pay a fee. Each Owner, the Master Association and Developer shall have a perpetual, non-exclusive easement, right, license and servitude to use the Water Management System. Developer, (with the consent of the owner of the fee underlying any part of the Water Management System), or Master Association may reconfigure such parts of the Water Management System with the consent of the Developer, provided same is then in accordance with sound engineering practices and governmental approvals. In such event, the perpetual non-exclusive drainage easement rights of Developer, Master Association and all Owners shall, without necessity of additional written documentation, be transferred from the previously existing Water Management System to the revised system. Developer may dedicate to any applicable governmental agency or authority, all or any part of the drainage lines, structures and facilities which are part of the Water Management System. Developer, or others with consent of Developer, may execute such instruments as may be necessary or desirable to effect such dedication without the joinder or consent of the Master Association, any Owner, or the holder of any mortgage or other lien on any Parcel.

ARTICLE 2

OWNER' S PROPERTY RIGHTS

Section 2.1. Owners' Easements of Enjoyment. Every Owner shall have the right and an easement of ingress and egress and of use and enjoyment in, to and over the Common Properties which shall be appurtenant to and shall pass with title to every Unit, subject to the following provisions:

- (a) The right of the Master Association to reasonably limit the number of guests of Owners using the Common Properties.
- (b) The right of the Master Association to establish uniform rules and regulations pertaining to the use of the Common Properties, and to establish uniform fees for violation of rules and regulations, and fees for usage of portions or facilities of the Common Properties by Owners and Occupants in situations and under circumstances where the Master Association deems such fees for usage to be appropriate.
- (c) The right of the Master Association in accordance with its Articles of Incorporation and By-Laws and this Declaration, with the vote or written assent of at least two-thirds (2/3) of the Membership vote entitled to be cast (excluding therefrom the voting powers of Developer) to borrow money for the purpose of improving the Common Properties and, subject to the provisions of Article 5 of this Declaration, to mortgage, pledge, or hypothecate any or all of the real or personal property owned by the Master Association as security for money borrowed or debts incurred, provided that the Developer consents to same so long as it remains a Member. Provided further that the rights of any such mortgagee shall be subordinated to the use and enjoyment rights of the Owners herein.

(d) The right of the Master Association or a Condominium Association to suspend the rights to use the Common Properties (except to the extent needed as a means of ingress and egress) of an Owner for any period during which any assessment or dues against or due from his Unit to the Master Association remains unpaid and delinquent; and for a period not to exceed ninety (90) days for any single infraction of the published rules and regulations of the Master Association; provided that any suspension of such rights to use the Common Properties shall be made only by the Board of Directors of the Master Association, as provided in the By-Laws of the Master Association.

(e) Subject to the provisions of Article 5 of this Declaration, the right of the Master Association to dedicate, release, alienate or transfer all or any part of the Common Properties including the Water Management System to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Board. No such dedication, release, alienation or transfer shall be effective except with the consent thereto of the Developer so long as it remains a Member.

(f) The right of the Developer (and its sales and leasing agents, customers and representatives) to the non-exclusive use of the Common Properties and facilities without charge, for sales, leasing, marketing, signage, display, access, ingress, egress and exhibit purposes.

(g) The right of the Master Association to designate automobile parking spaces located on the Common Properties as Restricted Common Property to be used exclusively by the Owner or Occupants of designated Units or other designated persons or uses.

(h) The restrictions, limitations and easements for drainage and other purposes reserved or granted in prior recorded covenants and instruments which encumber the Common Properties.

2.2 Delegation of Use. Any Owner may extend or delegate, as the case may be, in accordance with the By-Laws, his right of enjoyment to the Common Properties and facilities to the members of his family, or to his Occupants, tenants, guests, invitees and contract purchasers, who reside in or use his Unit, subject to reasonable regulation by the Board.

2.3 Easements for Parking. Temporary guest or recreational parking shall be permitted within the Common Properties only within spaces and areas clearly marked for such purposes. The Master Association, through its officers, committees and agents, is hereby empowered to establish parking regulations and to enforce these parking regulations by all means lawful for such enforcement on Roads, including the removal of any violating vehicle by those so empowered. recourse to civil authorities, and monetary fines per violation to be charged and assessed by the Master Association uniformly against Owners and Occupants who violate such rules and regulations. Such fines shall be charged and assessed against the subject Unit and may be enforced and collected as a Special Assessment, including the foreclosure of a lien therefor.

2.4 Easement for Pedestrian and Vehicular Traffic. In addition to the general easements for use of the Common Properties reserved herein, the Developer hereby reserves and covenants with

respect to all portions of the Properties, that Developer and each and every Owner shall have a non-exclusive easement appurtenant to such property as each owns, for pedestrian and vehicular traffic over all Roads within the Common Properties, subject to the parking provisions set forth in Section 2.3 herein.

2.5 Easements for Public Service Use. In addition to the foregoing easements over the Common Properties, there shall be and Developer hereby reserves and covenants for itself and all future Owners within Silver Shells Beach Resort, easements and the right to grant same for public services, including, but not limited to, the Water Management System, entertainment or communication cable systems, lines, ducts and wiring, all public utilities and the right of the police to enter upon any part of the Common Properties for the purpose of enforcing the law.

2.6 Waiver of Use. No Owner may exempt himself from personal liability for assessments duly levied by the Master Association through his Condominium Association or obtain release of the Unit owned by him from the liens and charges thereof, by waiver of the use and enjoyment of the Common Properties and the facilities thereon or by abandonment of his Unit.

2.7 Common Properties. As a part of the Common Properties of Silver Shells Beach Resort, Developer may, but is not obligated to, develop and construct certain improvements upon the lands within the Common Properties for the use, benefit, and enjoyment of the Condominium Associations and the Owners of Units. Such improvements shall be conveyed and transferred to the Master Association as a part of the Common Properties as set forth below. Such improvements may, but need not necessarily, include recreational amenities and facilities such as swimming pools, tennis courts, basketball, volleyball, shuffleboard, horseshoes, pedestrian walkways, boardwalks, and such related improvements, amenities and facilities as Developer in its discretion may determine. The specific plans and commitments of Developer for construction and placement of such facilities and amenities shall be contained in the prospectus materials prepared by Developer and delivered to Owners.

Some of such improvements, facilities and amenities may be intended and appropriately restricted for use by the Owners and Occupants of Silver Shells Beach Resort rather than the general public, although Developer retains the right at its discretion to admit the general public to such Common Properties.

2.8 Club and Clubhouse Property.

(a) The Club. Each Owner of a residential Unit at Silver Shells Beach Resort upon acquiring title to the Unit shall automatically become a non-equity member of The Club at Silver Shells, Inc. and shall remain a member until such time as his ownership of such Unit ceases for any reason, at which time his membership in the Club shall automatically cease. Each Owner membership in the Club shall be appurtenant to the Unit upon which it is based, and shall be transferred and assigned automatically upon conveyance of such Unit. Membership in the Club may not be transferred or assigned, except in connection with conveyance of the Unit. Upon conveyance

of a Unit, and as soon as possible thereafter, the Club shall be given written notice of the conveyance, including the name and address of the new Owner, identification of the Unit, date of transfer, and other information about the transfer which the Club may deem pertinent.

(b) Clubhouse Property. As a part of Silver Shells Beach Resort, Developer may, but is not obligated to, develop and construct upon the Clubhouse Property certain commercial and retail facilities including but not limited to various improvements and facilities described below, for the use, benefit, and enjoyment of the Owners and Occupants of Units, their tenants, and members of the public if Developer so elects. The Clubhouse Property and improvements thereon and thereto shall not be subject to this Declaration, but shall be retained by Developer and not conveyed to the Master Association or the Owners at the time of Turnover. The Clubhouse Property and the Club are intended primarily for the benefit of the Owners and Occupants of Units in Silver Shells Beach Resort, who shall be entitled to patronize and have access to the Clubhouse Property and facilities thereon, by virtue of automatic and mandatory non-equity membership in the Club by all owners of Units at Silver Shells Beach Resort; provided, however, nothing herein shall preclude Developer making the Club facilities available to members of the general public. Developer has no obligation to convey The Clubhouse Property and improvements thereon to the Master Association as a part of the Common Properties described herein. The improvements on the Clubhouse Property may, but need not necessarily, include the following: The clubhouse/administrative building, a sales and leasing office or center (which may be included within the administrative building), restaurant(s), a meeting and conference center and facilities, office and copying facilities, video arcade, retail convenience stores and gift and clothing shops, an exercise and physical training facility, a spa, beachfront pavilion with kiosk and equipment rentals for beach and water activities, and such related improvements, amenities and facilities as Developer in its discretion may determine.

Some of such improvements, facilities and amenities may be intended and appropriately restricted for use by the Owners and Occupants of Silver Shells Beach Resort rather than the general public, although Developer retains the right at its discretion to admit the general public to all Clubhouse Property.

The Clubhouse Property and the facilities associated therewith shall not be subject to this Declaration and assessments of the Master Association; provided, however, the Master Association shall grant the Developer and all patrons of The Clubhouse Property free and unlimited access thereto over and across Common Properties.

(c) Club Dues. Dues and fees payable by members of the Club shall be collected by the Master Association pursuant to fee schedules to be prepared. It is anticipated that the monthly dues of Units in Silver Shells Beach Resort to the Club shall not initially exceed Seventy-Five (\$75.00) Dollars per month, with a surcharge or supplemental fee payable by tenants, lessees, or Occupants of units other than the Unit owner. The dues and fees payable to the Club are subject to change without prior notice, at the discretion of the Club.

2.9 Title to the Common Properties. At such time as required by law, or sooner at the option of the Developer, the Developer shall convey to the Master Association the fee simple title to the Common Properties and the Master Association shall accept such conveyance. The Developer, and thereafter the Master Association, shall hold title to the Common Properties for the benefit of those persons entitled to use same under the provisions hereof. Developer may mortgage the Common Properties to finance the original development and construction thereof, provided that (i) the lender recognizes the right of the Owners hereunder, (ii) except as hereafter provided the Common Properties shall be free of mortgages at the time of conveyance to the Master Association, and (iii) except as hereafter provided the Master Association shall not be personally liable for payment of same.

THE MASTER ASSOCIATION SHALL ACCEPT "WHERE IS, AS IS" THE CONVEYANCE OF ANY SUCH COMMON PROPERTIES WITHOUT ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IN FACT OR BY LAW, WITH RESPECT THERETO, INCLUDING, WITHOUT LIMITATION, REPRESENTATIONS OR WARRANTIES OR MERCHANTABILITY OR FITNESS FOR THE ORDINARY OR ANY PARTICULAR PURPOSE, AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES REGARDING FUTURE REPAIRS OR REGARDING THE CONDITION, CONSTRUCTION, ACCURACY, COMPLETENESS, DESIGN, ADEQUACY OF THE SIZE OR CAPACITY IN RELATIONS TO THE UTILIZATION, DATE OF COMPLETION OR THE FUTURE ECONOMIC PERFORMANCE OR OPERATIONS OF, OR THE MATERIALS OR FURNITURE WHICH HAS BEEN OR WILL BE USED IN SUCH COMMON PROPERTIES, EXCEPT AS SET FORTH HEREIN. BY ACCEPTANCE OF AN INTEREST IN ANY COMMON PROPERTIES OR DEED THERETO, THE MASTER ASSOCIATION AND ALL OWNERS RELEASE DEVELOPER FROM ANY CLAIMS AND WARRANTIES. NO CLAIM SHALL BE MADE BY THE MASTER ASSOCIATION OR ANY OWNER RELATING TO THE CONDITION, OR COMPLETENESS OF COMMON PROPERTIES OR FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING THEREFROM. ALL COSTS AND EXPENSES OF ANY CONVEYANCE OF ANY PROPERTY BY DEVELOPER TO THE MASTER ASSOCIATION SHALL BE PAID FOR BY THE MASTER ASSOCIATION.

2.10 Title to the Clubhouse Property. The Developer does not intend to convey to the Master Association the fee simple title to the Clubhouse Property, but reserves the right to do so at any time after the date hereof at the sole and complete discretion of Developer. Developer may retain ownership of the Clubhouse Property and attendant facilities, lease same to others, or sell same to commercial operators subject at all times to the terms and conditions of this Declaration and the covenants and restrictions contained herein. It is intended that under any and all circumstances, even though some of the retail facilities and services within the Clubhouse Property may be open and available to members of the public, the Clubhouse Property and attendant facilities shall be primarily for the use and benefit of the Owners and Occupants of Units in Silver Shells Beach Resort.

2.11 Old Highway 98 Easement. Included within the Common Properties is an exclusive easement to a road right-of-way known as "Old Highway 98" which crosses the Common Properties

just inland of the Coastal Control Construction Line and ends at the eastern boundary of the Common Properties, at Henderson Beach State Recreation Area. Old Highway 98 does not continue into Henderson Beach State Recreation Area. The easement area is shown on the survey/plot plan attached as an exhibit to each condominium declaration filed within the Properties. The easement over the area known as Old Highway 98 has been granted by the City of Destin, Florida by written agreement with the Developer, for a term of seventy-five (75) years, commencing in September of 1997 (the easement will terminate in the year 2072). Under agreement with the City of Destin, the easement area comprising Old Highway 98 is intended for recreational and/or green space purposes only, and will be utilized as a pedestrian walkway planned to be 25 feet in width and intended solely for pedestrian use with the exception of emergency service vehicles. Bicycles will be allowed on the pedestrian walkway at the discretion of the City of Destin. Five elevated dune walkovers, which are a part of the Properties, will lead from the pedestrian walkway to provide access to the beach for use by the public. It is intended that the pedestrian walkway will not be paved by the Master Association, but the Master Association reserves the right to do so. The Master Association shall be solely responsible for the costs of landscaping and maintenance of the pedestrian walkway and the dune walkovers.

ARTICLE 3

MEMBERSHIP AND VOTING RIGHTS

3.1 Membership. Every Condominium Association in Silver Shells Beach Resort (and every Owner of a Unit in Silver Shells Beach Resort, but only by virtue of his membership in his respective Condominium Association) and the Developer shall be members of the Master Association. Membership shall be appurtenant to and may not be separated from ownership of a Unit which is subject to Common Assessment by the Master Association. Members' rights, powers, duties and privileges shall be as set forth in the Articles, By-Laws, this Declaration and any supplement thereto.

The Master Association shall have two classes of membership: (a) Class "A" Members, and (b) Class "B" Members, as follows:

(a) Class "A". Class "A" Members shall be all of those Condominium Associations created within Silver Shells Beach Resort as described in this Declaration.

(b) Class "B". The Class "B" Member shall be the Developer. Unless the Developer earlier terminates this membership, the Class "B" Membership shall terminate upon Turnover of the Master Association.

3.2 Voting. The voting rights of the two classes of membership are as follows:

(a) Class "A". Class "A" Members shall be entitled to one (1) vote for each Unit (excluding Cabana Units) the Class "A" member represents in the Master Association.

(b) Class "B". The rights of the Class "B" Member, including the right to approve action taken under this Declaration and the By-Laws, are specified throughout this Declaration, the Articles, and the By-Laws. The Class "B" Member shall be entitled to appoint all members of the Board prior to Turnover. The Class "B" Member shall have two (2) times the number of votes held collectively by all Class "A" Members, plus one (1) vote. In the event of a Turnover by the Developer prior to the date specified in Section 3.3 herein, the Developer shall have the right to disapprove actions of the Board and any committee established by the Master Association, as well as those committees which may be established pursuant to the By-Laws, until the Developer no longer owns or holds for sale in the usual course of business any Units within the Properties.

3.3 Turnover. The Developer shall determine, in its sole and absolute discretion, the time of Turnover, provided, however, that if Turnover has not sooner occurred, it shall occur at the earlier of ninety (90) days after the conveyance by the Developer of ninety percent (90%) of all Units owned by Developer and to be located within the Property, or twenty (20) years from the date of recordation of this Declaration; or when so required by law. The Master Association shall give notice to all Members of a Turnover meeting, which meeting shall be held not more sixty (60) days after giving such notice. The purpose of the Turnover meeting shall be to install a new Board of Directors, as well as such other business as shall properly come before the meeting.

3.4 Article 3 Amendment. This Article 3 may not be amended without the express written consent of the Developer, as long as the Developer is a Member of the Master Association.

3.5 Condominium Association Representative. Each Class A Member shall have the power to vote at Master Association meetings only as described herein. Each Class A Member shall appoint its President or his designee as the representative of the Condominium Association (a "Director"), who shall be a Director of the Master Association and shall attend meetings of the Master Association Board and cast the votes of the Class A Member on Master Association matters. The Director shall cast the Class A Member's votes as a block in the manner as the Director may, in his sole and reasonable discretion, deem appropriate, acting on behalf of the Class A Member. However, in the event that at least fifty-one percent (51%) of the voting power in attendance at any duly constituted meeting of the Unit owners of his Condominium Association shall instruct the Director as to the manner in which such Director is to vote on any issue, then such Director shall cast all of the voting power of the Member in the same proportion, as nearly as possible without counting fractional votes, as the Unit Owners shall have voted. in person or by proxy, in favor of or in opposition to such issue. The Director shall have the authority, but not the obligation, in his sole discretion, to call a special meeting of the Class A Member's Unit owners in the manner provided in the Member's By-Laws for the purpose of obtaining instructions as to the manner in which such Director is to vote on any issue to be voted on by the Members of the Master Association. It shall be conclusively presumed for all purposes of Master Association business that the actions of the Director are within the authority and consent of the Member's Unit owners.

ARTICLE 4

DUTIES AND POWERS OF ASSOCIATION

The Master Association, acting through its Board of Directors, shall have such powers and duties with respect to the Common Properties as are provided for in the Articles and By-Laws. The Master Association shall also be responsible for payment to The Silver Shells Club of the membership dues and fees payable by owners of Units within Silver Shells Beach Resort in accordance with the schedule of same established from time to time by the Club, and shall assess and collect such dues and fees from Class A Members from the Master Association.

ARTICLE 5

COVENANT FOR MAINTENANCE ASSESSMENTS

5.1 Creation of the Lien and Personal Obligation of Assessments. Developer, for each Condominium Association and Unit now or hereafter owned within Silver Shells Beach Resort and subject to this Declaration, hereby covenants, and each successor Owner of any Unit by acceptance of a deed thereto, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Master Association (i) annual Common Assessments for Common Expenses, (ii) Special Assessments, as provided in this Declaration, and (iii) assessments for membership fees and dues payable to the Club on the part of Owners of Units within the respective Condominium Associations, such assessments to be established and collected as hereinafter provided. Such assessments, together with interest, costs and reasonable attorneys' fees for the collection thereof, shall be a charge and secured by a continuing lien upon the Unit with respect to which such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Unit at the time when the assessment became due. Subject to provisions of this Declaration protecting First Mortgagees, the personal obligation for delinquent assessments shall pass to and be assumed by the successors-in-title of such Owner.

5.2 Date of Commencement of "Common Assessments"; Due Dates; Assessment Period. The Common Assessment shall accrue in respect to each Improved Unit subject to this Declaration, on the date of conveyance of such Unit by the Developer to the first Owner thereof (hereafter called the "Commencement Date") and shall thereafter be due on the first day of every "Assessment Period" as such term is defined in the By-Laws of the Master Association. No Common Assessments shall be due and payable on Unimproved Units, or before initial conveyance of an Improved Unit by Developer.

5.3 Basis and Maximum Amount of Common Assessments. From the Commencement Date of Common Assessments until the Developer ceases to be in control of the Master Association, the Common Assessments for all Class "A" Members of the Master Association, as defined in the

Articles and By-Laws, shall be established by the Developer. Except as hereinafter provided, no assessment shall be payable by Developer.

With regard to Improved Units owned by the Developer, until the time Developer ceases to be in control of the Master Association, as provided in Article 6 of the Articles, the Developer shall not pay any Common Assessments or Special Assessments, nor shall any Improved Units or other Property owned by Developer be assessed for the same. In lieu of such payment the Developer shall during each year of operation, based on the Master Association's budget, pay the difference in cost between the sum of Common Assessments collected from Class "A" Members and the actual cost of operation of the Master Association. In the event of an increase in the annual Master Association budget for the actual cost of operation of the Master Association, the Developer may increase the Common Assessments prior to the time it ceases to control the Board, so that thereafter the Developer shall not be obligated to pay a Common or Special Assessment on any Unit owned by it except as provided herein. Notwithstanding any provision that may be contained to the contrary in this Declaration, the Developer may at any time commence paying assessments as to Units that it owns and thereby automatically terminate its obligation to fund deficits, but at any time thereafter the Developer may again elect to follow the procedures specified in this Section.

The Board, in accordance with the requirements for a change of Common Assessments, as provided in this Article 5 and the By-Laws, may change the budget and level of Common Assessments at any annual meeting of the Board. For each 12 month period (hereinafter called the "Assessment Year"), the Common assessments may be adjusted by vote of the Board as set forth later herein.

5.4 Special Assessments. In addition to the Common Assessments authorized by Section 5.1, the Board may levy in any Assessment Year one or more Special Assessments, for the purpose of defraying, in whole or in part, the cost of any unexpected construction or reconstruction, repair or replacement of a capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, shortfalls in the annual budget projection, or for other purposes deemed appropriate by the Master Association. The due date of any Special Assessment under this Article shall be fixed in a resolution authorizing such assessment. Except as otherwise provided herein, the Developer shall not be obligated to pay Special Assessments levied on any Unit owned by it.

5.5 Damage to Common Properties by Owners. Any of the foregoing maintenance, repairs or replacements within the Common Properties which arises out of or is caused by the willful or negligent act of an Owner, his family, guests or invitees shall be done at said Owner's expense and a Special Assessment therefor may be made against his Unit. A Special Assessment may also be made against an Owner for violations of the rules and regulations of the Master Association as set forth herein, including in each case the foreclosure of a lien therefor.

5.6 Rate of Assessment. Common Assessments and Special Assessments provided for in this Declaration (other than Special Assessments directed against individual Owners for damage,

violations, or similar purposes) shall be allocated and assessed among the Condominium Associations contained within Silver Shells Beach Resort (Class A Members) on the basis of the total number of residential Units within each Condominium Association as compared to the aggregate number of residential Units within all Condominium Associations, excluding in each case Cabana Units. The assessments shall be apportioned among and collected from all Owners of Units within the Condominium Association administered by each respective Class A Member.

The Master Association also may levy Special Assessments against the governing Condominium Association or individual Owners who have caused the Master Association to incur special expenses due to willful or negligent acts of said Owners, their guests, tenants, lessees, invitees or agents, as well as uniform monetary fines for violation of this Declaration and the Rules and Regulations of the Master Association. Such Special Assessments shall be charged and assessed against the subject Unit, and may be enforced and collected as an assessment for Common Expenses, including the foreclosure of a lien therefor.

The rate of Master Association assessments shall also include membership dues and fees payable by Owners of residential Units in connection with membership in The Club at Silver Shells, Inc. and with regard to the Clubhouse Property. Such dues shall be payable to the Club by the Master Association.

5.7 Payment of Common Assessments, Due Date. The first annual Common Assessment shall be adjusted according to the number of months remaining in the fiscal year as set forth in the By-Laws. The Board of Directors shall fix the amount of the annual Common Assessment against each Class A Member subject to assessment in accordance with procedures for adopting a budget contained in the By-Laws. Written notice of any change in the amount of the annual Common Assessment shall be sent to every Member and Owner subject thereto, in accordance with the By-Laws. The due dates shall be established by the Board of Directors. A Condominium Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer or agent of the Condominium Association, setting forth whether the assessments with respect to a specified Unit have been paid. A properly executed certificate of the Condominium Association as to the status of the assessments against a Unit shall be binding upon the Condominium Association as of the date of its issuance.

The Board of Directors shall cause to be prepared an annual balance sheet and operating statement reflecting income and expenditures of the Master Association for each fiscal year, and shall cause a copy of each such statement to be distributed to each Member, in the manner provided in the By-Laws.

All Condominium Associations within Silver Shells Beach Resort are designated and directed to collect from Units they respectively administer the assessments and charges levied hereunder, and to remit the entire amount due from all Units in the Condominium Association to the Master Association before delinquency.

At the end of any fiscal year of the Master Association, the Members may determine that all excess funds remaining in the Master Association's operating account may be returned to the Members proportionately, or may be retained by the Master Association and used to reduce the following year's Common Assessments. Upon the dissolution of the Master Association, any amount remaining in any reserve fund shall be distributed to or for the benefit of the Members in a proportion equal to their individual respective contributions.

5.8 Exempt Property. Common Assessments and Special Assessments shall only be assessed against Units which are subject to assessment under the provisions hereof, and the Clubhouse Property and all other portions of Silver Shells Beach Resort shall be exempt therefrom.

ARTICLE 6

EFFECT OF NON-PAYMENT OF ASSESSMENTS REMEDIES OF THE CONDOMINIUM ASSOCIATION

6.1 Effect of Non-Payment of Assessments: Remedies of the Condominium Association. The Condominium Association Members of the Master Association shall be responsible for collection of all assessments due the Master Association hereunder. However, upon any delinquency in payment, the Master Association may assert its remedies against either the Condominium Association Member or the individual Unit Owner. Any installment of a Common Assessment or Special Assessment not paid within ten (10) days after the due date shall bear interest from the due date of such installment at the rate of eighteen (18%) percent per annum. The Master Association may bring an action at law against the Member or Owner personally obligated to pay the same, or foreclose the lien against the Unit. The Condominium Association Member shall have all assessment and lien rights as provided in its Declaration of Condominium for payments due to the Master Association. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Properties or the Club Property, or by abandonment of his Unit. If any installment of any assessment is not paid within thirty (30) days after its due date, the Member may mail an acceleration notice to the Owner and to each First Mortgagee of such Unit which has requested a copy of the notice. The notice shall specify (i) the fact that the installment is delinquent, (ii) the action required to cure the default, (iii) a date, not less than thirty (30) days from the date the notice is mailed to the Owner, by which such default must be cured, and (iv) that failure to cure the default on or before the date specified in the notice may result in acceleration of the balance of the installments of the particular assessment for the then current fiscal year and sale of the Unit pursuant to foreclosure of the lien securing the unpaid assessment. If the delinquent installments of Common Assessments and any charges thereon are not paid in full on or before the date specified in the notice, the Member at its option may declare due all of the unpaid balance of the annual Common Assessment and all other assessments and charges thereon in any manner authorized by this Declaration.

6.2 Notice of Claim of Lien. No action shall be brought to enforce any assessment lien herein, unless at least thirty (30) days has expired following the date a Notice of Claim of Lien is

either hand-delivered to the Owner, or is deposited in the United States mail, certified or registered, postage prepaid, to the Owner of the Unit, and a copy thereof has been recorded by the respective Condominium Association in the office of the Clerk of the Circuit Court of Okaloosa County, Florida. Said Notice of Claim of Lien must recite a good and sufficient legal description of any such Unit, the record Owner or reputed Owner thereof, the amount claimed (including interest on the unpaid assessment at eighteen (18%) percent per annum, plus reasonable attorneys' fees and expenses of collection in connection with the debt secured by said lien), and the name and address of the claimant. The lien shall continue until fully paid or otherwise satisfied, and shall secure all other Common Assessments, Special Assessments, and all other sums of any nature whatsoever which are due or thereafter accrue hereunder but remain unpaid by Owner.

6.3 Foreclosure Sale. The assessment lien set forth herein may be foreclosed in the same manner as mortgages are foreclosed under Florida law. The Condominium Association, through duly authorized agents, shall have the power to bid on any Unit at a foreclosure sale, and to acquire and hold, lease, mortgage and convey the same.

6.4 Curing of Default. Upon the timely curing of any default for which a Notice of Claim of Lien was filed by the Condominium Association, the officers thereof shall record an appropriate release of lien, upon payment by the defaulting Owner of a fee, to be determined by the Condominium Association, to cover the cost of preparing and recording such release. A certificate executed and acknowledged by any two (2) members of the Board or by the President of the Condominium Association stating the indebtedness secured by the liens upon any Unit created hereunder shall be conclusive upon the Condominium Association and the Owners as to the amount of such indebtedness as of the date of the certificate, in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any Owner upon request at a reasonable fee.

6.5 Cumulative Remedies. The assessment liens and the right to foreclose and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Master Association and individual Condominium Associations and their assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid assessments, as above provided.

6.6 Subordination of the Lien to Mortgages. The lien securing the assessments provided for herein shall be subordinate as provided herein to the lien of any First Mortgage (meaning any recorded mortgage with first priority or seniority over all other mortgages) made in good faith and for value, and recorded prior to the date on which a Notice of Claim of Lien, pursuant to such lien, is recorded. The sale or transfer of any Unit shall not affect the assessment lien. However, upon the sale or transfer of any Unit pursuant to foreclosure or deed in lieu thereof of a First Mortgage, the liability of the First Mortgagee for the unpaid assessments represented by such lien shall be limited pursuant to terms of the Florida Condominium Act, subject to the provisions of Section 11.2 herein. However, no sale or transfer shall relieve such Unit from liability for any installments of assessments thereafter becoming due or from the lien thereof. Liens securing all assessments under this Declaration shall be of equal dignity.

ARTICLE 7

MAINTENANCE AND REPAIR OBLIGATIONS

7.1 Maintenance Obligations of Owners. Subject to the duty of the Master Association to provide for maintenance as provided in this Article, it shall be the duty of the Owners of Units, with regard to the Units, and the Condominium Association(s) with regard to common areas or common elements of the Condominium(s), at their sole cost and expense, subject to the provisions of this Declaration, to maintain, repair, replace and restore areas subject to their control, in a neat, orderly, sanitary and attractive condition. In the event that any such Owners or Condominium Associations shall permit any improvement, which it is their responsibility to maintain, to fall into disrepair or not to be so maintained so as to create a dangerous, unsafe, unsightly or unattractive condition, or to otherwise violate this Declaration, the Master Association shall have the right, but not the duty, upon fifteen (15) days prior written notice to the appropriate Owner or Condominium Association (except in cases of emergency, in which case no such notice be given), to correct such condition and to enter upon such property to make such repairs or to perform such maintenance, and the cost thereof shall be charged to the Owner or such Condominium Association. Said cost shall be a Special Assessment and shall create a lien upon all the Units in said Condominium, or particular affected Units, enforceable in the same manner as other assessments as set forth in this Declaration. Such Condominium Association, or such Owners, shall pay promptly all amounts due for such work, and the costs and expenses of collection may be added, at the option of the Board of Directors, to the amounts payable by each Unit Owner in the affected Condominium Association or payable by the Unit Owner as Common Assessments.

7.2 Maintenance Obligations of Master Association. Subject to the provisions of Section 7.1, the Master Association shall maintain, or by contract provide for the maintenance of all of the Common Properties and all improvements thereon, in good order and repair, including but not limited to the swimming pool(s) and recreational facilities, the interior and exterior of any recreational buildings, Roads, roadways, pedestrian walkways, boardwalks, recreational and beachfront improvements, the Water Management System, and any and all utility facilities, and other equipment, improvements, and buildings on or a part of the Common Properties. In addition to improvement maintenance, the Master Association shall provide all necessary landscaping and gardening to properly maintain and periodically replace when necessary the trees, plants, grass and other vegetation which is on the Common Properties. The Master Association shall further maintain, reconstruct, replace and refinish any Roads, roadways, walkways, parking areas, and any paved surface in the Common Properties. All of the foregoing obligations of the Master Association shall be discharged when and in such manner as the Board of Directors of the Master Association shall determine in their judgment to be appropriate.

7.3 Exterior Appearance and Design. The Owners of Units in any building which has suffered damage, through the Class A Member representing such Owners, may apply for approval for reconstruction, rebuilding or repair of the improvements therein to the Board of the Master Association. Application for such approval shall be made in writing together with drawings and

elevations showing the proposed reconstruction and the end result thereof. The Board shall grant such approval only if upon completion of the work the exterior appearance and design will be substantially the same as that which existed prior to the date of the casualty. Failure of the Board to act within thirty (30) days after receipt of such request in writing coupled with the drawings and plot plan showing the full and complete nature of the proposed change shall constitute approval thereof.

7.4 Time Limitation. The Owner or Owners of Units located in any damaged building, and the affected Condominium Association shall be obligated to proceed with all due diligence hereunder, and, assuming the availability of funds, the responsible party shall commence reconstruction within six (6) months after the damage occurs and diligently pursue completion of reconstruction of said building thereafter.

7.5 Management Company. The Master Association shall have the right to retain a management company or companies or contractors (any of which management companies or contractors may be, but are not required to be, a subsidiary, affiliate, or an otherwise related entity of Developer) to assist in the operation and maintenance of the Properties. The costs for management fees shall be assessed as part of the Common Expenses.

ARTICLE 8

USE RESTRICTIONS

All real property and improvements comprising Silver Shells Beach Resort and additional lands which may become subject to this Declaration by Supplemental Declaration, shall be held, used, and enjoyed subject to the following limitations and restrictions, and further subject to the exemption of Developer provided for herein:

8.1 Signs. No sign, poster, display, billboard or other advertising device of any kind shall be displayed to the public view on any portion of the Properties without the prior written consent of the Board, except signs, regardless of size, used by Developer, its successors or assigns, for advertising the marketing, sale and/or rental of Units in Silver Shells Beach Resort.

8.2 Driveways. All Roads, driveways, parking areas and pedestrian walkways shall be maintained in the style originally established by the Developer.

8.3 Common Properties and Restricted Common Property. The Common Properties and any Restricted Common Property and the improvements thereon and thereto, including the Water Management System, shall be used only for the purposes for which they are intended to be used in the furnishing of services and facilities for the enjoyment of the Unit Owners.

8.4 Trash Containers. All trash and trash containers and contents thereof shall be stored in a screened-in or protected area and as approved by the Master Association.

8.5 Exterior Antennae. No exterior radio, television or other electronic device antennae shall be permitted on the exterior of any Unit or condominium building without the prior written approval of the Master Association.

8.6 Parking. Automobile parking spaces may be used only for parking automobiles that are in operating condition and for no other purposes. Trucks, commercial vehicles, campers, recreational vehicles, boats, trailers, or any vehicle not susceptible to registration by the State of Florida as an "automobile" may not be parked in parking spaces and may not be kept on the Common Property, except in areas (if any) specifically designated for the same. Truck, as used herein, is defined as a commercial vehicle, and does not include small pickups, customized vans, minivans and other such vehicles customarily used for personal transportation and not business use. Automobile parking spaces that are designated in the Declaration as Restricted Common Property may be assigned by the Master Association. No vehicular or boat repair or maintenance shall be performed on the Property, except for emergency repairs sufficient to either start or tow a vehicle therefrom. Each Condominium Association shall be entitled to designate areas within the parking lots used exclusively by such Condominium Association for storage of bicycles.

8.7 Additional Temporary or Permanent Structures. No structure of a temporary or permanent character, including but not limited to, tents, sheds, garages, barns, or other out buildings shall be used or erected on any of the Common Properties without the prior written approval of the Master Association as to its location, design, architecture and appearance.

8.8 Pets. Unit Owners shall be permitted to keep small pets, including birds, such as canaries or parakeets; fish, such as gold fish and tropical varieties; cats; and small dogs not exceeding 15 inches in height measured at the shoulder, or 15 pounds in weight at maturity. No Occupant, guest, lessee or invitee shall bring any animal whatsoever upon the Property. No pets shall be raised for commercial purposes, and no more than one dog may be kept on the premises of a Unit. No cat or dog shall be permitted outside the Owner's Unit except when leashed and accompanied by the Owner. Each Owner shall be responsible for the actions of each pet and for cleaning up after it. In the event that any pet, including a dog, should constitute a nuisance in the opinion of a majority of the Board of Directors, then the Owner, when so notified in writing, shall be required to immediately remove said pet or dog from the Property.

8.9 Alteration and Improvement of Units. The prior, express written consent of the Board of Directors of the Master Association is required in order to enclose, paint or otherwise decorate or materially change the appearance of any portions of the exterior of any of the buildings that may be constructed on the Properties.

8.10 Developer. Until the Developer has sold and conveyed title to all of the Units within the Properties which it plans to develop, the Developer may use any Units it owns or leases and the Common Properties to facilitate sales and leases of Units, including, but not limited to, the maintenance of a sales/development office, rental office and models and the display of signs, and the location of sales and leasing agents and facilities on site.

8.11 Additional Rules and Regulations. The Developer, until it conveys the Common Properties, and thereafter the Board of Directors of the Master Association, may establish such additional rules and regulations as may be deemed for the best interests of the Master Association and its Members for purposes of enforcing the provisions and purposes of this Declaration.

8.12 Exterior Improvements: Landscaping. No Owner or Occupant of a Unit shall cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors or windows of any buildings (including awnings, antennae, signs, storm shutters, screens, furniture, fixtures and equipment), or to structures of any parking areas without the prior written consent of the Board of Directors of the Master Association. Storm shutters specifically approved by a Condominium Association for use and installation by respective Owners in such Condominium Association shall be exempted from this provision.

8.13 Nuisances. No nuisances shall be allowed upon the Properties, nor any use or practice which is the source of annoyance to Owners or Occupants or which interferes with the peaceful possession and proper use of the Common Properties by Owners or Occupants. All parts of the Properties shall be kept in clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate nor shall any fire hazard be allowed to exist. No use shall be made of any Unit or of the Properties which would increase the rate of insurance upon the Property.

8.14 Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Property or any part thereof; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies pertaining to maintenance, replacement, modification or repair of the Property shall be the same as is elsewhere herein specified with respect to other maintenance, repair and replacement.

8.15 Rental Office. For the benefit and convenience of all Unit Owners, Developer shall have the right, but not the obligation, to establish a rental office and appropriate signage on the Property as a part of the Clubhouse Property and functions. Said on-site rental office shall be the only rental office allowed on the Property for the fifteen (15) year time period commencing with the date of recordation of this Declaration. No other rental office may be located anywhere within the Property; provided, however, nothing herein shall restrict the ability of any off site rental agent from performing business on the Property. Each Unit Owner does hereby acknowledge that said on-site rental office may be owned and/or controlled by Developer. Provisions of this Section 8.15 shall not be amended or deleted during the 15-year term referenced herein without the specific written consent of Developer.

8.16 Developer Exemption. Developer or its successors or assigns will undertake the work of constructing Units and improvements, including the Common Properties. The completion of that work and the sale, rental and other disposal of Units is essential to the establishment and welfare of Silver Shells Beach Resort as a community. In order that said work may be completed and Silver Shells Beach Resort established as a fully occupied community as rapidly as possible, no Owner nor

the Master Association or a Condominium Association shall do anything to interfere with, and nothing in this Declaration shall be understood or construed to:

(a) Prevent Developer from performing any work it, or its contractors or subcontractors, determines to be necessary or advisable in connection with the completion of said work, including without limitation, the alteration of such construction plans and designs as Developer deems advisable in the course of development. All models or sketches showing plans for future development of Silver Shells Beach Resort may be modified or abandoned by the Developer at any time and from time to time, without notice to, or the consent of, any Unit Owner or any other third party.

(b) Prevent Developer from erecting, constructing and maintaining on any property owned or controlled by Developer, or its successors or assigns or its or their contractors or subcontractors, such structures as may be reasonably necessary for the conduct of its or their business or of completing said work and establishing Silver Shells Beach Resort as a resort community and conveyance of the same by sale, lease or otherwise.

(c) Prevent Developer from conducting its business of developing, grading, constructing, and marketing improvements in Silver Shells Beach Resort as a resort community and conveyance of Units therein by sale, lease or otherwise.

(d) Prevent Developer from determining the nature of any type of improvements to be constructed as part of the Common Properties, and thereafter constructing the same.

ARTICLE 9

DAMAGE OR DESTRUCTION TO COMMON PROPERTIES

Damage or destruction of all or any portion of the Common Properties shall be handled in the following manner, notwithstanding any provision in this Declaration to the contrary:

9.1 If in the event of damage or destruction to the Common Properties or any portion thereof, the insurance proceeds are sufficient to effect total restoration, then the Master Association shall cause such Common Properties to be repaired and reconstructed substantially as they previously existed.

9.2 If the insurance proceeds are no less than 75% of the cost of repairs that would provide total restoration of the Common Properties, then the Master Association shall cause the Common Properties to be repaired and reconstructed, and the difference between the insurance proceeds and the actual cost shall be levied as a Special Assessment against the Members.

9.3 If the insurance proceeds are less than seventy-five percent (75%) of the cost of repairs needed to effect total restoration to the Common Properties, then by written consent or vote

of a majority of the votes entitled to be cast by Members, they shall determine whether: (i) to build and restore in substantially the same manner as the improvements existed prior to damage and to raise the necessary funds over the insurance proceeds by levying Special Assessments; (ii) to rebuild and restore in a way which utilizes all available insurance proceeds and an additional amount not in excess of 25% of the cost, and which is assessable as Special Assessments, replacing those improvements in substantially the same manner as they existed prior to being damaged; (iii) to not rebuild and to distribute the available insurance proceeds to the Members and the respective Owners and Mortgagees of the Units as their interests may appear; or (iv) to use the available insurance proceeds to remove the destroyed or damaged improvements, and to replace the same with other improvements.

9.4 Each Owner shall be liable to the Master Association for any damage to the Common Properties not fully covered by insurance which may be sustained by reason of the negligence or willful misconduct of said Owner or of his family and guests, or Occupants of the Owner's Unit, both minor and adult. Notwithstanding the foregoing, the Master Association reserves the right to levy a Special Assessment against any such Owner, equal to the increase, if any, in the insurance premium directly attributable to the damage caused by such Owner. In the case of joint ownership of a Unit, the liability of such Owners shall be joint and several. The cost of correcting such damage shall be a Special Assessment against the Unit and may be collected as provided herein for the collection of Common Assessments, including the foreclosure of a lien therefor. ;

ARTICLE 10

INSURANCE

10.1 Common Properties. The Master Association shall keep all buildings, improvements, equipment and fixtures of the Common Properties insured against loss or damage by fire for the full insurance replacement cost thereof, and may obtain insurance against such other hazards and casualties as the Master Association may deem desirable. The Master Association may also insure any other property whether real or personal, owned by the Master Association, against loss or damage by fire and such other hazards as the Master Association may deem desirable, with the Master Association as the owner and beneficiary of such insurance. The insurance coverage with respect to the Common Properties shall be written in the name of, and the proceeds thereof shall be payable to the Master Association. Insurance proceeds shall be used by the Master Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Master Association are Common Expenses included in the Common Assessments made by the Master Association.

10.2 Waiver of Subrogation. As to each policy of insurance maintained by the Master Association, which will not be voided or impaired thereby, the Master Association hereby waives and releases all claims against the Board, the Condominium Associations, the Owners, any management company, Developer and the agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of

any agreement by said persons, but only to the extent that insurance proceeds are received in compensation for such loss.

10.3 Liability and Other Insurance. The Master Association shall have the power to and may obtain comprehensive public liability insurance, including medical payments, liquor liability insurance and malicious mischief, in such limits as it shall deem desirable, insuring against liability for bodily injury, death and property damage arising from the activities of the Master Association or with respect to property under its jurisdiction, including, if obtainable, a cross liability endorsement insuring each Unit Owner, the Master Association and the Condominium Associations and their respective officers, directors, agents and employees and any management company from liability in connection with the Common Properties, the premiums for which are Common Expenses included in the Common Assessments made against the Unit owners. All insurance policies shall be reviewed at least annually by the Board of Directors and the limits increased in its discretion. The Board may also obtain such errors and omissions insurance, indemnity bonds, fidelity bonds and other insurance as it deems advisable, insuring the Board and any management company thereof against any liability for any act or omission in carrying out their obligations hereunder, or resulting from their membership on the Board or on any committee thereof.

10.4 Waiver by Insurer. Whenever obtainable, insurance policies maintained by the Master Association shall provide for the following: (a) that the policy may not be canceled or substantially modified without at least ten (10) days' prior written notice to the Master Association and to each First Mortgagee as that term is herein defined who has registered pursuant to Section 11.1 herein; (b) waive the insurer's right of subrogation against the Master Association, the Condominium Associations and against Members and Owners individually and as a group; (c) the insurance is not prejudiced and the insurer may not avoid liability for a loss that is caused by an act of the Board of Directors of the Master Association or by a Member of the Board of Directors of a Condominium Association or by one or more Owners, or by any act or neglect of individual Members or Owners which is not in the control of such Members or Owners Collectively; and (d) the policy is primary in the event that Members or Owners have other insurance covering the same loss.

ARTICLE 11

MORTGAGEE PROTECTION CLAUSE

The following provisions are for the benefit of First Mortgagees and to the extent these provisions conflict with any other provisions of the Declaration, these provisions shall control:

11.1 All such mortgagees who have registered their names with the Master Association shall be given (i) thirty (30) days written notice prior to the effective date of any proposed, material amendment to this Declaration or the Articles of Incorporation or By-Laws of the Master Association and prior to the effective date of any termination of any agreement for professional management of the Common Properties following a decision of the Owners to assume self-

management of the Common Properties; (ii) immediate notice following any damage to the Common Properties whenever the cost of reconstruction exceeds Fifty Thousand Dollars (\$50,000.00), and as soon as the Board learns of any threatened condemnation proceeding or proposed acquisition of any portion of the Common Properties; and (iii) thirty (30) days written notice prior to any proposed action which requires the consent of any percentage of mortgage holders.

11.2 Only if and to the extent that the Master Association is deemed to be a Condominium Association subject to Chapter 718 of the Florida Statutes, any holder of a mortgage encumbering any Unit which obtains title to such Unit pursuant to the remedies provided in such Mortgage or by deed in lieu of foreclosure, shall take title to such Unit free and clear of any claims of unpaid assessments or charges due to the Master Association against such Unit to the extent provided in Chapter 718 of the Florida Statutes, as amended.

ARTICLE 12

ENCROACHMENTS - EASEMENTS

12.1 Encroachments. If (a) any portion of the Common Properties or The Clubhouse Properties encroaches upon any other portion of Silver Shells Beach Resort; (b) any other portion of Silver Shells Beach Resort encroaches upon the Common Properties; (c) any portion of The Clubhouse Property encroaches upon the Common Properties; or (d) any encroachment shall hereafter occur as the result of (i) construction of any building or other improvements; (ii) any alteration or repair to the Common Properties or any other portion of Silver Shells Beach Resort; or (iii) any repair or restoration of any building or other improvements or any of the Common Properties after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings or all or any portion of any building improvements or Common Properties, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the structure causing said encroachment shall stand.

12.2 Pipes, Wires, Ducts, Cables, Conduits, Public Utility Lines, etc. Each portion of the Common Properties and The Clubhouse Property of Silver Shells Beach Resort shall have an easement in common with all other portions thereof to use, maintain, repair, alter and replace all pipes, wires, ducts vents, cables, conduits, public utility lines, and similar related facilities located in Silver Shells Beach Resort and serving such portion thereof, including the Water Management System. Each portion of Silver Shells Beach Resort and The Clubhouse Property shall be subject to an easement in favor of all other portions thereof to use, maintain, repair, alter and replace the pipes, wires, ducts, vents, cables, conduits, Water Management System, public utility lines and other similar or related facilities located in such portion of Silver Shells Beach Resort and serving other portion thereof.

12.3 Easements of Support. Whenever any structure included in the Common Properties adjoins any structure included in another portion of Silver Shells Beach Resort, each said structure shall have and be subject to an easement of support and necessity in favor of the other structure:

12.4 Construction and Sales. The Developer (and its agents, employees, contractors, subcontractors and suppliers) shall have an easement of ingress and egress over and across the Common Properties for construction, development, and sales purposes, including use of and access to Roads and roadways, utilities, drainage, and other amenities and facilities within the Common Properties as necessary. The Developer (and its agents, employees and designees) shall have an easement to erect, maintain, repair and replace, from time to time, one or more signs on the Common Properties for the purpose of advertising the sale or lease of Units.

12.5 Reservation. Developer reserves to itself the right and easement of ingress and egress and to use such portions of the Properties as are necessary for roads, access, utilities, cable television, drainage and other purposes necessary to serve and support and provide access to any additional property or neighboring property which is not subject to the terms hereof.

12.6 Clubhouse. Developer expressly declares, reserves and excepts, access and development easements, easements of use of all utility and drainage services, and rights of ingress, egress and access, across the Common Properties, for the benefit of the Clubhouse Property, as necessary in connection with the development and use of the Clubhouse Property, and for the benefit and use of the members, patrons, invitees, employees and agents of the Clubhouse Property and/or the Developer, all with no cost or expense whatsoever to Developer, the Club, or to any of the members of the Club. Included in this reservation, grant and declaration of easement rights are easements for use, maintenance, repair and replacement of all easement rights, services, lines, pipes, wires, ducts, cables and conduits, and similar utility facilities located within the Common Properties on behalf of the Clubhouse Property; ingress and egress easements, and full access to the Clubhouse Property across any and all portions of the Common Properties which are utilized for roads, roadways, walks or other access, and full access and use of parking areas; all drainage and Water Management System rights of use and easements appropriate, necessary or advisable in order to properly serve the Clubhouse Property; rights to place and maintain signage on and upon the Common Properties as to the location, facilities and services of the Clubhouse Property and the facilities and amenities therein and thereof; as well as easements of support, and construction easements for development, construction and access to the Clubhouse Property.

12.7 Binding Effect. The easements and other rights arising from this Article 12 shall be continuing covenants running with the land comprising the Clubhouse Property and the Common Properties and all other lands subject to this Declaration, and shall be binding upon and constitute benefit and burdens to all parties and their successors and assigns hereafter having any interest in any of such properties.

ARTICLE 13

GENERAL PROVISIONS

13.1 Enforcement. This Declaration, the Articles of Incorporation, and the By-Laws and rules and regulations promulgated under any of the foregoing, may be enforced by the Master Association, as follows:

(a) Breach of any of the covenants contained in the Declaration, Articles or By-Laws or of the rules and regulations promulgated thereunder, and the continuation of any such breach may be enjoined, abated or remedied by appropriate legal proceedings by any Member, Owner, the Developer, or the Master Association. Any judgment rendered in any action or proceeding pursuant hereto shall include a sum for attorneys' fees in an amount as the court may deem reasonable, in favor of the prevailing party, as well as the amount of any delinquent payment, interests thereon, costs of collection and court costs.

(b) The remedies herein provided for breach of the covenants contained in this Declaration, the Articles or By-Laws or Rules and Regulations shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

(c) The failure of the Master Association to enforce any of the covenants contained in this Declaration the Articles or By-Laws or Rules and Regulations shall not constitute a waiver of the right to enforce the same thereafter.

(d) A breach of the covenants, conditions or restrictions contained in this Declaration, the Articles or By-Laws, shall not affect or impair the lien or charge of any Mortgage made in good faith and for value on any Unit, provided, however, that any subsequent Owner of such Unit shall be bound by said covenants, whether such Owner's title was acquired by foreclosure sale or otherwise.

(e) The covenants, conditions and restrictions contained in this Declaration, the Articles, and By-Laws, and rules and regulations promulgated under any of the foregoing and hereafter adopted as provided herein, shall be enforced by such means as the Master Association deems necessary and appropriate, including recourse to civil authorities, court action if necessary, and monetary fines in accordance with a schedule to be prepared by the Master Association from time to time, and to be charged and assessed by the Master Association uniformly against Owners of Units who violate or whose guests or Unit Occupants violate such rules and regulations. Such fines shall be charged and assessed against the subject Unit and may be enforced and collected as a Special Assessment in the same manner as an assessment for Common Expenses, including the foreclosure of a lien therefor.

13.2 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

13.3 Term and Binding Effect. The covenants and restrictions of this Declaration shall run with the land and title and bind the property hereby encumbered, and shall inure to the benefit of and be enforceable by the Master Association, the Developer, the Members and the Owners of Units subject to this Declaration, their respective legal representatives, heirs, successors and assigns, and all persons or entities who have any interest in the Properties, for a term of twenty-one (21) years from the date this Declaration is recorded, after which time said covenants, conditions, reservation of easements, equitable servitude and restrictions shall automatically extended for successive periods of ten (10) years unless an instrument, approved by the Members by a vote of 66% of the Membership votes entitled to be cast, has been recorded, agreeing to change said covenants and restrictions in whole or in part.

13.4 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of Silver Shells Beach Resort as a resort community. The article and section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction. Unless the context requires contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine and neuter shall each include the masculine, feminine and neuter.

13.5 Amendments. This Declaration may be amended by (i) the affirmative vote or written consent of the Members holding not less than two-thirds (2/3) of the voting power of the Class "A" Membership of the Master Association together with the affirmative vote of the Class "B" Member (so long as the Class "B" Membership exists) or (ii) solely by the unilateral affirmative action of the Class "B" Member; provided, however that no amendment adopted solely by the Class "B" Member shall be permitted which has a material adverse effect upon substantial rights of an Owner or First Mortgagee or the value of any part the Properties subject hereto. Nothing contained herein shall affect the right of the Developer to make such amendments or Supplemental Declarations as may otherwise be permitted herein. No amendments shall alter or abrogate the rights of Developer as set forth in the Declaration, the Articles, or the By-Laws, or change provisions of any such document concerning The Club at Silver Shells, Inc. without the prior written consent of Developer.

13.6 No Public Right or Dedication. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of the Common Properties to the public, or for any public use.

13.7 Constructive Notice and Acceptance. Every person who owns, occupies or acquires any right, title, estate or interest in or to any Unit or other portion of Silver Shells Beach Resort does and shall be conclusively deemed to have consented and agreed to every limitation, restriction, easement, reservation, condition and covenant contained herein, whether or not any reference to

these restrictions is contained in the instrument by which such person acquired an interest in such property.

13.8 Notices. Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered three (3) business days after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to any person at the address given by such person to the Master Association for the purpose of service of such notice, or to the residence of such person if no address has been given to the Master Association. Such address may be changed from time to time by notice in writing to the Master Association.

13.9 No Representations or Warranties. No representations or warranties of any kind, express or implied, have been given or made by Developer or its agents or employees in connection with any portion of the Common Properties, their physical condition, zoning, compliance with applicable laws, sale, operation, maintenance, cost of maintenance, taxes or regulation thereof, except as specifically and expressly set forth in this Declaration and except as may be contained in documents filed by Developer from time to time with the Florida Division of Land Sales and Condominiums.

13.10 Withdrawal and Modification. Anything herein to the contrary notwithstanding, the Developer reserves the absolute right to amend this Declaration at any time prior to Turnover, without prior notice and without the consent of any person or entity, for the purpose of removing certain portions of the Properties from the provisions of this Declaration. Developer may unilaterally modify and amend this Declaration for the purpose of altering the boundaries of the Common Properties so as to enlarge or reduce the size of and/or change the location of the same.

13.11 Litigation. No judicial or administrative proceedings shall be commenced by the Master Association unless approved by a vote of seventy-five percent (75%) of the Member votes eligible to be cast. This section shall not apply however, to:

- (a) Actions brought by the Master Association to enforce the provisions of this Declaration, including, without limitation, the foreclosure of liens;
- (b) The imposition and collection of assessments hereunder, including Common Assessments and Special Assessments;
- (c) Proceedings involving challenges to ad valorem taxation;
- (d) Counterclaims brought by the Master Association in proceedings instituted against it.

In the event any claim is made against Developer or any litigation is instituted against Developer, then Master Association shall assess all Members other than Developer, for costs of the claim or litigation, including without limitation, attorney fees incurred. The prevailing party shall

be entitled to recover as part of the award all such costs and reasonable attorneys fees or expenses of such claim of litigation. In the event the Developer is the prevailing party, the Master Association shall levy a Special Assessment against all Members, other than Developer, for the Developer's cost for any such claim for litigation. This provision shall not be amended unless such amendment is made by the Developer, or consented thereto by Developer.

13.12 Developer's Activities. Nothing herein shall be construed to restrict, prohibit or in anyway inhibit or interfere with Developer's efforts to promote, develop, market and sell Units within Silver Shells Beach Resort, or any portion thereof. In particular and without limitation, Developer shall be entitled to operate sales trailers, construction trailers, rental offices, model units, erect and maintain signage, store and/or assemble construction materials, sponsor promotional events, and make such other use of the Property as Developer deems appropriate to promote the development, use, sale, and/or rental of Units within the Property. This provision may not be modified nor deleted without the express written consent of Developer, which consent may be withheld for any reason.

13.13 Security. Neither Developer nor Master Association makes any representations whatsoever as to the security of the Property, or the effectiveness of any monitoring system, guardhouse, entry gate, or security service. All Class A Members agree to hold Developer and Master Association harmless from any loss or claim arising from the occurrence of any crime or act on or within the Property. Neither the Master Association nor Developer shall in any way be considered insurers or guarantors of security within the Property. Neither the Master Association nor Developer shall be held liable for any loss or damage by reason or failure to provide adequate security or in effecting the security measures undertaken, if any. All Owners and Occupants of any Units acknowledge that the Master Association and Developer do not represent or warrant that any fire protection system, burglar alarm system, gatehouse, or other security systems, if any, designated by or installed by them may not be compromised or circumvented; nor that any fire protection system, burglar alarm system, gatehouse, or other security systems, will prevent loss by fire, smoke, burglary, theft, hold up or otherwise; nor that fire protection system, burglar alarm system, gatehouse, or other security systems will in all cases provide the protection for which the system is designed or intended. Each Unit Owner and Occupant of any Unit acknowledge and understand that each Unit Owner and/or Occupant assumes all risks for loss or damage to persons or structures, and consents thereto. Each Unit Owner and Occupant further acknowledges that neither Developer nor Master Association has made any warranty, representation, expressed or implied, including any warranty of merchantability or fitness for a particular purpose, relative to any fire and/or burglar alarm system or other security systems recommended or installed, if any.

13.14 Cable and Telecommunication Systems. Developer does hereby reserve unto itself. the power and authority, but not the obligation, to construct or install over, through, under, across and upon any portion of the Property for the use of the Owners, one or more cable and/or telecommunication receiving and distributions systems and electronics surveillance systems, emergency, medical or surveillance monitoring or alarm systems (all or any part of which shall be referred to herein as the "System"). the exact description, location and nature which may not have

been yet fixed nor determined. Developer shall have and hereby reserves to itself a perpetual and exclusive right, privilege, easement and right of way for the installation, construction and maintenance of the System, together with perpetual and exclusive right and privilege of:

(a) Unlimited ingress and egress thereto for installing, constructing, and inspecting, repairing, maintaining, altering, moving, improving and replacing the facilities and equipment constituting the System;

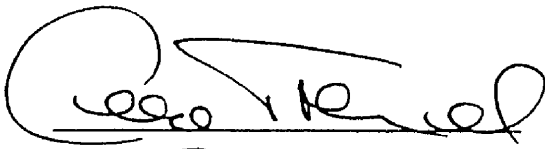
(b) Transmitting, the facilities and equipment of which shall be owned and exclusively controlled by Developer, or its successors. Developer shall have the right to enter contracts for the exclusive provision of the System, as Developer and/or Master Association shall deem, in their sole respective discretion, to be in the best interest of the Property. Should the Developer enter into a contract or contracts pursuant to this paragraph, the Master Association shall to the extent the Developer assigns its rights and obligations under such contract or contracts, accept such assignment, and agrees to be bound by all terms and provisions thereof. Every Unit Owner subscribing to the services provided by the System agrees that such Unit Owner shall be subject to the charge therefor, which maybe included within the Common Assessments, Special Assessments, or an individual assessment to said Unit Owner. Developer and/or Master Association may use portions of the Property for the services to be provided by the System in their sole discretion.

IN WITNESS WHEREOF, Developer has executed this Declaration on the date first above written.

Signed, sealed and delivered
in the presence of:

SILVER SHELLS CORPORATION,
a Florida corporation

(Corporate Seal)



Witness #1

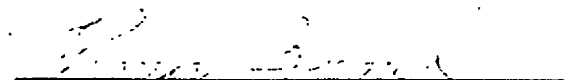
Print Name

Mike Lammell

Witness #2

Print Name

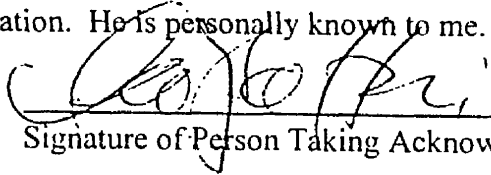
Joe J. White

By: 
THOMAS R. BECNEL, as President

STATE OF Florida
COUNTY OF Charlotte

The foregoing instrument was acknowledged before me this 28 day of April, 1999, by **THOMAS R. BECNEL**, as President of **SILVER SHELLS CORPORATION**, a Florida corporation, on behalf of the corporation. He is personally known to me.

(Seal)



Signature of Person Taking Acknowledgment

Name of Acknowledger Typed, Printed or Stamped

Title or Rank, if other Notary

Commission Number

My commission expires:




JOINDER AND CONSENT TO
DECLARATION OF RESTRICTIVE COVENANTS
AND EASEMENTS FOR SILVER SHELLS

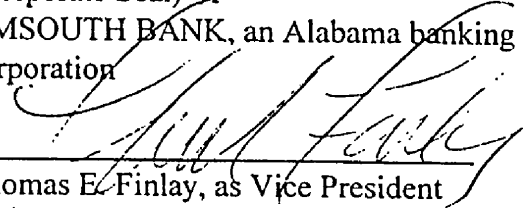
The undersigned, being the owner and holder of two Mortgage and Security Agreements recorded in Official Records Book 2125, Page 1400, and Official Records Book 2125, Page 1431, together with loan documents ancillary thereto, of the Public Records of Okaloosa County, Florida, which mortgage encumbers the land described in the foregoing Declaration of Restrictive Covenants and Easements for Silver Shells, hereby joins in and consents to the said Declaration. This joinder shall not be construed in a manner which affects the priority of the lien of the undersigned's mortgage or the terms thereof.

Executed this 28 day of April, 1999.

Signed, sealed and delivered in the presence of:

(Corporate Seal)
AMSOUTH BANK, an Alabama banking corporation



By: 
Thomas E. Finlay, as Vice President

Signature
DAVID L. PETERSEN

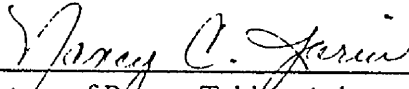
Print Name
Nancy C. Jarvi

Signature
NANCY C. JARVI

STATE OF FLORIDA
COUNTY OF COLLIER

The foregoing instrument was acknowledged before me this 28th day of April, 1999, by Thomas E. Finlay, as Vice President, of AMSOUTH BANK, an Alabama banking corporation, on behalf of the corporation. He is personally known to me.

(Affix Seal)


Signature of Person Taking Acknowledgment
NANCY C. JARVI

Name of Acknowledger Typed, Printed or Stamped

Title or Rank

Serial Number, if any

My commission expires:

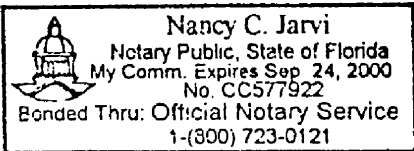


EXHIBIT A

All of Silver Shells Beach Resort, according to the plat thereof recorded in Plat Book 18, Pages 57 and 58, of the Public Records of Okaloosa County, Florida, less and excepting Lot 7B thereof

AND FURTHER LESS AND EXCEPTING that portion of Lot 7A thereof as later designated by Developer, as the area within which Developer may later construct and operate as part of the Clubhouse Property, a beachfront kiosk and other amenities, all as more fully described in Paragraphs 2.8 and 2.10 herein.

Such designation may be made at any time by Developer prior to turnover without the joinder or consent of any third party; and, further, upon such designation, shall be deemed to be a portion of the Clubhouse Property.

EXHIBIT B

Lot 7B, Silver Shells Beach Resort, according to the plat thereof recorded in Plat Book 18, Pages 57 and 58, of the Public Records of Okaloosa County, Florida

TOGETHER WITH that portion of Lot 7A, Silver Shells Beach Resort, according to the plat thereof described above, hereafter designated by Developer and upon which Developer may later construct a beachfront pavilion and other amenities, as further described in Paragraphs 2.8 and 2.10 of the Declaration.

Such designation may be made at any time by Developer prior to turnover without the joinder or consent of any third party; and, further, upon such designation, shall be deemed to be a portion of the Clubhouse Property.

EXHIBIT C

Lots 8A, 8B, and 7A, Silver Shells Beach Resort, according to the plat thereof recorded in Plat Book 18, Pages 57 and 58, of the Public Records of Okaloosa County, Florida.

LESS AND EXCEPTING that portion of said Lot 7A hereafter designated by Developer, upon which Developer may later construct the beachfront pavilion and other amenities described in Paragraphs 2.8 and 2.10 of the Declaration.

Such designation may be made at any time by Developer prior to turnover without the joinder or consent of any third party; and, further, upon such designation, shall be deemed to be a portion of the Clubhouse Property.

100

** OFFICIAL RECORDS **
BK 2210 PG 4892

This instrument prepared by and after
recording return to :

Leo J. Salvatori, Esq.
Quarles & Brady LLP
4501 Tamiami Trail North
Suite 300
Naples, Florida 34103

FILE # 1702809 RCD: May 27 1999 @ 11:28AM
Newman C. Brackin, Clerk, Okaloosa Cnty Fl

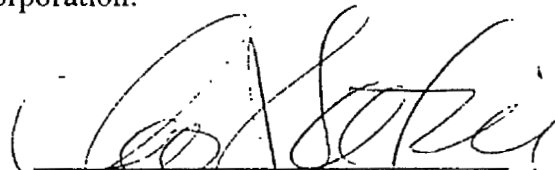
AFFIDAVIT

STATE OF FLORIDA
COUNTY OF COLLIER

On this date personally appeared before me, LEO J. SALVATORI, who upon first being
duly sworn, did depose and say as follows:

1. That his name is Leo J. Salvatori.
2. The he is an attorney licensed to practice law in the State of Florida.
3. That he represents Silver Shells Corporation, a Florida Corporation; and further represents
Silver Shells Property Owners Association, Inc., a Florida Corporation Not-For-Profit.
4. Attached hereto is a true and correct copy of the by-laws of Silver Shells Property Owners
Association, Inc., duly adopted by said corporation.

FURTHER AFFIANT SAYETH NOT.



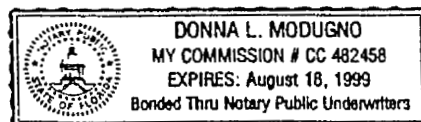
LEO J. SALVATORI

STATE OF FLORIDA
COUNTY OF COLLIER

The foregoing instrument was acknowledged before me this 24th day of May, 1999, by
LEO J. SALVATORI, who is personally known to me.

My Commission Expires:

Notary Public (SEAL)



RETURN TO:
LEO J. SALVATORI
QUARLES & BRADY
SUITE 300
4501 TAMiami TRAIL N.
NAPLES, FLORIDA 34103

BY-LAWS

OF

SILVER SHELLS PROPERTY OWNERS ASSOCIATION, INC.

A Corporation Not-For-Profit

I. GENERAL.

1.1. **Master Association.** These are the By-Laws of **SILVER SHELLS PROPERTY OWNERS ASSOCIATION, INC.**, (the "Master Association"), a Florida Corporation Not-For-Profit. The Master Association has been organized for the purpose of administering the maintenance, operation and management of the Common Properties and improvements of Silver Shells Beach Resort, in accordance with the Declaration of Restrictive Covenants and Easements for Silver Shells (the "Master Declaration") to be recorded in the Public Records of Okaloosa County, Florida.

1.2. **Silver Shells Beach Resort.** The provisions of these By-Laws are applicable to the individual Condominium Associations and the properties subject thereto which are located within Silver Shells Beach Resort and any other property within Silver Shells Beach Resort which is subjected to the Master Declaration, and are subject to the provisions of the Master Declaration and the Articles of Incorporation of **SILVER SHELLS PROPERTY OWNERS ASSOCIATION, INC.** (the "Articles"). The terms and provisions of the Articles and the Master Declaration shall control wherever the same may conflict herewith and bear the same meaning herein as is given to them in such documents.

1.3. **Binding Effect.** All Members of the Master Association, and all present or future Owners, Occupants, tenants and guests of Units in the Condominium Associations located within Silver Shells Beach Resort or any of the facilities thereof, in any manner, are subject to these By-Laws, the Articles and the Master Declaration.

1.4. **Address.** The office of the Master Association shall initially be at 15000-A Emerald Coast Parkway, Destin, Florida 32541.

1.5. **Fiscal Year.** The fiscal year of the Master Association shall be the calendar year.

1.6. **Seal.** The seal of the Master Association shall bear the name of the Association, the word "Florida", and the words "Corporation Not-For-Profit", and the year of incorporation.

II. MEMBERSHIP.

2.1. **Members.** The qualification and designation of Members of the Master Association (the "Members"), the manner of their admission to membership and termination of such membership, and voting interests of Members, shall be as set forth in the Articles, the provisions of which are incorporated herein by reference.

2.2. **Votes.** Each Class A Member shall have one (1) vote for each Unit (excluding Cabana Units) represented by such Member. The Class B Member shall have two (2) votes for each Unit (excluding Cabana Units) subject to the Master Declaration, plus one (1). All votes cast by any Member shall be weighted and be with reference to the Units represented by such Member.

2.3. **Meetings.** Meetings of the Members of the Master Association shall be held only in the form of meetings of the Board of Directors of the Master Association. Votes of the Members shall be cast by the respective Director on the Board of Directors representing the individual Members, as set forth in the Master Declaration.

III. BOARD OF DIRECTORS AND MEETINGS.

3.1. **Directors.** The Articles of Incorporation control the designation, number and qualification of the Board of Directors.

3.2. **Organizational Meeting.** The organizational meeting of a newly elected or designated Board shall be held within a reasonable time after their election or designation, at such time and place as shall be fixed at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary provided that a quorum shall be present.

3.3. **Annual Meeting.** The annual meeting of the Board shall be held at the office of the Master Association or such other place in Okaloosa County, Florida, as may be specified in the notice of the meeting, at 5:30 p.m. on the first Tuesday in February of each year for the purpose of transacting any business authorized to be transacted by the Board; provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next succeeding regular business day.

3.4. **Regular Meetings.** Regular meetings of the Board 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 telegram, at least seven (7) days prior to the day named for such meeting, unless notice is waived. Unit Owners shall have the right to attend all meetings of the Board, but no Unit Owner shall have the right to speak or otherwise participate in the meetings without the permission of the Board.

3.5. **Special Meetings.** Special meetings of the Board may be called by the President, and must be called by the Secretary at the written request of one-third of the Directors. Not less than

three (3) days' notice of a special meeting shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting.

3.6. Waiver of Notice. Any Director may waive notice of a meeting before, at or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

3.7. Notice to Members. Adequate notice of all meetings of the Board shall be placed conspicuously on the Common Property at least forty eight (48) hours in advance of the time set for the meeting except in the case of an emergency meeting. Notice of meetings of the Board may be omitted only in the event of emergency where circumstances exist which present such a danger to person or property that prompt action is required. In such event, such notice shall be given as is practical under the circumstances.

3.8. Quorum. A quorum at meetings of the Board shall consist of the Directors entitled to cast a majority of the voting interest of the entire membership, except as may be specifically otherwise provided in the Articles, these By-Laws or the Master Declaration. If any meeting of the Board cannot be held because a quorum is not present, or because a greater percentage of the Directors is required to constitute a quorum for particular purposes, the Directors who are present may adjourn the meeting from time to time until a quorum or the required percentage of attendance is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. No member of the Board may vote by proxy or secret ballot at a meeting of the Board, nor may a Director abstain from voting except in cases of conflict of interest.

3.9. Presiding Officer. The presiding officer of meetings of the Board shall be the President of the Master Association. In the absence of the presiding officer, the Directors shall designate one of their members to preside.

3.10 Order of Business. The order of business at annual meetings of the Board, and as far as practical, at other meetings of the Board, shall be:

- (1) Calling of the roll;
- (2) Proof of notice of meeting or waiver of notice;
- (3) Reading or waiver of reading of minutes of previous meeting;
- (4) Reports of Officers;
- (5) Reports of Committees;
- (6) Unfinished business;
- (7) New business; and
- (8) Adjournment.

3.11. Powers. Except as provided in the Articles of Incorporation or the Master Declaration, all of the powers and duties of the Master Association shall be exercised by the Board or under the direction of the Board.

3.12. **Initial Board.** The first Board of Directors of the Master Association shall be comprised of the persons named as such in the Articles, who shall serve until their successors are designated by the Developer or elected or appointed pursuant to the Articles. Should any member of the first Board be unable to serve for any reason, Silver Shells Corporation, a Florida Corporation, shall have the right to select and designate a successor to act and serve for the unexpired term of the Director who is unable to serve.

3.13. **Compensation.** No Director of the Master Association shall receive any fee or other compensation for services rendered to the Master Association except by specific Resolution of the Board, which Resolution shall first be approved by a majority of the Class A Members at the annual or a Special Meeting of each Member Condominium Association.

3.14. **Parliamentary Rules.** General Parliamentary Procedure shall govern the conduct of Board Meetings when not in conflict with the Articles of Incorporation or these By-Laws.

IV. OFFICERS.

4.1 **Generally.** The Board shall elect a President, Secretary, Treasurer, and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board shall deem advisable from time to time. The President shall be elected from the membership of the Board, but no other officer need be a Director. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the offices of President and Vice President shall not be held by the same person, nor shall the offices of President and Secretary be held by the same person. The Board may from time to time elect such other officers, and designate their powers and duties, as the Board may deem necessary to properly manage the affairs of the Master Association. Officers may be removed from office by the Board.

4.2. **President.** The President shall be the chief executive officer of the Master Association. He shall have all of the powers and duties which are usually vested in the office of President of a corporation not-for-profit, including, but not limited to, the power to appoint committees from among the Members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Master Association. He shall have such additional powers as the Board may designate.

4.3. **Vice-President.** The Vice-President shall, in the absence or disability of the President, exercise the powers and perform the duties of President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board.

4.4. **Secretary.** The Secretary shall keep the minutes of all proceedings of the Board. He shall attend to the giving and serving of all notices to the Members and Board, and such other notices as may be required by law. He shall have custody of the seal of the Master Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Master Association, except those of the Treasurer, and shall perform all other duties incident to the office

of Secretary of a corporation not-for-profit and as may be required by the Board and the President. The Assistant Secretary shall perform the duties of Secretary when the Secretary is absent.

4.5. **Treasurer.** The Treasurer shall have custody of all of the property of the Master Association, including funds, securities and evidences of indebtedness. He shall keep the assessment rolls and accounts of the Members; he shall keep the books of the Master Association in accordance with good accounting practices; and he shall perform all other duties incident to the office of Treasurer.

4.6. **Compensation.** The compensation of all officers and employees of the Master Association shall be fixed by the Board. This provision shall not preclude the Board from employing a Director as an employee of the Master Association, nor preclude contracting with a Director for the management of the Common Property.

V. FISCAL MANAGEMENT.

The provisions for fiscal management of the Master Association set forth in the Master Declaration and Articles shall be supplemented by the following provisions:

5.1. **Accounts.** The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Member. Such account shall designate the name and mailing address of the Member, the amount of each assessment against the Member, the due date thereof, all amounts paid, and the balance due upon each assessment.

5.2. **Budget.** The Board shall adopt for, and in advance of, each calendar year, a budget showing the estimated costs of performing all of the functions of the Master Association for the ensuing year. Each proposed budget shall show the total estimated expenses of the Master Association for that year, including appropriate reserves, and shall contain an itemized breakdown of the Common Expenses. Each budget shall also show the proportionate share of the total estimated expenses to be assessed against and collected from each Member and the due date(s) and amounts of installments thereof. Each due date shall constitute the beginning of an Assessment Period.

5.3. **Adoption of Budget.** A copy of the proposed annual budget of the Master Association shall be mailed to the Members who shall provide same to the Owners of Units not less than fourteen (14) days prior to the meeting of the Board at which the budget will be considered, together with a notice of the time and place of the meeting. Such meeting of the Board shall be open to the Owners pursuant to Section 3.4 herein. If a budget is adopted by the Board which requires assessment of such Owners in any budget year exceeding 115% of such assessments for the preceding budget year, upon written application of persons holding 25% of the voting interests of all such Owners, made to their respective Member Condominium Associations within twenty (20) days after the adoption of the budget, a special meeting of the Board shall be held after not less than ten (10) days' written notice to each Owner, but within thirty (30) days of the delivery of such notice, at which special meeting the Board may consider only and enact only, a revision of the budget. In the event a revised

budget is enacted which reduces the prior budget by at least ten (10%) percent, such budget may not thereafter be reexamined by the Unit Owners in the manner hereinabove set forth. However, the budget may not be revised downward to a point lower than the average total budget for the preceding two years, and if a budget and assessments have not been established and made for any preceding two years, then the budget and assessments may not be revised downward until two years of experience exist.

In determining whether assessments exceed 115% of similar assessments in the prior budget year, there shall be excluded in the computation reasonable reserves made by the Board for repair and replacement of Common Properties, or for anticipated expenses by the Master Association which are not anticipated to be incurred on a regular or annual basis; and there shall be excluded from such computation, assessments for betterments to the Common Properties.

Upon adoption of the budget, the Board shall cause a written copy thereof to be delivered to each Member who shall provide same to each Owner. If any budget is subsequently amended, a copy shall be furnished to each Owner in the same manner. Delivery of a copy of any budget or amended budget to an Owner shall not affect the liability of any Owner for any assessment, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of the budget and assessments levied pursuant thereto. Nothing herein contained shall be construed as a limitation upon any Special Assessment in the event that any budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies.

In the event the annual budget and assessments are not determined prior to the beginning of a fiscal year of the Master Association, the assessment for the prior year shall remain in effect until revised by the Board.

Notwithstanding any other provision of these By-Laws, so long as Developer is in control of the Board of Directors, the annual budget of the Master Association shall be established and adopted by the Developer.

5.4. Assessments. Based upon the approved budget, the Master Association shall make assessments against Members on an annual basis, which assessments may be prorated and due and payable in quarterly installments ("Assessment Periods"). The assessments shall be made against Members, and allocable to Unit Owners, by billing each Member based upon the total number of residential Units within each Condominium Association as compared to the aggregate number of residential Units within all Condominium Associations, excluding in each case Cabana Units. Each Member shall be responsible for billing and collecting the assessments from that Member's Unit Owners and remitting the same to the Master Association prior to the date of delinquency. Pursuant to provisions of the Master Declaration, if assessments or installments thereof are delinquent for more than thirty (30) days, the Master Association may accelerate the annual assessment remaining unpaid with respect to such delinquent Member for purposes of collection or foreclosure action by the Master Association.

5.5. Special Assessments. The Master Association also may levy Special Assessments against a Member Condominium Association or individual Owners who have caused the Master Association to incur special expenses due to willful or negligent acts of said Owners, their Occupants, guests, tenants, lessees, invitees or agents, as well as uniform monetary fines for violation of the Master Declaration and the Rules and Regulations of the Master Association. Such Special Assessments shall be charged and assessed against the Member or the subject Unit, and may be enforced and collected as an assessment for Common Expenses, including the foreclosure of a lien therefor.

5.6. The Club at Silver Shells. The Master Association assessments shall also include membership dues and fees payable by Owners of residential Units in connection with membership in The Club at Silver Shells (the "Club") and with regard to the Clubhouse Property. Such dues shall be payable to the Club by the Master Association.

5.7. Depository. The depository of the Master Association shall be such bank or banks as shall be designated from time to time by the Board, in which all monies of the Master Association shall be deposited. Withdrawal of monies from such bank(s) shall be only by checks signed by such persons as are designated by the Board.

5.8. Accounting. An accounting (or audit if required by law or underwriting guidelines of federal agencies or corporations which guarantee or purchase mortgages) of the accounts of the Master Association shall be made annually by a Certified Public Accountant, and a copy of the report shall be mailed or furnished by personal delivery to each Member not later than April 1 of the year following the year for which the report is made. Each Member shall in turn provide such report to its constituent Unit Owners promptly thereafter. The report shall show the amounts of receipts by accounts and receipt classifications and shall show the amounts of expenses by accounts and expense classifications.

VI. AMENDMENTS TO BY-LAWS.

Amendments to these By-Laws shall be proposed and adopted in the following manner:

6.1. Proposal. Amendments to these By-Laws may be proposed by the Board, acting upon vote of a majority of the Directors, or by Members representing a majority of the aggregate votes of the Master Association whether by virtue of annual meetings of the Member Condominium Associations or by instrument in writing signed by the requisite number of Unit Owners.

6.2. Board of Directors. Upon any amendment or amendments to these By-Laws being proposed by the Board or Members, such proposed amendment or amendments shall be transmitted to the President of the Master Association, who shall thereupon call a special meeting of the Board for a date not sooner than ten (10) days or later than thirty (30) days from receipt by such officer of the proposed amendment or amendments, and it shall be the duty of the Secretary to give each Director written notice of such meeting in the same form and in the same manner as notice of the

call of a special meeting of the Directors. Such amendment shall be adopted upon the affirmative vote of Directors holding two-thirds (2/3) of the voting interests of the entire Membership.

6.3. Members. In the alternative, an amendment to these By-Laws may be considered and voted upon by Members at the annual meeting of their respective Condominium Associations. In each case the Members shall follow the procedures in their constituent Condominium Associations as in the case of an amendment to the Condominium Master Declaration of the Condominium Association. In order for an amendment to become effective in such manner, the amendment must be approved by the affirmative vote of Unit Owners holding at least two-thirds (2/3) of the aggregate voting interests of the Master Association. Provided, that no amendment to these By-Laws adopted by the Members pursuant to this Section 6.3 shall be amended or repealed by the Board if the amendment so adopted so provides.

6.4. Recording. Upon adoption of an amendment to these By-Laws pursuant to Section 6.2 or Section 6.3 above, such amendment shall be transcribed, certified by the President and Secretary of the Master Association, and a copy thereof shall be recorded in the Public Records of Okaloosa County, Florida, within thirty (30) days from the date on which such amendment was adopted.

6.5. Developer Rights. Notwithstanding the foregoing provisions of this Article VI, no amendment to these By-Laws which shall abridge, amend or alter the right of Developer to designate a majority of the Board of Directors of the Master Association, or any Member Condominium Association, or shall abrogate, amend, alter or affect any other right, benefit or privilege of Developer contained in the Master Declaration, the Articles, or these By-Laws, or charge provisions hereof relating to the Club, may be adopted or become effective without the prior written consent of Developer.

VII. RULES AND REGULATIONS.

Rules and Regulations governing the use of the Units and the Common Property and Restricted Common Property of the Master Association and the conduct of Owners, Occupants and guests shall be adopted in the following manner:

7.1. Initial Rules and Regulations. At its first meeting, the Board of Directors of the Master Association, (all of whom shall have been designated by Developer in accordance with the Articles of Incorporation and these By-Laws), shall adopt an initial set of Rules and Regulations, which, after adoption, shall be annexed to these By-Laws in the form of an Exhibit.

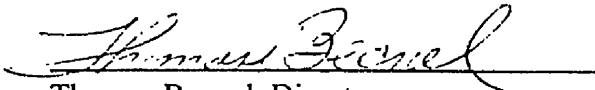
7.2. Amendment to Rules and Regulations. The Board of Directors may from time to time by vote of a majority of the voting interests of the Master Association at a duly called meeting of the Board, adopt, modify, amend, add to, or detract from the Rules And Regulations. However, an amendment to the Rules and Regulations may be adopted by the Member Condominium Associations by virtue of action taken at annual meetings of the Member Condominium Associations, pursuant to procedures set forth in Article 6.3 of these By-Laws, except that such

amendment shall be adopted upon the affirmative vote of Unit Owners holding at least two-thirds (2/3) of the aggregate voting interests of the entire Membership of the Master Association; provided, that any amendment so adopted by the Members shall not be amended or repealed by the Board if the Rule or Regulation so adopted so provides. All changes to the Rules and Regulations made by the Board shall be mailed by first class mail to each Member, who shall provide the same to each Owner not less than thirty (30) days prior to the effective date of the change. No modification, amendment, addition or detraction to the Rules and Regulations may be adopted by the Board, which would conflict with a provision of the Master Declaration.

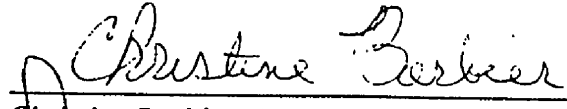
7.3. Enforcement of Rules and Regulations. All violations of Rules and Regulations or of any provisions of the Master Declaration, Articles and/or By-Laws shall be reported immediately to a member of the Board of Directors, a Master Association officer and/or the management agent. Disagreements concerning violations, including, without limitation, disagreement regarding the proper interpretation and effect of Rules and Regulations or other provisions of the Master Declaration shall be presented to and determined by the Board of Directors of the Master Association, whose interpretation and/or whose remedial action shall be dispositive.


In the event that any Owner, Occupant, person, firm or entity subject to the Rules and Regulations, or other provisions of the Master Declaration, fails to abide by them, as they are interpreted by the Board of Directors, the Master Association, by its agents and officers, may enforce the Rules and Regulations by such means as are deemed necessary and appropriate, including recourse to civil authorities, court action if necessary, and monetary fines of not less than \$50.00 per violation, or pursuant to a schedule of fines adopted by the Board, to be charged and assessed by the Master Association uniformly against Owners of Units who violate, or whose invitees, guests, or Unit Occupants violate such Rules and Regulations. Such fines shall be charged and assessed against the subject Unit, and may be enforced and collected as an assessment for Common Expenses, including the foreclosure of a lien therefor; any such fines collected shall be a common asset of the Master Association. If the Board of Directors of the Master Association deems it necessary, it may seek all available remedies and may bring action at law or in equity to enforce the Rules and Regulations, or other provisions of the Master Declaration, including the provision herein for fines. In the event any such action is instituted, and reduced to judgment in favor of the Master Association, the Master Association shall in addition be entitled to recover its costs and attorneys' fees at the trial level and at all levels of appeal.

We hereby certify that the foregoing were adopted as the By-Laws of **SILVER SHELLS PROPERTY 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 _____ day of _____, 1999.


Thomas Becnel, Director


Carla Becnel, Director


Christine Barbier, Director


William Kreuser, Director

10.50

**** OFFICIAL RECORDS ****
BK 2272 PG 4505

FILE # 1807668 RCD: Dec 04 2000 @ 10:05AM
Newman C. Brackin, Clerk, Okaloosa Cnty Fl

This instrument prepared by and
after recording return to:

Leo J. Salvatori, Esq.
Quarles & Brady LLP
4501 Tamiami Trail North
Suite 300
Naples, Florida 34103

**AMENDMENT TO DECLARATION OF RESTRICTIVE COVENANTS
AND EASEMENTS FOR SILVER SHELLS**

This Amendment to the Declaration of Restrictive Covenants and Easements for Silver Shells is made and entered into this _____ day of _____, 2000, by SILVER SHELLS CORPORATION, a Florida corporation (hereinafter referred to as the "Developer").

WITNESSETH:

WHEREAS, Developer is the developer of that certain property described in Exhibit A of the Declaration of Restrictive Covenants and Easements for Silver Shells, which declaration is recorded in Official Records Book 2210, Page 4856, of the Public Records of Okaloosa County, Florida (hereinafter, the "Declaration");

WHEREAS, the Developer has the right to unilaterally amend said Declaration of Restrictive Covenants pursuant to the provisions of Paragraph 13.5 and elsewhere in said Declaration, so long as Developer remains a Class B Member (as that term is defined in the Declaration).

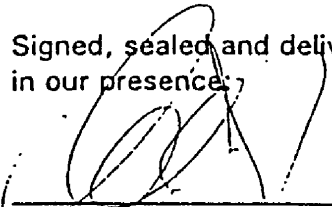
WHEREAS, the Developer is the Class B Member of the Master Association, and desires to amend the Declaration as set forth below.

NOW, THEREFORE, the Developer does hereby amend the Declaration as follows:

1. Developer has elected to utilize all of Lot 7A, Silver Shells Beach Resort, according to the plat thereof recorded in Plat Book 18, Pages 57 and 58, of the public records of Okaloosa County, Florida, as Clubhouse Property. As such, Lot 7A is hereby deleted as a portion of the property described on Exhibit A; and, further, is deleted as a portion of the Common Property described in Exhibit C of said Declaration; and, further, is added to Exhibit B as a portion of the Clubhouse Property as said term is defined in the Declaration.
2. In all other respects, said Declaration shall remain unchanged and of full force and effect.

In witness whereof, the parties hereto have set their hand's and seals the date herein first written above.

Signed, sealed and delivered
in our presence:



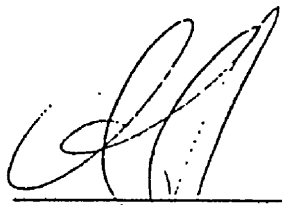
Witness #1 (Print name below)
LEO J. SALVATORI

Nancy C. Jarvi
Witness #2 (Print name below)
NANCY C. JARVI

(Corporate Seal)

SILVER SHELLS CORPORATION, a
Florida corporation

By: Thomas R. Becnel
Thomas R. Becnel, as President


Witness #1 (Print name below)
LEO J. SALVATORI

Nancy C. Jarvi
Witness #2 (Print name below)
NANCY C. JARVI

JOINDER

(Corporate Seal)

SILVER SHELLS PROPERTY OWNERS'
ASSOCIATION, INC., a Florida not-for-
profit corporation

By: Thomas R. Becnel
Thomas R. Becnel, as President

STATE OF FLORIDA
COUNTY OF COLLIER

The foregoing instrument was sworn to and subscribed before me this 23 day of February, 2000, by Thomas R. Becnel, as President for Silver Shells Corporation, and as President for Silver Shells Property Owner's Association, Inc., on behalf of both corporations, who is personally known to me.

My Commission Expires:



Signature of Notary (SEAL)

Name of Notary Printed

Serial Number, Commission
Number (if any) Printed

10.50

FILE # 1807668 RCD: Dec 04 2000 @ 10:05AM
Newman C. Brackin, Clerk, Okaloosa Cnty Fl

This instrument prepared by and
after recording return to:

Leo J. Salvatori, Esq.
Quarles & Brady LLP
4501 Tamiami Trail North
Suite 300
Naples, Florida 34103

**AMENDMENT TO DECLARATION OF RESTRICTIVE COVENANTS
AND EASEMENTS FOR SILVER SHELLS**

This Amendment to the Declaration of Restrictive Covenants and Easements for Silver Shells is made and entered into this ____ day of _____, 2000, by SILVER SHELLS CORPORATION, a Florida corporation (hereinafter referred to as the "Developer").

WITNESSETH:

WHEREAS, Developer is the developer of that certain property described in Exhibit A of the Declaration of Restrictive Covenants and Easements for Silver Shells, which declaration is recorded in Official Records Book 2210, Page 4856, of the Public Records of Okaloosa County, Florida (hereinafter, the "Declaration");

WHEREAS, the Developer has the right to unilaterally amend said Declaration of Restrictive Covenants pursuant to the provisions of Paragraph 13.5 and elsewhere in said Declaration, so long as Developer remains a Class B Member (as that term is defined in the Declaration).

WHEREAS, the Developer is the Class B Member of the Master Association, and desires to amend the Declaration as set forth below.

NOW, THEREFORE, the Developer does hereby amend the Declaration as follows:

1. Developer has elected to utilize all of Lot 7A, Silver Shells Beach Resort, according to the plat thereof recorded in Plat Book 18, Pages 57 and 58, of the public records of Okaloosa County, Florida, as Clubhouse Property. As such, Lot 7A is hereby deleted as a portion of the property described on Exhibit A; and, further, is deleted as a portion of the Common Property described in Exhibit C of said Declaration; and, further, is added to Exhibit B as a portion of the Clubhouse Property as said term is defined in the Declaration.
2. In all other respects, said Declaration shall remain unchanged and of full force and effect.

In witness whereof, the parties hereto have set their hand's and seals the date herein first written above.

Signed, sealed and delivered
in our presence:

Witness #1 (Print name below)
LEO J. SALVATORI

Witness #2 (Print name below)
NANCY C. JARVI

(Corporate Seal)

SILVER SHELLS CORPORATION, a
Florida corporation

By: Thomas R. Becnel
Thomas R. Becnel, as President

JOINDER

(Corporate Seal)

SILVER SHELLS PROPERTY OWNERS'
ASSOCIATION, INC., a Florida not-for-
profit corporation

Witness #1 (Print name below)
LEO J. SALVATORI

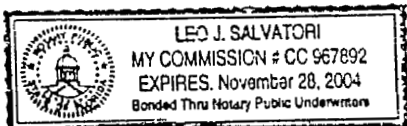
Witness #2 (Print name below)
NANCY C. JARVI

By: Thomas R. Becnel
Thomas R. Becnel, as President

STATE OF FLORIDA
COUNTY OF COLLIER

The foregoing instrument was sworn to and subscribed before me this 28th day of November, 2000, by Thomas R. Becnel, as President for Silver Shells Corporation, and as President for Silver Shells Property Owner's Association, Inc., on behalf of both corporations, who is personally known to me.

My Commission Expires:



Signature of Notary (SEAL)

Name of Notary Printed

Serial Number, Commission
Number (if any) Printed



Q & B Perimeter

MAY 26 1998

FLORIDA DEPARTMENT OF STATE
Sandra B. Mortham
Secretary of State

May 20, 1998

QUARLES & BRADY
4501 TAMIAMI TRAIL NORTH
SUITE 300
NAPLES, FL 34103

The Articles of Incorporation for SILVER SHELLS PROPERTY OWNERS ASSOCIATION, INC. were filed on May 18, 1998 and assigned document number N98000002893. Please refer to this number whenever corresponding with this office regarding the above corporation. The certification you requested is enclosed.

PLEASE NOTE: COMPLIANCE WITH THE FOLLOWING PROCEDURES IS ESSENTIAL TO MAINTAINING YOUR CORPORATE STATUS. FAILURE TO DO SO MAY RESULT IN DISSOLUTION OF YOUR CORPORATION.

A CORPORATION ANNUAL REPORT MUST BE FILED WITH THIS OFFICE BETWEEN JANUARY 1 AND MAY 1 OF EACH YEAR BEGINNING WITH THE CALENDAR YEAR FOLLOWING THE YEAR OF THE FILING DATE NOTED ABOVE AND EACH YEAR THEREAFTER. FAILURE TO FILE THE ANNUAL REPORT ON TIME MAY RESULT IN ADMINISTRATIVE DISSOLUTION OF YOUR CORPORATION.

A FEDERAL EMPLOYER IDENTIFICATION (FEI) NUMBER MUST BE SHOWN ON THE ANNUAL REPORT FORM PRIOR TO ITS FILING WITH THIS OFFICE. CONTACT THE INTERNAL REVENUE SERVICE TO RECEIVE THE FEI NUMBER IN TIME TO FILE THE ANNUAL REPORT AT 1-800-829-3676 AND REQUEST FORM SS-4.

SHOULD YOUR CORPORATE MAILING ADDRESS CHANGE, YOU MUST NOTIFY THIS OFFICE IN WRITING, TO INSURE IMPORTANT MAILINGS SUCH AS THE ANNUAL REPORT NOTICES REACH YOU.

Should you have any questions regarding corporations, please contact this office at the address given below.

Randall Purinton, Document Specialist
New Filing Section

Letter Number: 898A00028389

State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of SILVER SHELLS PROPERTY OWNERS ASSOCIATION, INC., a Florida corporation, filed on May 18, 1998, as shown by the records of this office.

The document number of this corporation is N98000002893.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Twentieth day of May, 1998



CR2EO22 (2-95)

Sandra B. Northam

Sandra B. Northam
Secretary of State

FILED
CLERK OF STATE
OFFICE OF CORPORATIONS
95 MAY 18 PM 3:25

ARTICLES OF INCORPORATION

FOR

SILVER SHELLS PROPERTY OWNERS ASSOCIATION, INC.

(A Corporation Not-For-Profit)

The undersigned hereby associate themselves for the purpose of forming a corporation not-for-profit under Chapter 617, Florida Statutes, and to that end, by these Articles, set forth:

ARTICLE I

Name and Principal Office

The name of the corporation shall be SILVER SHELLS PROPERTY OWNERS ASSOCIATION, INC., hereinafter referred to as the "Master Association." The initial principal office of the Master Association shall be located at 1971 Highway 98 E, Destin, Florida 32541.

ARTICLE II

Purposes

The Master Association is organized to establish a master association of the condominium associations in Silver Shells Beach Resort, and to administer and enforce the Declaration of Restrictive Covenants and Easements for Silver Shells (hereinafter the "Master Declaration") to be recorded in the Public Records of Okaloosa County, Florida. The Master Association shall have the following specific purposes:

2.1. To provide for management, operation, and maintenance of properties, areas, improvements, amenities and facilities as may be placed under the jurisdiction of the Master Association by means of the Master Declaration. All terms used herein which are defined in the Master Declaration shall have the same meaning herein.

2.2. To regulate the use of areas and structures as may be placed under the jurisdiction of the Master Association by means of the Master Declaration, including real property in which condominium Unit owners in Silver Shells Beach Resort will have use rights.

2.3. To promote the health, safety and welfare of the residents of Silver Shells Beach Resort.

2.4. To enforce the provisions of the Master Declaration which the Master Association has the responsibility to enforce.

ARTICLE III
Powers and Duties

The Master Association shall have and exercise all rights and powers conferred upon corporations under the laws of the State of Florida consistent with these Articles and the Master Declaration. The Master Association shall also have all of the powers and authority reasonably necessary or appropriate to implement its purposes and to carry out duties imposed upon it by the Master Declaration, including, but not limited to, the following:

3.1. To exercise all of the powers and privileges and to perform all of the duties and obligations of the Master Association as defined in the Master Declaration.

3.2. To fix, levy, collect and enforce payment by any lawful means, of all charges or assessments and assessment liens pursuant to the terms of the Master Declaration and to pay all expenses in connection therewith.

3.3. To acquire (by any lawful means), to own, hold, improve, construct upon, operate, maintain, replace, and to repair, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Master Association, and to contract improvements and to repair, remodel and demolish the same, on any property that is owned or leased by the Master Association.

3.4. To pay all office, administration, and other expenses incident to the conduct of the business of the Master Association, including all insurance premiums, salaries, rents, licenses, taxes or governmental charges levied or imposed against the property of the Master Association.

3.5. To borrow money, mortgage, pledge or hypothecate any or all of its real or personal property, including any lien rights it may have, as security for money borrowed or debts incurred.

3.6. To participate in mergers and consolidations with other non-profit associations organized for the same or similar purposes or to annex additional property and common areas.

3.7. To make, amend, or rescind rules, regulations and By-Laws for the Master Association and to provide and enforce penalties for the violation of any such rules, regulations and By-Laws.

3.8. To contract directly or indirectly through a management agent for the maintenance of such facilities and common areas as may be placed under the jurisdiction of this Master Association either by the Master Declaration or by resolution adopted by the Master Association's Board of Directors.

3.9. To employ such legal counsel, accountants, property managers, contractors and other agents or employees as may be deemed necessary for the protection and furtherance of the interest of the Master Association and of its members and to carry out the purposes of the Master Association.

ARTICLE IV
Prohibition Against Issuance of
Stock and Distribution of Income

The Master Association shall never have nor issue any shares of stock, nor shall the Master Association distribute any part of its income, if any, to its members, directors or officers. All monies and title to all properties acquired by the Master Association and the proceeds thereof shall be held only for the benefit of the members in accordance with the provision of these Articles and the By-Laws of the Master Association. Nothing herein, however, shall be construed to prohibit the Master Association from conferring benefits upon its members in accordance with its purposes, or from making any payments or distributions to members of monies or properties permitted by Chapter 617, Florida Statutes, or a statute of similar import. The Master Association may, however, reimburse its directors, officers and members for expenses authorized and approved by the Board of Directors and incurred for and on behalf of the Master Association and may pay compensation in a reasonable amount to its directors, officers and members for actual services rendered to the Master Association as authorized and approved by the Board of Directors.

ARTICLE V
Membership

The members of the Master Association shall be Silver Shells Corporation, a Florida Corporation, or the person or entity who is assigned the rights of Silver Shells Corporation, as Developer under the Master Declaration, and each Condominium Association created within Silver Shells Beach Resort as defined in the Master Declaration. Owners of Units in Silver Shells Beach Resort shall be entitled to the benefits of membership in the Master Association by virtue of their membership and beneficial interests in the Condominium Associations which are members of the Master Association; however, such Owners of Units in Silver Shells Beach Resort shall not attend meetings or have voting authority in the Master Association except through their respective Condominium Association and as set forth in the Master Declaration and By-Laws. No other persons or entities shall be entitled to membership. Membership rights and duties shall be subject to and controlled by the Master Declaration, which is in the form of a covenant running with the land.

ARTICLE VI
Voting Rights

6.1 The Master Association shall have two (2) classes of voting memberships:

A. Class A. Class A Members shall be all of those Condominium Associations created within Silver Shells Beach Resort as described in the Master Declaration. Each Class A Member shall have one (1) vote for each Unit (excluding Cabana Units) represented by such Class A Member.

B. Class B. There shall be one (1) Class B Member, the Developer, Silver Shells Corporation, a Florida Corporation, or its assigns. The Class B Member shall have two (2) votes for

each Unit (excluding Cabana Units) subject to the Master Declaration, plus one (1) vote.

6.2 The Class B membership shall cease and terminate upon the occurrence of the first to occur of the following events:

A. Ninety (90) days after the Declarant has conveyed title to all Units which it intends to develop in Silver Shells Beach Resort; or

B. At any time that the Declarant, in its sole discretion, voluntarily terminates its Class B membership; or

C. Upon Turnover and transfer of Master Association control by Developer pursuant to the Master Declaration.

ARTICLE VII
Board of Directors

7.1. The affairs of the Master Association will be managed by a Board of Directors. The Board of Directors shall be comprised of the President of each Condominium Association which is a Class A Member of the Master Association, plus one (1) Director designated by the Class B Member of the Association. In no case shall the number of Directors be less than three (3) prior to transfer of Master Association control pursuant to Article VI and termination of Class B membership. After transfer of Master Association control pursuant to Article VI, the number of Directors shall be such number as there are Members of the Master Association. The initial Directors of the Master Association shall be appointed by the Developer, and the Developer shall continue to appoint either all of the Directors, or if the Master Association is subject to the provisions of Florida Statute 718.301, a majority of the Directors, consistent with Florida Statute 718.301, until transfer of Master Association control to the Members, other than Developer. After transfer of Master Association control, the President or his designee of each Member shall serve on the Board of Directors, and such shall comprise the entire Board of Directors. Except for the Directors elected by the Developer, all Directors of the Master Association must be Unit Owners and Members of the Condominium Association which elected such Director.

7.2. Any vacancies in the Board of Directors shall:

A. Be appointed by the Developer if the vacating director was appointed by the Director; or

B. Be elected by the Condominium Association from which such vacating director was elected.

7.3. Notwithstanding any of the foregoing, the Developer shall be entitled at any time to waive in writing its rights hereunder, and to transfer control of the Master Association to the Class A Members prior to the time required by law.

7.4. The initial Board of Directors shall consist of four (4) Directors appointed by Silver Shells Corporation. The names and addresses of the initial Directors are:

- A. Thomas Becnel
101 La Rue France, Suite 500
Lafayette, Louisiana 70508
- B. Carla Becnel
101 La Rue France, Suite 500
Lafayette, Louisiana 70508
- C. Christine Barbier
101 La Rue France, Suite 500
Lafayette, Louisiana 70508
- D. William Kreuser
15000 Emerald Coast Parkway
Destin, Florida 32541

7.5. Unless contrary provisions are made by law, each director's term of office shall be for one (1) year, provided that all Directors shall continue in office until their successors are duly elected or appointed, and installed. Directors may serve successive annual terms without limitation.

7.6. Directors entitled to cast a majority of the voting interest of the entire membership shall constitute a quorum at meetings of the Board. Except as herein otherwise specified, the decision of a majority of the Directors present at a meeting at which a quorum is present shall be required and shall be sufficient to authorize any action on behalf of the Board. Each Director shall be entitled to vote on every matter presented to the Board of Directors on behalf of the Member represented by such Director, such votes to be cast in accordance with Article VI herein.

ARTICLE VIII Officers

The Board of Directors may elect officers from among its members. The officers of the Master Association shall be a President, one or more Vice-Presidents, a Secretary, a Treasurer, and such other officers and assistant officers as may be decided upon and elected by the Board of Directors. The same person may hold two or more offices. The term of each office shall be one (1) year or until their successors are elected or appointed as provided in the By-Laws. The initial officers of the Master Association who are to serve until their successors are elected or appointed as provided in the By-Laws are as follows:

- 1. President:
Thomas Becnel
101 La Rue France, Suite 500
Lafayette, Louisiana 70508

2. Vice-President:
William G. P. Kreuser
1971 Highway 98 E
Destin, Florida 32541

3. Vice-President:
Carla Becnel
101 La Rue France, Suite 500
Lafayette, Louisiana 70508

4. Vice-President/Secretary/Treasurer:
Christine Barbier
101 La Rue France, Suite 500
Lafayette, Louisiana 70508

ARTICLE IX
Indemnification

Every Director and every officer of the Master Association shall be indemnified by the Master Association to the fullest extent permitted by Florida law against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him in connection with any proceeding or any settlement or 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 Master Association, whether or not he is a Director or officer at the time such expenses are incurred, except when the Director or officer is guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement, the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interests of the Master Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled.

ARTICLE X
By-Laws

The original By-Laws of the Master Association shall be adopted by a majority vote of the Directors. Thereafter, the By-Laws may be altered, amended or rescinded by affirmative vote of two-thirds (2/3) of the votes entitled to be cast by Members of the Master Association.

ARTICLE XI
Amendment

These Articles of Incorporation may be amended from time to time, in the following manner:

11.1. An amendment or amendments to these Articles of Incorporation may be proposed by the Board of Directors acting upon a vote of the majority of the Directors, or by the Members of the Master Association representing the owners of a majority of the Units in the Condominium

Associations, whether meeting as Members or by instrument in writing signed by them. Upon any amendment or amendments to these Articles of Incorporation being proposed by the Board of Directors or Members, such proposed amendment or amendments shall be transmitted to the President of the Master Association, or the acting chief executive officer in the absence of the President, who shall thereupon call a special meeting of the Members of the Master Association for a date not sooner than twenty (20) days or later than sixty (60) days from the receipt by him of the proposed amendment or amendments, and it shall be the duty of the Secretary to give each Member written notice of such meeting stating the time and place of the meeting and reciting the proposed amendment; provided, that proposed amendments to the Articles may be considered and voted upon at annual meetings of the Members if such amendments are listed as specific items on the agenda for such annual meeting.

11.2. In order for such amendment or amendments to become effective, the same must be approved by an affirmative vote of Members holding three-fourths (3/4) of the votes in the Master Association. Thereupon, such amendment or amendments to these By-Laws shall be transcribed, certified by the President and Secretary of the Master Association, and a copy thereof shall be recorded in the Public Records of Okaloosa County, Florida within thirty (30) days from the date on which any Amendment or amendments have been affirmatively approved by the Members.

11.3. Any proposal to amend the classes of membership shall require:

- A. The consent of the Class B Member; and
- B. The affirmative vote of at least three-fourths (3/4) of the membership votes of Class A.

11.4. No amendment shall alter or abrogate the rights of Developer as set forth in the Master Declaration, these Articles, or the By-Laws without the prior written consent of Developer.

ARTICLE XII Term of Existence

The Master Association shall have perpetual existence.

ARTICLE XIII Dissolution

The Master Association may be dissolved if not less than two-thirds (2/3) of the Members of the Board of Directors adopt a resolution to that effect, and such resolution is approved by a vote of at least three fourths (3/4) of the membership votes of the Master Association.

ARTICLE XIV DISPOSITION OF ASSETS UPON DISSOLUTION

Upon dissolution of the Master Association all of its assets remaining after provision for

creditors and payment of all costs and expenses of such dissolution shall be distributed in the following manner:

14.1. Real property contributed to the Master Association without the receipt of other than nominal consideration by Developer shall be returned in fee simple and without encumbrances to Developer or its successor, whether or not it is a Member at the time of such dissolution, unless it refuses to accept the conveyance in whole or in part.

14.2. Property determined by the Board of Directors to be appropriate for dedication to an applicable governmental agency or utility shall be dedicated to such agency or utility. In the event that such dedication is refused acceptance, such property shall be granted, conveyed and assigned to a nonprofit corporation, association, trust or other organization to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Master Association.

14.3. If not conveyed or dedicated to a governmental agency or utility, the Water Management System shall be conveyed or dedicated to a similar not-for-profit organization so as to assure continued maintenance thereof.

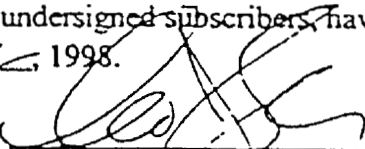
14.4. Any remaining assets shall be distributed among the Class A Members as tenants in common, each Member's share of the assets to be determined as may be provided in the Bylaws, or in the absence of such provision, in accordance with its voting rights.

ARTICLE XV

Registered Agent and Registered Office

The initial registered agent for this Master Association shall be NAPLES-LAWDOCK, INC., a Florida corporation, and the registered office shall be located at 4501 Tamiami Trail North, Suite 300, Naples, Florida 34103. The Board of Directors shall have the right to designate subsequent resident agents without amending these Articles.

IN WITNESS WHEREOF, we, the undersigned subscribers, have executed these Articles of Incorporation, this 15th day of May, 1998.



LEO J. SALVATORI
4501 Tamiami Trail North
Suite 300
Naples, Florida 34103



DAVID L. PETERSEN
4501 Tamiami Trail North
Suite 300
Naples, Florida 34103

STATE OF FLORIDA
COUNTY OF COLLIER

Before me personally appeared LEO J. SALVATORI and DAVID L. PETERSEN, subscribers, to me well known and known to me to be the persons described in and who executed the foregoing Articles of Incorporation, and acknowledged to and before me that they executed said instrument for the purposes therein expressed.

WITNESS my hand and official seal, this 15th day of May, A.D., 1998.

SEAL



Joan M. Kavcak
Notary Public, State of Florida

Joan M. Kavcak
Print, Type or Stamp Name of Notary Public

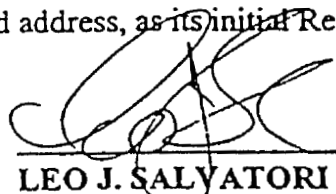
Personally known or
Type of Identification Produced _____

CERTIFICATE DESIGNATING REGISTERED AGENT:
AND REGISTERED OFFICE

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
98 MAY 18 PM 3:25

In compliance with Florida Statutes Sections 48.091, 617.023, and 607.034, the following is submitted:

SILVER SHELLS PROPERTY OWNERS ASSOCIATION, INC., desiring to organize as a corporation under the laws of the State of Florida, has designated NAPLES-LAWDOCK, INC., 4501 Tamiami Trail North, Suite 300, Naples, Florida 34103, as its initial Registered Office, and has named LEO J. SALVATORI, located at said address, as its initial Registered Agent.



LEO J. SALVATORI

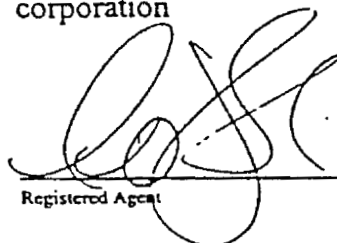


DAVID L. PETERSEN

ACCEPTANCE OF REGISTERED AGENT

Having been named Registered Agent for the above stated corporation, at the designated Registered Office, the undersigned hereby accepts said appointment, is familiar with and accepts the obligations thereof, and agrees to comply with the provisions of Florida Statutes Section 48.091 relative to keeping open said office.

NAPLES-LAWDOCK, INC., a Florida
corporation

By: 

Registered Agent

RETURN TO:
LEO J. SALVATORI
QUARLES & BRADY
SUITE 300
4501 TAMiami TRAIL N.
NAPLES, FLORIDA 34103

BY-LAWS

OF

SILVER SHELLS PROPERTY OWNERS ASSOCIATION, INC.

A Corporation Not-For-Profit

I. GENERAL.

1.1. **Master Association.** These are the By-Laws of **SILVER SHELLS PROPERTY OWNERS ASSOCIATION, INC.**, (the "Master Association"), a Florida Corporation Not-For-Profit. The Master Association has been organized for the purpose of administering the maintenance, operation and management of the Common Properties and improvements of Silver Shells Beach Resort, in accordance with the Declaration of Restrictive Covenants and Easements for Silver Shells (the "Master Declaration") to be recorded in the Public Records of Okaloosa County, Florida.

1.2. **Silver Shells Beach Resort.** The provisions of these By-Laws are applicable to the individual Condominium Associations and the properties subject thereto which are located within Silver Shells Beach Resort and any other property within Silver Shells Beach Resort which is subjected to the Master Declaration, and are subject to the provisions of the Master Declaration and the Articles of Incorporation of **SILVER SHELLS PROPERTY OWNERS ASSOCIATION, INC.** (the "Articles"). The terms and provisions of the Articles and the Master Declaration shall control wherever the same may conflict herewith and bear the same meaning herein as is given to them in such documents.

1.3. **Binding Effect.** All Members of the Master Association, and all present or future Owners, Occupants, tenants and guests of Units in the Condominium Associations located within Silver Shells Beach Resort or any of the facilities thereof, in any manner, are subject to these By-Laws, the Articles and the Master Declaration.

1.4. **Address.** The office of the Master Association shall initially be at 15000-A Emerald Coast Parkway, Destin, Florida 32541.

1.5. **Fiscal Year.** The fiscal year of the Master Association shall be the calendar year.

1.6. **Seal.** The seal of the Master Association shall bear the name of the Association, the word "Florida", and the words "Corporation Not-For-Profit", and the year of incorporation.

II. MEMBERSHIP.

2.1. **Members.** The qualification and designation of Members of the Master Association (the "Members"), the manner of their admission to membership and termination of such membership, and voting interests of Members, shall be as set forth in the Articles, the provisions of which are incorporated herein by reference.

2.2. **Votes.** Each Class A Member shall have one (1) vote for each Unit (excluding Cabana Units) represented by such Member. The Class B Member shall have two (2) votes for each Unit (excluding Cabana Units) subject to the Master Declaration, plus one (1). All votes cast by any Member shall be weighted and be with reference to the Units represented by such Member.

2.3. **Meetings.** Meetings of the Members of the Master Association shall be held only in the form of meetings of the Board of Directors of the Master Association. Votes of the Members shall be cast by the respective Director on the Board of Directors representing the individual Members, as set forth in the Master Declaration.

III. BOARD OF DIRECTORS AND MEETINGS.

3.1. **Directors.** The Articles of Incorporation control the designation, number and qualification of the Board of Directors.

3.2. **Organizational Meeting.** The organizational meeting of a newly elected or designated Board shall be held within a reasonable time after their election or designation, at such time and place as shall be fixed at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary provided that a quorum shall be present.

3.3. **Annual Meeting.** The annual meeting of the Board shall be held at the office of the Master Association or such other place in Okaloosa County, Florida, as may be specified in the notice of the meeting, at 5:30 p.m. on the first Tuesday in February of each year for the purpose of transacting any business authorized to be transacted by the Board; provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next succeeding regular business day.

3.4. **Regular Meetings.** Regular meetings of the Board 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 telegram, at least seven (7) days prior to the day named for such meeting, unless notice is waived. Unit Owners shall have the right to attend all meetings of the Board, but no Unit Owner shall have the right to speak or otherwise participate in the meetings without the permission of the Board.

3.5. **Special Meetings.** Special meetings of the Board may be called by the President, and must be called by the Secretary at the written request of one-third of the Directors. Not less than

three (3) days' notice of a special meeting shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting.

3.6. **Waiver of Notice.** Any Director may waive notice of a meeting before, at or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

3.7. **Notice to Members.** Adequate notice of all meetings of the Board shall be placed conspicuously on the Common Property at least forty eight (48) hours in advance of the time set for the meeting except in the case of an emergency meeting. Notice of meetings of the Board may be omitted only in the event of emergency where circumstances exist which present such a danger to person or property that prompt action is required. In such event, such notice shall be given as is practical under the circumstances.

3.8. **Quorum.** A quorum at meetings of the Board shall consist of the Directors entitled to cast a majority of the voting interest of the entire membership, except as may be specifically otherwise provided in the Articles, these By-Laws or the Master Declaration. If any meeting of the Board cannot be held because a quorum is not present, or because a greater percentage of the Directors is required to constitute a quorum for particular purposes, the Directors who are present may adjourn the meeting from time to time until a quorum or the required percentage of attendance is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. No member of the Board may vote by proxy or secret ballot at a meeting of the Board, nor may a Director abstain from voting except in cases of conflict of interest.

3.9. **Presiding Officer.** The presiding officer of meetings of the Board shall be the President of the Master Association. In the absence of the presiding officer, the Directors shall designate one of their members to preside.

3.10 **Order of Business.** The order of business at annual meetings of the Board, and as far as practical, at other meetings of the Board, shall be:

- (1) Calling of the roll;
- (2) Proof of notice of meeting or waiver of notice;
- (3) Reading or waiver of reading of minutes of previous meeting;
- (4) Reports of Officers;
- (5) Reports of Committees;
- (6) Unfinished business;
- (7) New business; and
- (8) Adjournment.

3.11. **Powers.** Except as provided in the Articles of Incorporation or the Master Declaration, all of the powers and duties of the Master Association shall be exercised by the Board or under the direction of the Board.

3.12. **Initial Board.** The first Board of Directors of the Master Association shall be comprised of the persons named as such in the Articles, who shall serve until their successors are designated by the Developer or elected or appointed pursuant to the Articles. Should any member of the first Board be unable to serve for any reason, Silver Shells Corporation, a Florida Corporation, shall have the right to select and designate a successor to act and serve for the unexpired term of the Director who is unable to serve.

3.13. **Compensation.** No Director of the Master Association shall receive any fee or other compensation for services rendered to the Master Association except by specific Resolution of the Board, which Resolution shall first be approved by a majority of the Class A Members at the annual or a Special Meeting of each Member Condominium Association.

3.14. **Parliamentary Rules.** General Parliamentary Procedure shall govern the conduct of Board Meetings when not in conflict with the Articles of Incorporation or these By-Laws.

IV. OFFICERS.

4.1 **Generally.** The Board shall elect a President, Secretary, Treasurer, and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board shall deem advisable from time to time. The President shall be elected from the membership of the Board, but no other officer need be a Director. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the offices of President and Vice President shall not be held by the same person, nor shall the offices of President and Secretary be held by the same person. The Board may from time to time elect such other officers, and designate their powers and duties, as the Board may deem necessary to properly manage the affairs of the Master Association. Officers may be removed from office by the Board.

4.2. **President.** The President shall be the chief executive officer of the Master Association. He shall have all of the powers and duties which are usually vested in the office of President of a corporation not-for-profit, including, but not limited to, the power to appoint committees from among the Members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Master Association. He shall have such additional powers as the Board may designate.

4.3. **Vice-President.** The Vice-President shall, in the absence or disability of the President, exercise the powers and perform the duties of President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board.

4.4. **Secretary.** The Secretary shall keep the minutes of all proceedings of the Board. He shall attend to the giving and serving of all notices to the Members and Board, and such other notices as may be required by law. He shall have custody of the seal of the Master Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Master Association, except those of the Treasurer, and shall perform all other duties incident to the office

of Secretary of a corporation not-for-profit and as may be required by the Board and the President. The Assistant Secretary shall perform the duties of Secretary when the Secretary is absent.

4.5. **Treasurer.** The Treasurer shall have custody of all of the property of the Master Association, including funds, securities and evidences of indebtedness. He shall keep the assessment rolls and accounts of the Members; he shall keep the books of the Master Association in accordance with good accounting practices; and he shall perform all other duties incident to the office of Treasurer.

4.6. **Compensation.** The compensation of all officers and employees of the Master Association shall be fixed by the Board. This provision shall not preclude the Board from employing a Director as an employee of the Master Association, nor preclude contracting with a Director for the management of the Common Property.

V. FISCAL MANAGEMENT.

The provisions for fiscal management of the Master Association set forth in the Master Declaration and Articles shall be supplemented by the following provisions:

5.1. **Accounts.** The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Member. Such account shall designate the name and mailing address of the Member, the amount of each assessment against the Member, the due date thereof, all amounts paid, and the balance due upon each assessment.

5.2. **Budget.** The Board shall adopt for, and in advance of, each calendar year, a budget showing the estimated costs of performing all of the functions of the Master Association for the ensuing year. Each proposed budget shall show the total estimated expenses of the Master Association for that year, including appropriate reserves, and shall contain an itemized breakdown of the Common Expenses. Each budget shall also show the proportionate share of the total estimated expenses to be assessed against and collected from each Member and the due date(s) and amounts of installments thereof. Each due date shall constitute the beginning of an Assessment Period.

5.3. **Adoption of Budget.** A copy of the proposed annual budget of the Master Association shall be mailed to the Members who shall provide same to the Owners of Units not less than fourteen (14) days prior to the meeting of the Board at which the budget will be considered, together with a notice of the time and place of the meeting. Such meeting of the Board shall be open to the Owners pursuant to Section 3.4 herein. If a budget is adopted by the Board which requires assessment of such Owners in any budget year exceeding 115% of such assessments for the preceding budget year, upon written application of persons holding 25% of the voting interests of all such Owners, made to their respective Member Condominium Associations within twenty (20) days after the adoption of the budget, a special meeting of the Board shall be held after not less than ten (10) days' written notice to each Owner, but within thirty (30) days of the delivery of such notice, at which special meeting the Board may consider only and enact only, a revision of the budget. In the event a revised

budget is enacted which reduces the prior budget by at least ten (10%) percent, such budget may not thereafter be reexamined by the Unit Owners in the manner hereinabove set forth. However, the budget may not be revised downward to a point lower than the average total budget for the preceding two years, and if a budget and assessments have not been established and made for any preceding two years, then the budget and assessments may not be revised downward until two years of experience exist.

In determining whether assessments exceed 115% of similar assessments in the prior budget year, there shall be excluded in the computation reasonable reserves made by the Board for repair and replacement of Common Properties, or for anticipated expenses by the Master Association which are not anticipated to be incurred on a regular or annual basis; and there shall be excluded from such computation, assessments for betterments to the Common Properties.

Upon adoption of the budget, the Board shall cause a written copy thereof to be delivered to each Member who shall provide same to each Owner. If any budget is subsequently amended, a copy shall be furnished to each Owner in the same manner. Delivery of a copy of any budget or amended budget to an Owner shall not affect the liability of any Owner for any assessment, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of the budget and assessments levied pursuant thereto. Nothing herein contained shall be construed as a limitation upon any Special Assessment in the event that any budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies.

In the event the annual budget and assessments are not determined prior to the beginning of a fiscal year of the Master Association, the assessment for the prior year shall remain in effect until revised by the Board.

Notwithstanding any other provision of these By-Laws, so long as Developer is in control of the Board of Directors, the annual budget of the Master Association shall be established and adopted by the Developer.

5.4. Assessments. Based upon the approved budget, the Master Association shall make assessments against Members on an annual basis, which assessments may be prorated and due and payable in quarterly installments ("Assessment Periods"). The assessments shall be made against Members, and allocable to Unit Owners, by billing each Member based upon the total number of residential Units within each Condominium Association as compared to the aggregate number of residential Units within all Condominium Associations, excluding in each case Cabana Units. Each Member shall be responsible for billing and collecting the assessments from that Member's Unit Owners and remitting the same to the Master Association prior to the date of delinquency. Pursuant to provisions of the Master Declaration, if assessments or installments thereof are delinquent for more than thirty (30) days, the Master Association may accelerate the annual assessment remaining unpaid with respect to such delinquent Member for purposes of collection or foreclosure action by the Master Association.

5.5. **Special Assessments.** The Master Association also may levy Special Assessments against a Member Condominium Association or individual Owners who have caused the Master Association to incur special expenses due to willful or negligent acts of said Owners, their Occupants, guests, tenants, lessees, invitees or agents, as well as uniform monetary fines for violation of the Master Declaration and the Rules and Regulations of the Master Association. Such Special Assessments shall be charged and assessed against the Member or the subject Unit, and may be enforced and collected as an assessment for Common Expenses, including the foreclosure of a lien therefor.

5.6. **The Club at Silver Shells.** The Master Association assessments shall also include membership dues and fees payable by Owners of residential Units in connection with membership in The Club at Silver Shells (the "Club") and with regard to the Clubhouse Property. Such dues shall be payable to the Club by the Master Association.

5.7. **Depository.** The depository of the Master Association shall be such bank or banks as shall be designated from time to time by the Board, in which all monies of the Master Association shall be deposited. Withdrawal of monies from such bank(s) shall be only by checks signed by such persons as are designated by the Board.

5.8. **Accounting.** An accounting (or audit if required by law or underwriting guidelines of federal agencies or corporations which guarantee or purchase mortgages) of the accounts of the Master Association shall be made annually by a Certified Public Accountant, and a copy of the report shall be mailed or furnished by personal delivery to each Member not later than April 1 of the year following the year for which the report is made. Each Member shall in turn provide such report to its constituent Unit Owners promptly thereafter. The report shall show the amounts of receipts by accounts and receipt classifications and shall show the amounts of expenses by accounts and expense classifications.

VI. AMENDMENTS TO BY-LAWS.

Amendments to these By-Laws shall be proposed and adopted in the following manner:

6.1. **Proposal.** Amendments to these By-Laws may be proposed by the Board, acting upon vote of a majority of the Directors, or by Members representing a majority of the aggregate votes of the Master Association whether by virtue of annual meetings of the Member Condominium Associations or by instrument in writing signed by the requisite number of Unit Owners.

6.2. **Board of Directors.** Upon any amendment or amendments to these By-Laws being proposed by the Board or Members, such proposed amendment or amendments shall be transmitted to the President of the Master Association, who shall thereupon call a special meeting of the Board for a date not sooner than ten (10) days or later than thirty (30) days from receipt by such officer of the proposed amendment or amendments, and it shall be the duty of the Secretary to give each Director written notice of such meeting in the same form and in the same manner as notice of the

call of a special meeting of the Directors. Such amendment shall be adopted upon the affirmative vote of Directors holding two-thirds (2/3) of the voting interests of the entire Membership.

6.3. **Members.** In the alternative, an amendment to these By-Laws may be considered and voted upon by Members at the annual meeting of their respective Condominium Associations. In each case the Members shall follow the procedures in their constituent Condominium Associations as in the case of an amendment to the Condominium Master Declaration of the Condominium Association. In order for an amendment to become effective in such manner, the amendment must be approved by the affirmative vote of Unit Owners holding at least two-thirds (2/3) of the aggregate voting interests of the Master Association. Provided, that no amendment to these By-Laws adopted by the Members pursuant to this Section 6.3 shall be amended or repealed by the Board if the amendment so adopted so provides.

6.4. **Recording.** Upon adoption of an amendment to these By-Laws pursuant to Section 6.2 or Section 6.3 above, such amendment shall be transcribed, certified by the President and Secretary of the Master Association, and a copy thereof shall be recorded in the Public Records of Okaloosa County, Florida, within thirty (30) days from the date on which such amendment was adopted.

6.5. **Developer Rights.** Notwithstanding the foregoing provisions of this Article VI, no amendment to these By-Laws which shall abridge, amend or alter the right of Developer to designate a majority of the Board of Directors of the Master Association, or any Member Condominium Association, or shall abrogate, amend, alter or affect any other right, benefit or privilege of Developer contained in the Master Declaration, the Articles, or these By-Laws, or charge provisions hereof relating to the Club, may be adopted or become effective without the prior written consent of Developer.

VII. RULES AND REGULATIONS.

Rules and Regulations governing the use of the Units and the Common Property and Restricted Common Property of the Master Association and the conduct of Owners, Occupants and guests shall be adopted in the following manner:

7.1. **Initial Rules and Regulations.** At its first meeting, the Board of Directors of the Master Association, (all of whom shall have been designated by Developer in accordance with the Articles of Incorporation and these By-Laws), shall adopt an initial set of Rules and Regulations, which, after adoption, shall be annexed to these By-Laws in the form of an Exhibit.


7.2. **Amendment to Rules and Regulations.** The Board of Directors may from time to time by vote of a majority of the voting interests of the Master Association at a duly called meeting of the Board, adopt, modify, amend, add to, or detract from the Rules And Regulations. However, an amendment to the Rules and Regulations may be adopted by the Member Condominium Associations by virtue of action taken at annual meetings of the Member Condominium Associations, pursuant to procedures set forth in Article 6.3 of these By-Laws, except that such

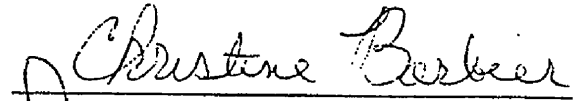
amendment shall be adopted upon the affirmative vote of Unit Owners holding at least two-thirds (2/3) of the aggregate voting interests of the entire Membership of the Master Association; provided, that any amendment so adopted by the Members shall not be amended or repealed by the Board if the Rule or Regulation so adopted so provides. All changes to the Rules and Regulations made by the Board shall be mailed by first class mail to each Member, who shall provide the same to each Owner not less than thirty (30) days prior to the effective date of the change. No modification, amendment, addition or detraction to the Rules and Regulations may be adopted by the Board, which would conflict with a provision of the Master Declaration.

7.3. **Enforcement of Rules and Regulations.** All violations of Rules and Regulations or of any provisions of the Master Declaration, Articles and/or By-Laws shall be reported immediately to a member of the Board of Directors, a Master Association officer and/or the management agent. Disagreements concerning violations, including, without limitation, disagreement regarding the proper interpretation and effect of Rules and Regulations or other provisions of the Master Declaration shall be presented to and determined by the Board of Directors of the Master Association, whose interpretation and/or whose remedial action shall be dispositive.

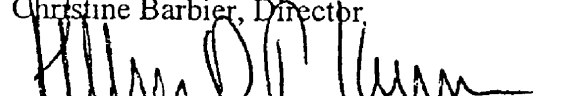
In the event that any Owner, Occupant, person, firm or entity subject to the Rules and Regulations, or other provisions of the Master Declaration, fails to abide by them, as they are interpreted by the Board of Directors, the Master Association, by its agents and officers, may enforce the Rules and Regulations by such means as are deemed necessary and appropriate, including recourse to civil authorities, court action if necessary, and monetary fines of not less than \$50.00 per violation, or pursuant to a schedule of fines adopted by the Board, to be charged and assessed by the Master Association uniformly against Owners of Units who violate, or whose invitees, guests, or Unit Occupants violate such Rules and Regulations. Such fines shall be charged and assessed against the subject Unit, and may be enforced and collected as an assessment for Common Expenses, including the foreclosure of a lien therefor; any such fines collected shall be a common asset of the Master Association. If the Board of Directors of the Master Association deems it necessary, it may seek all available remedies and may bring action at law or in equity to enforce the Rules and Regulations, or other provisions of the Master Declaration, including the provision herein for fines. In the event any such action is instituted, and reduced to judgment in favor of the Master Association, the Master Association shall in addition be entitled to recover its costs and attorneys' fees at the trial level and at all levels of appeal.

We hereby certify that the foregoing were adopted as the By-Laws of **SILVER SHELLS PROPERTY 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 _____ day of _____, 1999.


Thomas Becnel, Director


Christine Barbier, Director


Carla Becnel, Director


William Kreuser, Director

07/19/00

Silver Shells Beach Resort
Silver Shells Property Owners Association, Inc.
Estimated 2nd Year Operating Budget
January 1,2000 thru December 31,2000

Assessments

Total Units - Excluding Cabana Units	Units	% to Total	Annual Assments
St. Croix Association	76	42.7%	\$86,716
St. Maarten Association	102	57.3%	\$116,383
St. Maarten New Closing Capital Contribution			\$7,500
St. Thomas Initial Capital Contribution			\$116,095
Total Project Units	178	100%	\$326,694

Monthly	Quarterly	Yearly
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Assessments Per Unit Per Month	\$95	\$285	\$1,141
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Income

Assessments	16,925	50,775	203,099
St. Maarten New Closing Capital Contribution			\$7,500
St. Thomas Initial Capital Contribution			\$116,095

Total Income

27,225	81,674	326,694
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Expenses**Administration & General**

Courtesy Patrol	4,333	13,000	52,000
Insurance	260	779	3,117
Licenses & Fees	33	100	400
Management Fees	2,000	6,000	24,000
Miscellaneous	50	150	600
Office Supplies	50	150	600
Postage and Freight	35	105	420

Total Administration & General

6,761	20,284	81,137
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Maintenance & Repairs

Building	83	250	1,000
Cleaning	1,167	3,500	14,000
Gate System	292	875	3,500
Grounds & Landscaping	3,500	10,500	42,000
Pool Supplies	583	1,750	7,000
Salaries & Wages	<u>7,125</u>	<u>21,375</u>	<u>85,500</u>

Total Maintenance & Repairs

12,750	38,250	153,000
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Utilities

Cable Television	2,967	8,902	35,607
Electricity	1,050	3,150	12,600
Natural Gas	667	2,000	8,000
Telephone	100	300	1,200
Waste Removal	800	2,400	9,600
Water & Sewer	<u>1,333</u>	<u>4,000</u>	<u>16,000</u>

Total Utilities

\$6,917	\$20,752	\$83,007
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TOTAL

317,144

Silver Shells Beach Resort
Silver Shells Property Owners Association, Inc.
Estimated 2nd Year Operating Budget
January 1,2000 thru December 31,2000

	<u>Monthly</u>	<u>Quarterly</u>	<u>Yearly</u>
Reserves			
Airconditioning - Courtesy Gate	42	125	500
Parking & Waterproofing	79	238	950
Parking & Street Paving	250	750	3,000
Roof	50	150	600
Swimming Pool	208	625	2,500
Tennis Courts	167	500	2,000
Total Reserves	796	2,388	9,550
Total Expenses	27,225	81,674	326,694

Reserves

	Estimated Useful Life	Estimated Remaining Life	Estimated Replacement Cost	Annual Reserve Contribution	Beginning Fund Balance	Ending Fund Balance
Airconditioning - Courtesy Gate	10	10	5,000	500	0	0
Parking & Waterproofing	7	7	6,650	950	0	0
Parking & Street Paving	15	15	45,000	3,000	0	0
Roof	25	25	15,000	600	0	0
Swimming Pool	10	10	25,000	2,500	0	0
Tennis Courts	3	3	6,000	2,000	0	0
Total Reserves			102,650	9,550	0	0

Master1
07/19/00

06/22/00

Silver Shells Beach Resort
Silver Shells Property Owners Association, Inc.
Estimated 1st Year Operating Budget
January 1,2001 thru December 31,2001

Assessments

Total Units - Excluding Cabana Units	Units	% to Total	Annual Assments
St. Croix Association	76	26.8%	\$156,434
St. Maarten Association	102	35.9%	\$209,951
St. Thomas Association	106	37.3%	\$218,185
Total Project Units	284	100%	\$584,570

	Monthly	Quarterly	Yearly
Assessments Per Unit Per Month	\$172	\$515	\$2,058

Income

Assessments	48,714	146,143	584,570
St. Thomas Initial Capital Contribution			\$53,500
Total Income	53,173	159,518	638,070

Expenses**Administration & General**

Courtesy Patrol	11,083	33,250	133,000
Insurance	292	875	3,500
Licenses & Fees	33	100	400
Management Fees	3,750	11,250	45,000
Miscellaneous	50	150	600
Office Supplies	50	150	600
Payroll Tax and Benefit	417	1,250	5,000
Postage and Freight	35	105	420
Total Administration & General	15,710	47,130	188,520

Maintenance & Repairs

Building	667	2,000	8,000
Cleaning	4,015	12,045	48,180
Gate System	217	650	2,600
Grounds & Landscaping	7,667	23,000	92,000
Payroll Tax & Benefit	1,125	3,375	13,500
Pool Supplies	517	1,550	6,200
Salaries & Wages	6,250	18,750	75,000
Total Maintenance & Repairs	20,457	61,370	245,480

Utilities

Cable Television	5,667	17,000	68,000
Electricity	1,050	3,150	12,600
Natural Gas	6,250	18,750	75,000
Telephone	160	480	1,920
Waste Removal	1,333	4,000	16,000
Water & Sewer	1,750	5,250	21,000
Total Utilities	\$16,210	\$48,630	\$194,520

TOTAL**628,520**

072903

STATE OF FLORIDA

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

DIVISION OF HOTELS AND RESTAURANTS

1910 North Monroe Street, Suite 60

TALLAHASSEE FLORIDA 32399-1015

(850) 922-5335

LODGING	
CLASS	UNITS
CON	80

FOOD SERVICE	
SEATS	SERVICES

ISSUED TO: RESORT PROPERTY MANAGEMENT INC
 RESORT PROPERTY MGMT
 15000 EMERALD COAST PKWY
 DESTIN FL 32541

LICENSE

EXPIRATION DATE 06/01/2003

MAILED TO: RESORT PROPERTY MANAGEMENT INC
 RESORT PROPERTY MGMT
 15000 EMERALD COAST PKWY
 DESTIN FL 32541

Jeb Bush, Governor
 Kim Binkley-Seyer, Secretary

DISPLAY IN A CONSPICUOUS PLACE LICENSE IS NOT TRANSFERABLE
 LICENSEE IS RESPONSIBLE FOR RENEWAL OF LICENSE PRIOR TO EXPIRATION DATE

AUDIT CONTROL NO. 074844

2002 - 2004

OKALOOSA COUNTY, STATE OF FLORIDA

COUNTY OCCUPATIONAL LICENSE

26085071355

EXPIRES
Sep 30 2004

FACILITIES
OR
MACHINES

ROOMS

SEATS

EMPLOYEES

TYPE OF
BUSINESS

026001 SERVICE AGENCY

BUSINESS
ADDRESS

15000 EMERALD COAST PKWY
DESTIN FL 32541

NAME
MAILING
ADDRESS

RESORT PROPERTY MANAGEMENT
OLSEN RODNEY

15000 EMERALD COAST PKWY
DESTIN FL 32541

SUPPLEMENTAL
RENEWAL
NEW LICENSE
TRANSFER -
ORIGINAL TAX 54.00
BACKTAXES .00

AMOUNT 54.00
PENALTY
COLLECTION COST .00
TOTAL 54.00

This license is in addition and not in lieu of any
 other license required by law or municipal or-
 dinance and is subject to regulations of zon-
 ing, health and any other local authority

CHRIS HUGHES OKALOOSA TAX COLLECTOR
 OKALOOSA COUNTY ACTIVE

CHRIS HUGHES
 TAX COLLECTOR
 OKALOOSA COUNTY FLORIDA

PAID- 4615982.0001-0001 97 08/09/2003 54.00

09/22/2003 10:52 8506549124 ST MARTEN HDA PAGE 01

AC#0940578

STATE OF FLORIDA

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
DIVISION OF HOTELS AND RESTAURANTS

SEQ#L030614

DATE	BATCH NUMBER	LICENSE NBR	
06/14/2003	200455701	5603000H	NBR. OF UNITS: 122
The COLLECTIVE RESORT DWELLING Named below IS LICENSED Under the provisions of Chapter 509 FS. Expiration date: JUN 1, 2004			NON- TRANSFERABLE

ABBOTT REALTY SERVICE INC
ABBOTT REALTY CFD II
35000 EMERALD COAST PKWY
DESTIN FL 325414701

JEB BUSH
GOVERNOR

DIANE CARR
SECRETARY

DISPLAY AS REQUIRED BY LAW

For the
Picture-Perfect
Vacation...



Resort Property Management

LUXURY VACATION ACCOMMODATIONS

DESTIN, FLORIDA



Silver Shells
BEACH RESORT & SPA



Silver Beach
TOWERS



welcome

Welcome Friends,

As our pristine beaches and crystal clear waters lure you to the Emerald Coast, we would like to thank you for choosing Resort Property Management for your accommodation needs.

We recognize that there are many rental companies up and down our beach, and making a choice is not always easy. But now it can be

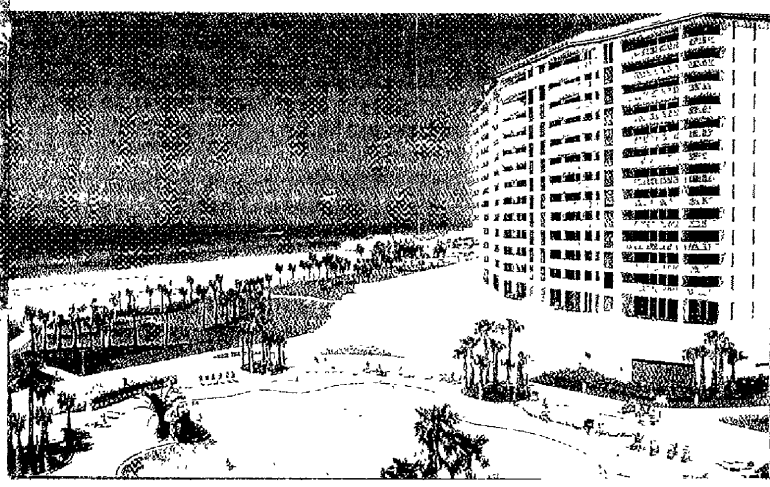
As you review this brochure, you will quickly see what sets us apart, both as your vacation host, and in our discriminating selection of accommodations. We are the official onsite rental management company for Silver Shells Beach Resort & Spa and Silver Beach Towers, the newest and most upscale resorts in Destin, Florida.



Our rental accommodations are exquisite, our Gulf-front views are unparalleled, our amenities are endless, and our guest service is second-to-none.

So come discover the beauty and elegance of Silver Beach Towers and Silver Shells Beach Resort & Spa... experience your picture-perfect vacation.

Sincerely,
Michael McDaniel
Michael McDaniel
Rental Manager
Resort Property Management, Inc.



Real Estate Property Management

CONDOMINIUMS



Beachwalking Beauty



Yes, our stretch of the Gulf of Mexico really is emerald green ... which is spectacular against a sunset bursting with every shade of orange. And even as the sun bathes you in the warmth of a grand summer day, the quartz-like sugar white sand is cool and squeaky against your feet.

Priceless art is the creation of your child's own sandcastle, and a bucket full of sand crabs is the best catch of all. Imagine our native dolphin providing an impromptu performance for your enjoyment from your beach chair or balcony, or the methodical lapping of the tide as it breaks along the shore.



... ..

Silver Shells

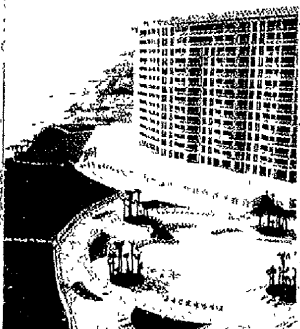
THE EMERALD COAST'S MOST EXCLUSIVE RESORT

The Perfect Vacation



Only by the seaside, in the setting of Henderson Beach State Park, Silver Shells Beach, Region 8 Spa sprawls across 100 acres. All 100 are yours to enjoy, complete with complimentary beach service. What are you waiting to find this incredible place? Only one thing will give you the answer... a lifetime of memories.

The 100-acre resort is a premier destination along the Emerald Coast. Boardwalk, bar, grill, 7,000 sq. ft. lagoon pool, and pool for kids. The resort is a premier destination for all your needs.



And when you're ready to relax, keep your feet in the Club at Silver Shells. You'll find The Grill Restaurant, the Spa, a fitness center, heated indoor pool, saunas, locker room, and a European Spa. There's also tennis, billiards, basketball, a video arcade and golf packages.

Along the shore of the Emerald Coast, Silver Shells is just waiting to be discovered.

1000 Silver Shells Blvd., Gulf Bldg., Silver Shells, FL 32561

Silver Beach

THE EMERALD COAST'S MOST EXCLUSIVE RESORT

Paint a picture in your mind of a day at Silver Beach Towers with afternoon cocktails on your beachfront balcony or relaxing in the heated whirlpool. Watch the sailboats glide across the glistening Gulf with grace and beauty. Lounge on your private beach with complimentary beach service, or float your cates away in our Gulf side pool.



Gently nudging the sugar-white shoreline, the new Silver Beach Towers captures the grandeur of the Emerald Coast from its coveted location in the heart of Destin. Rising above the rest in its opulence and grandeur, this is a creation by which all other condominiums will be judged.

As a guest of Silver Beach Towers, you are also entitled to privileges at The Club at Silver Shells, located just a short walk to the east. Dining, shopping, and recreation are all within walking distance - and the beach is even closer.

A Silver Beach next to emerald green waters... can you imagine?



1000 Silver Beach Blvd., Gulf Bldg., Silver Beach, FL 32561

Wait until you see our residences...

Poolside Cabanas



...because This is Living.

Once you enter our designer-furnished lobbies, you will know that our accommodations really do rise above the rest. The attention to detail is not lost on any guest, and the spacious one-to-four bedroom condominiums make it quickly apparent that these are true resorts.

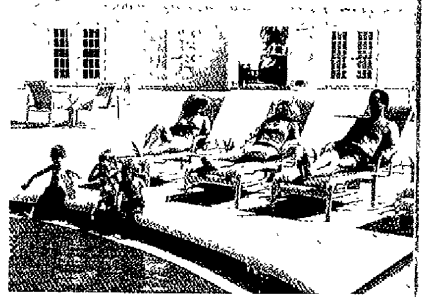
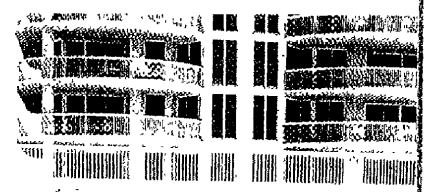


Here, you can spread out in your large, open living and dining area, or enjoy your private balcony, and panoramic Gulf views from almost any room. Guests of both resorts enjoy private, covered parking.

At Silver Shells, we have the getaway within the getaway. Our poolside cabanas allow you to escape from the sun, enjoy a little A/C, TV, nap time, or grab a snack from the refrigerator... all without having to return to your condominium.

This is a creature comfort that you won't find anywhere else on the Emerald Coast, or across most of Florida, for that matter. These poolside cabanas are owned and professionally decorated by our owners, and are available for rent to our guests.

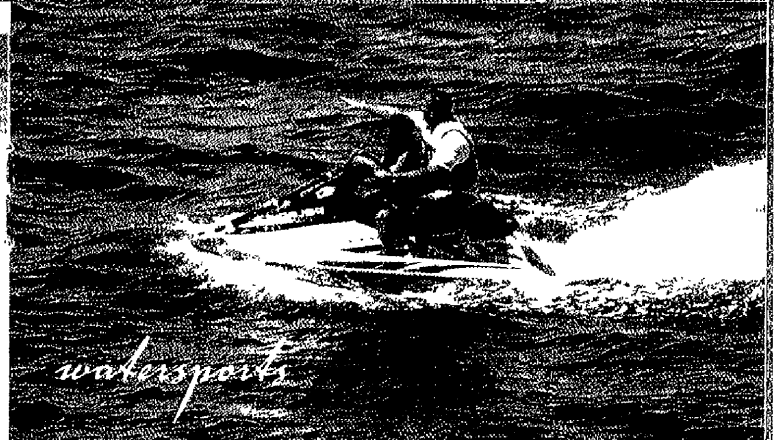
And you thought being able to rent a beach umbrella was special.



www.DestinsBestRentals.com

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Think outside the (sand) box...



watersports

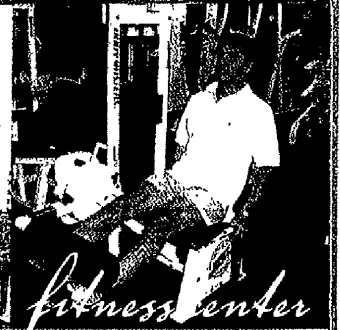
There's no line in the sand here. Because if you are a registered guest of either Silver Beach Town or Silver Shells Beach Resort & Spa, you are entitled to use the amenities at The Club at Silver Shells.

Amenities include:

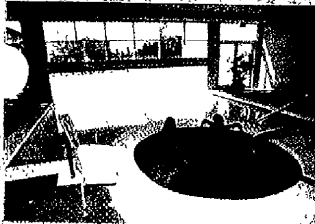
- Fitness Center with indoor/outdoor heated pool
- Locker rooms & saunas
- Basketball courts, tennis, billiards and arcade

Charges include:

- The Grille, casual dining for the whole family
- The Beachfront Sand Bar & Grille
- The Spa, full-service European spa and salon
- The Market, gifts, souvenirs & essentials



fitness center



basketball



billiards



tennis

www.DeskinsBeachRentals.com

1-877-442-3667

Beach Services



THE Grille AT SILVER SHELLS



What Color is on Your Palette?

It is all about taste and presentation . . . because culinary art is all about a meal that looks too good to eat . . . yet one that you know tastes even better than it looks



Sand art is just the beginning, because a gallery of fun, food and frolic await our guests. Relax on your **private beach** with **complimentary beach service**, or have lunch at our beachside

Sand Bar, offering a full selection of beer, wine, frozen drinks, soft drinks, bottled water, burgers, and sandwiches.

If you're here to get wet, the guys with the **watersport rentals** will set you up with parasails, wave runners, kayaks,

or Hobie cats. Or join in with our **family-friendly beach activities**, such as luaus, sandcastle contests, and volleyball tournaments, to name a few. And you can always cool off in our lagoon pool (seasonally heated), complete with waterfall, hot tub, kiddie pool, and luxury cabanas. Just don't forget the sunscreen!

Here, in a casual, fine dining setting, you will find a wonderful selection of fresh salads, Emerald Coast seafood classics, hand-cut steaks, rack of lamb, pastas and house-made desserts. An extensive wine list complements The Grille's cuisine, creating dinner experiences beyond your expectations

Open for both lunch and dinner, The Grille is comfortable, cozy, and kid-friendly. The adjoining, well-appointed club room, is perfect for wedding receptions, holiday parties, and other special occasions

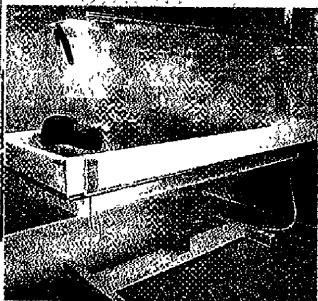
Dinner reservations recommended. Call (850) 337-5108.



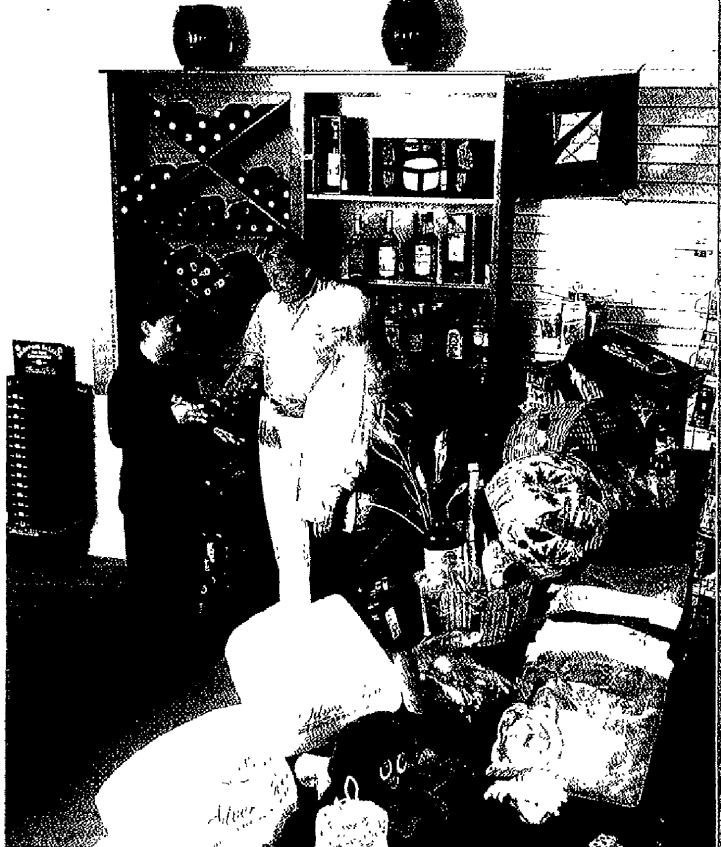
The Spa

Relax and enjoy the ultimate in relaxation at the Spa. Our full-service spa offers a variety of treatments including massages, facials, manicures, pedicures, waxing, and more. Our spa is a perfect place to unwind and enjoy the ultimate in relaxation.

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Isn't it wonderful that you know you can grab those important vacation items after your arrival?

The Market at Silver Shells offers everything from a bottle of wine after a long journey to a few snacks for the kids. And let's see, there's suntan lotion and souvenirs and sunglasses and beach towels and water toys and bottled water and floaty things - okay, you get the picture. And it's right there for you, every day. Another part of how you pictured your dream vacation?



**ST. MAARTEN
2003**

Spring / Late Summer (3/1-3/21) (4/13-5/21) (8/9-8/31)

	Nightly*	Weekly
Lanai	\$203	\$1218
2 bed / 2 bath	\$234	\$1407
2 bed / 3 bath	\$277	\$1659
3 bed / 3 bath	\$347	\$2086
3 bed / 3 bath End Unit	\$360	\$2163
Penthouse	\$452-\$487	\$2709-\$2926

Spring Break (3/22-4/12)

	Nightly†	Weekly
Lanai	\$232	\$1512
2 bed / 2 bath	\$296	\$1925
2 bed / 3 bath	\$331	\$2149
3 bed / 3 bath	\$396	\$2576
3 bed / 3 bath End Unit	\$423	\$2751
Penthouse	\$516-\$573	\$3360-\$3724

Summer (5/22-6/27) (8/2-8/8)

	Nightly‡	Weekly
Lanai	\$290	\$1890
2 bed / 2 bath	\$360	\$2345
2 bed / 3 bath	\$415	\$2695
3 bed / 3 bath	\$495	\$3220
3 bed / 3 bath End Unit	\$534	\$3472
Penthouse	\$671-\$725	\$4361-\$4711

Peak Summer (6/28-8/1)

	Nightly§	Weekly
Lanai	\$310	\$2023
2 bed / 2 bath	\$385	\$2506
2 bed / 3 bath	\$450	\$2926
3 bed / 3 bath	\$542	\$3521
3 bed / 3 bath End Unit	\$577	\$3752
Penthouse	\$725-\$776	\$4711-\$4998

Fall (9/1-10/31)

	Nightly¶	Weekly
Lanai	\$174	\$1050
2 bed / 2 bath	\$202	\$1232
2 bed / 3 bath	\$237	\$1428
3 bed / 3 bath	\$297	\$1785
3 bed / 3 bath End Unit	\$309	\$1855
Penthouse	\$388-\$418	\$2331-\$2499

Winter (11/03-2/28/04)

	Nightly‡	Weekly	Monthly
Lanai	\$145	\$728	\$1490
2 bed / 2 bath	\$180	\$903	\$1742
2 bed / 3 bath	\$198	\$994	\$1980
3 bed / 3 bath	\$248	\$1239	\$2190
3 bed / 3 bath End Unit	\$257	\$1288	\$2450
Penthouse	\$323-\$348	\$1617-\$1743	\$3160-\$3750

*All prices subject to change * 3-night minimum rental*

Toll Free 1-877-447-3767

www.DestinsBestRentals.com

Add a Cabana. Just \$395/week!

POLICIES & PROCEDURES

A minimum advance reservation deposit of \$500.00 per reservation (maximum of \$1,500.00) is required at time of booking. The advance reservation deposit will be applied toward the processing and rental fees. All major credit cards are accepted. A cash security deposit will be required in the event that a credit card is not available. Cash security deposits are not applied toward rent and are held in reserve. Cash security deposits will be refunded within 30 days of departure provided there are no damages to the unit and no outstanding balance for incidental charges.

All units are inventoried and inspected before and after each occupancy. Guests agree to be personally liable for any and all damages to the unit. Guests authorize the use of credit cards presented and/or cash deposits for damages. Damages include but are not limited to the following:

- Damage done to the unit or its contents including the linens
- Missing items upon the departure inventory check. (This includes transferring items to other units.)
- Debris, garbage and discards are not placed in proper containers
- Soiled dishes not placed in the dishwasher
- Exceeding the maximum occupancy of the unit.
- Smoking or evidence of smoking in the unit. (All units are non-smoking)
- Unit left in an excessively untidy condition
- Stains to carpets, upholstery, countertops, or soft goods within the unit

We respectfully request that you remember you are staying in someone's home during your visit; please treat it with care.

Any damage noticed upon arrival should be reported to the front desk immediately. If damage is not reported, your credit card or cash deposit may be charged for the cost of the repair. All general maintenance should also be reported so the unit can be kept in good repair.

RESERVATION PROCESSING FEE - All reservations will be charged a one-time, non-refundable fee of \$50.00 at the time of booking.

IF YOU MUST CANCEL - Reservations canceled 30 to 60 days prior to arrival will forfeit 50% of the advance reservation deposit. Cancellations made within 30 days of arrival will forfeit the full reservation or security deposit.

IF YOU MUST CHANGE YOUR RESERVATION - Changes made more than 30 days prior to arrival will not be penalized. Any changes made within 30 days of arrival that result in a shortened stay, change of dates, or change of location may result in loss of the reservation or security deposit. If not made within the appropriate time frame, cancellations or early departures for any reason (including weather) will not warrant any refund of rent or reservation deposit.

MINIMUM STAY - Rental rates are based on a 3-night minimum stay. Longer minimum stays may be required during the summer season or holiday periods. If a rental is taken for less than three (3) nights, other fees will be applied.

MONTHLY RESERVATIONS OR CANCELLATIONS - 3 month rentals or longer will be given priority during the winter season. An advance reservation deposit is due within 14 days of booking the reservation, and a minimum \$250 damage deposit (maximum \$500) is due upon arrival. Complimentary beach chairs and other packages are not included in monthly reservations. Monthly rentals must cancel 120 days prior to arrival to be eligible for a refund of the reservation deposit, less the reservation processing fee. Any change that results in a shortened stay must be made at least 90 days prior to arrival. Failure to comply with either of the aforementioned rules may result in the loss of the reservation deposit.

PAYMENT - Full payment is due prior to or at check-in. Holiday reservations may require pre-payment. Rental rates are subject to Florida state and local taxes. Refunds will not be given for late arrivals or early departures.

INCLUSIVE FEES - Rates include a one-time linen setup and cleaning service at the time of departure. DAILY MAID SERVICE IS NOT PROVIDED. A variety of housekeeping services may be purchased at additional cost. Guests will need to provide their own paper items and cleaning supplies. An initial set up of

continued on back

RAISE YOUR COMFORT LEVEL. SM



SILVER SHELLS

15000 Emerald Coast Parkway & Restaurant Row • Destin



An exclusive gulf-front beach resort bordering Henderson State Park to the east. Three high-rise buildings offering 2 & 3 bedroom units plus 3 & 4 bedroom penthouses. Unit features include a jacuzzi tub and washer/dryer.

Many units have views of the Gulf of Mexico.

Special property amenities include a day spa, state-of-the-art fitness center, game room, poolside cabanas, an indoor/outdoor pool plus a 7,500 sq. ft. lagoon pool. Fabulous restaurant on-site, the Grille at Silver Shells.

1-800-336-4853 • www.abbott-resorts.com

Abbott
RESORTS

VACATION RENTALS
RESORTQUEST
RELAX

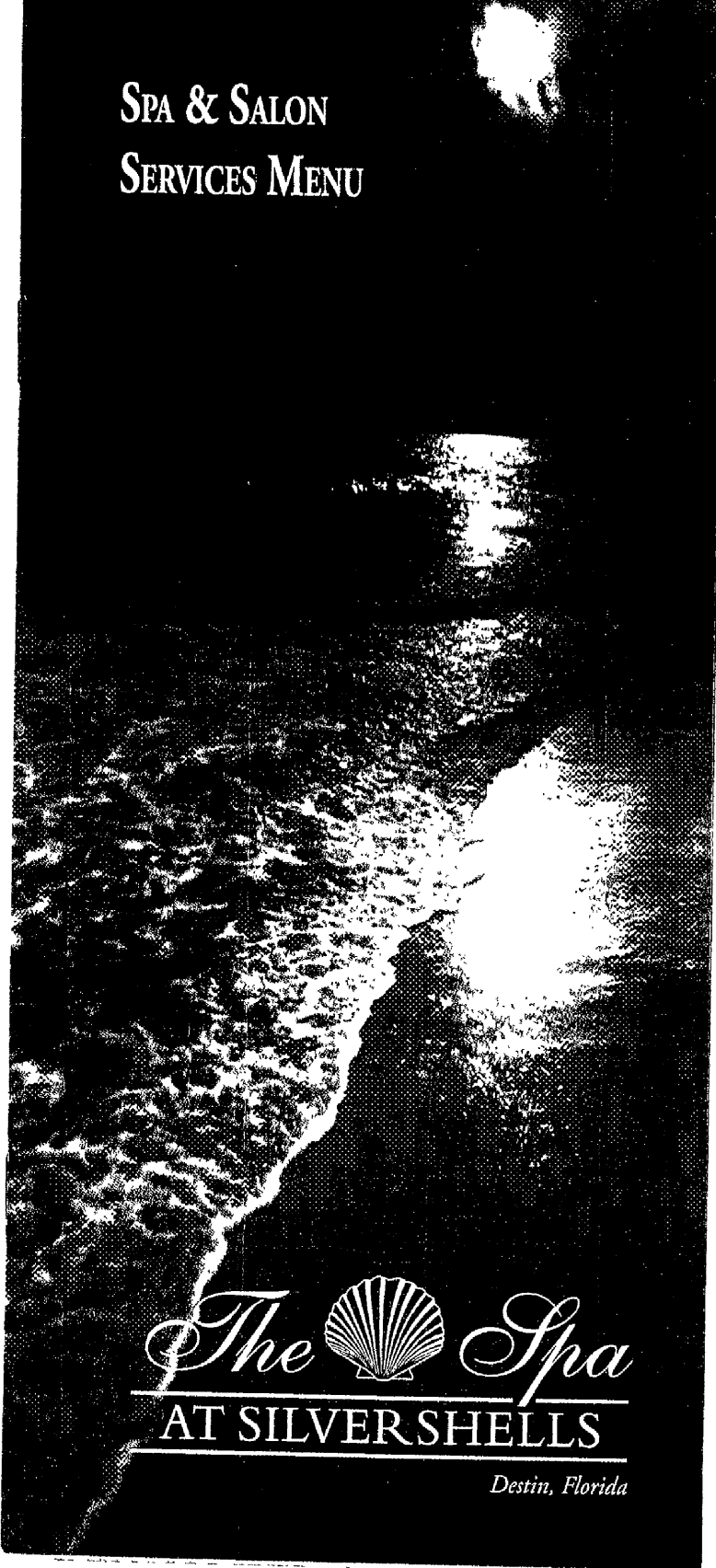
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SILVER SHELLS · 2003-2004 RATES

UNIT	SPRING-SPRING BREAK		SUMMER-PEAK SUMMER		FALL-WINTER	
	Daily	Weekly	Daily	Weekly	Daily	Weekly
2B	238-358	1449-2333	339-492	2212-3211	170-268	889-1632
3B-3BP	301-558	1827-3634	429-767	2800-4997	215-418	1113-2533
4BP	498-626	3010-4081	711-861	4634-5613	356-470	1820-2841

Daily rates based on a 3-night minimum stay and are subject to change without notice. A higher rate applies for shorter stays. Please inquire about seasonal monthly rates.

SPA & SALON
SERVICES MENU



The  *Spa*
AT SILVER SHELLS

Destin, Florida



Welcome To Our European-Style Luxury Spa

We invite you into a haven of luxurious relaxation and pampering. We offer you an array of disciplines including Massage Therapy, Hydrotherapy, Seaweed and Mud Body Wraps, Aroma Therapy, as well as the personal beauty services of skin care, hair care, and nail care.

Our services, appropriately designed for both men and women, are performed in the comfort of private treatment rooms utilizing state of the art equipment. Our products, (all marine and/or plant based), are of the finest quality and purity. Our professionally trained and licensed staff is skilled in the latest spa and salon services and looks forward to making your spa/salon experience memorable.



Men's and women's private dressing rooms, saunas and steam rooms are also available as well as an indoor/ outdoor swimming pool, whirlpool, and co-ed fitness center. Towels, robes, spa sandals, and toiletries are provided as well as refreshments for your enjoyment.

Open seven days a week (seasonally), our goal is to offer you the best in spa services, all in an elegant and peaceful setting. We cordially invite you to come and experience the relaxation, rejuvenation, and pampering of The Spa At Silver Shells.



www.thespaatsilvershells.com

SKIN CARE

Classic Deep Cleansing Facial (50 min.)

Help maintain a healthy complexion with this complete facial, which includes deep cleansing, steam, extraction if indicated, shoulder, neck and facial massage, individualized ampoule treatment, and a soothing masque Darphin \$75.



Men's Skin Fitness Facial (50 min.)

Designed to meet a man's special needs, this facial combines classic deep cleansing and massage with a nourishing treatment that is designed to help relieve razor burn and skin irritation. \$70

European Express Facial (25 min.)

When you need to revitalize your complexion but time is a factor, this facial is the perfect solution. Includes cleansing, steaming, treatment ampoule and a soothing masque. \$40

Skin Exfoliating/Whitening Treatments (30 min.)

Minimize the appearance of fine lines and hyperpigmented skin. Tone and smooth the complexion, balance blemish-prone skin and promote a healthy youthful glow. Customized to skin type. \$75

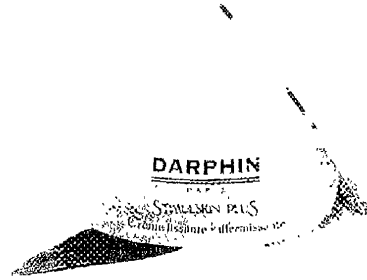
Oxygen Institute Treatment (50 min.)

Oxygen is a necessity of life. Oxygen absorption permits cells to dissolve toxins and therefore prepares the cells to begin a healthy metabolism. This intensive treatment stimulates a very high extent of cellular breathing, resulting in beautiful, radiant skin. \$80

Haute Couture Facial (80 min.)

The ultimate facial for total well being and harmony. The most intense relaxation incorporating 3 different massage techniques. 1. Energetic acupressure - to energize and relax the tension of the muscles. 2. Deep massage - to firm and lift the facial tissue. 3. Phytodrainage - to eliminate toxins and impurities in

A 15% Gratuity added to all in salon services



the lymphatic system. The synergy of the essence of plants combined with the various techniques create a luminous and sublime complexion. \$145

Flash Beaute - Vitamin C Facial (50 min.)

Illuminize your complexion with our aromatic, anti-stress facial. This relaxing treatment creates the sensation of being on a tropical oasis with its mandarin and lemon essences. The skin receives the benefits of vitamins and essential oils with a soothing massage. \$80

Anti-Aging Facial (50 min.)

For prevention and treatment of dull, sagging, aging skin. The most intensive firming and toning facial available. \$95

Biodiastase Treatment (80 min.)

Blackheads, whiteheads and a shiny skin surface are characteristic for problem skin. This facial was designed to treat these problems while balancing sebum production with moisture retention. The treatment involves powerful plant extracts and aromatic essences that are anti-bacterial and additionally calm and heal the skin. \$125

Mini Eye Contour Institute Treatment (20 min.)

A professional answer to successful eye care by a fully developed eye program designed to eliminate puffiness, relieve congestion, minimize fine lines and decrease dark circles. \$30 (\$15 with any facial)



www.thespaatsilvershells.com

CLINICAL SKIN CARE

Micro-dermabrasion

The lunch time face peel.

Certified use of deep exfoliating equipment to reduce the signs of aging, acne scars, melasma, age spots and crows feet as well as improve the overall texture and tone of the skin. Immediate results with virtually no recovery.

Treatment series are recommended for optimal benefit. \$135



Lam[®] Probe

Certified use of high-frequency, non-invasive probe for the removal of minor skin irregularities: couperose skin (broken capillaries), cholesterol deposits, milia, spider naevi, fibroma simplex, skin tags, and hyper-pigmentation (brown spots). Consult your professional for treatment and pricing. \$45 and up.

Lymphology

Certified use of lymphatic drainage equipment to remove toxins and waste from the glandular system and increases oxygen levels at the surface of the skin. Indicated for the lessening of under-eye dark circles, controls acne, improves hydration retention, balances oily or dry skin and improves overall skin tone. Also effective in removal of sub-cutaneous waste in the thigh area for cellulite reduction. \$45 and up.

MASSAGE THERAPY

25, 80 & 110 minute appointments available for all massages

Aroma Therapy Massage (50 min.)

Blended essential oils will be applied on specific areas for detoxification and stress relief. This unique massage will help to soothe the body, mind and spirit. \$75

Swedish Massage (50 min.)

The classic, relaxing massage. Great for increasing circulation and soothing tired muscles. \$70

A 15% Gratuity added to a la carte services

Sports Massage (50 min.)

A deeper, stronger, more invigorating massage, using deep tissue techniques to relieve the soreness from muscles and joints. Great for athletes or anyone who has fatigued or tight muscles. \$80

Revitalizing Leg Masque/Massage (+5 min.)

Heavenly for tired aching feet and legs! Reflexology is combined with a soothing leg masque to reduce swelling and congestion of the legs and feet. The masque strengthens and tones congested areas, improves circulation and restores comfort to your stride. \$65



“La Stone Massage” (80 min.)/Hot Stone Massage (50 min.)

La Stone/Hot Stone Massage is a Swedish massage which incorporates the use of smooth, heated basalt stones. The warm stones are integrated into the massage as well as placed on key tension areas of the body. The combination of the heat with the pressure of the strokes allows the muscles to warm and let go. This treatment is great for areas of chronic muscle tension. \$110-La Stone \$80 Hot Stone

Ultimate Massage (25 min. & 50 min.)

(2) Therapists + (1) Client = Ultimate relaxation and stress relief. Enjoy the sensation and comfort of (4) hands working in a mirror image to provide simultaneous relaxation to all massage areas. Ideal for those who want a full massage in 1/2 the time or twice the benefits in a 50 min. session. (25 min. \$70) or 50 min. \$140

Doubles Massage (50 min.)

Perfect for couples or friends who want to relax and enjoy each others company even if busy schedules permit only an hour. Therapists are silent and wear stereo headsets to allow you private conversation with your companion or simply relax together in peaceful silence. \$140



www.thspaarsilvershells.com

BODY TREATMENTS

Vichy Versus Shower?

All body treatments which require removal of the product may be performed in our "Vichy" Treatment Room or a standard shower room. The "Vichy" is a wet table with a horizontal razor bar which rinses away the product and provides an exhilarating hydro-massage. Technician assistance is required. If you prefer more privacy, you will be asked to utilize the standard shower treatment room & remove the product yourself then return to the treatment table for continuation of your service. Spa briefs, panties and bras are offered for your comfort.

Deluxe French Body Polish (50 min.)

This invigorating exfoliation treatment gently polished away dry, dull skin to allow new, healthy skin to emerge. A hydrating body lotion rich in nutrients and essential oils is then applied to the skin leaving it soft, supple and tingling with renewed life \$65.

Remineralizing Mud Treatment (80 min.)

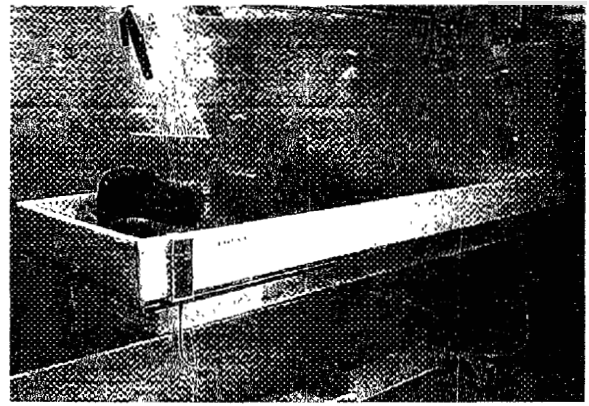
An intense restorative treatment using Laminara Digita seaweed to detoxify the entire body, followed by the application of warm mineral mud rich in trace elements to replenish the body's own natural elements. The treatment concludes by applying selected essential oils into the skin bringing balance to your body and a sense of well being to your spirit. \$95



"Silver Shells" Signature Treatment (70 min.)

This is the ultimate deep beauty treatment for the body. This treatment offers the triple benefits of exfoliation, hydration, and nourishment. After a thorough exfoliation of the skin with a gentle body polish we envelop your body with a luxurious oil produced by the African Kartie Tree nut, in its pure form. The butter is melted, and applied all over the

A 15% Gratuity added to a la carte services



body. For the next 30 minutes the product is penetrated into the skin by hands on technique. The finishing touch is a refreshing spray of vitality water including soothing essential oils to seal in moisture and skin nutrients. \$95

Detoxifying Seaweed Masque (50 min.)

This treatment cleanses and hydrates the body with a blend of marine salts, essential oils and a unique algae based detoxifying masque. It is recommended to maintain optimum health and restore balance in the system. In addition, it is an excellent precursor to other body treatments or done in a series to maximize results. \$85

Contouring Body Masque (50 min.)

This seaweed treatment is rich in Laminaria, a very special algae known for its intensive contouring benefits and detoxifying properties. It is combined with essential oils which help deter water retention and leave you feeling slimmer and invigorated. \$80

Total Firming Treatment (80 min.)

Rich in Ulva Lactuca and Clorella seaweed with extracts of mint and witch hazel. This body mask improves circulation while promoting a firm, tone and youthful appearance to the skin. A total revitalizing treatment for the body, it is easy to see why this body treatment is a spa favorite \$95

Self Tanning Body Treatment (50 min.)

Now you can obtain a tan without the sun. We begin with a thorough body exfoliation and then careful and skilled application of Self-Tanning Cream. Within hours your skin will be evenly tanned with a truly "healthful" glow. \$80



www.thespaatilvershells.com

Reflexology (50 min)

Based on the oriental theory that different zones of the feet and hands correspond to individual organs and specific systems of the body. The treatment uses thumb/forefinger technique to break up crystalized deposits in the feet and hands which interfere with circulation and cause congestion. \$75 25 minutes (feet only) \$45

FITNESS/LIFESTYLE

Personal Fitness Training (55 min.)

A (CPT), Certified Personal Trainer, will consult with you to design a fitness program that meets your individual needs and train you to achieve optimum technique, form and safety. \$50 (weekly and monthly rates available)

Body (Fat) composition Analysis (25 min.)

The "Futrex" Body composition analyzer will provide accurate breakdown of your bodies lean muscle mass, body fat percentage, and body fluid percentage. Height, weight, bone structure and activity are variables entered into the computer. A Near-Infrared light beam is used to determine the bodies composition. A multi-page print out of the analysis as well as lifestyle change recommendations are provided for your better health. \$25

Lifestyle/Nutritional Analysis (25 min.)

Today's hurried lifestyles leave little room for proper nutrition. This additional stress may require changes in your daily eating and lifestyle habits in order to combat illness and fatigue. Completion of a lifestyle questionnaire will help the CPT, (Certified Personal Trainer) analyze and diagnose any deficiencies in your nutrition and areas where lifestyle adjustments and nutritional supplements may help you look and feel your best. \$25

Electro Therapeutic Point Stimulation (25 min.)

A licensed massage therapist certified in the use of ETPS will use the device which sends minute electrical impulses through the muscle to detect and safely stimulate specific neural points within the muscle. Stimulation of these neural points have been shown to trigger the release of natural pain relievers, improve circulation, and relax contracted muscles. \$45 (\$35 with sports massage)

A 15% Gratuity added to a la carte services

SALON SERVICES

Design and Color Services

Prices are dependent on the length and amount of hair.

Haircut & Style	from \$42
Haircut	from \$27
Shampoo & Style	from \$27
Men's Haircut & Style	From \$13 to \$21
Texturizing Perm	from \$65
Single Process Color	from \$65
Highlighting	from \$70
Eyelash/Eyebrow tinting	\$20

Nails

Good Grooming Manicure (men)	\$16
Traditional Manicure	\$21
Spa manicure	\$37*
French Manicure	\$27
Polish Change	\$10
Nail Repair	\$6
Traditional Pedicure	\$58
Spa Pedicure	\$69**

Waxing

Full Leg	\$58
Half Leg	\$37
Bikini	\$21 & up
Lip, Brow	\$11 ea
Underarm	\$16
Back	\$53 & up

***Spa Manicure**- An anti-aging treatment for dry, de-hydrated skin. A gentle exfoliating cream will eliminate dull cells, followed by a seaweed mask to tone and improve the skins elasticity. A light hand massage is performed with a Alpha Hydroxy acid and UV protective cream, leaving hands smooth and satiny. Includes traditional manicure with polish.

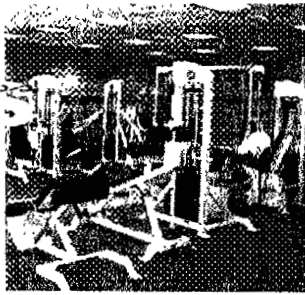
****Spa Pedicure**-Relax in our luxurious Pedicure chair, while the foot spa soaks your tootsies in a purifying, softening bath. A Sea scrub eliminates dry, callused, rough and cracked skin. A Marine Mask is applied and then wrapped to improve circulation and stimulate the feet. Then a gentle foot and lower leg massage is performed. Includes a pedicure with polish.



www.thespaatstershell.com

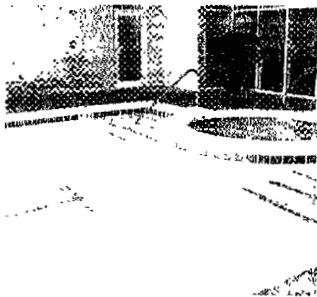
WE INVITE YOU TO USE
 THE FITNESS CENTER,
 WHIRLPOOL, SWIMMING POOL,
 OR SAUNAS
 BEFORE OR AFTER YOUR SPA SERVICES.

Fitness



Saunas

Pool



Whirlpool

GENERAL INFORMATION

Appointments

Being on time for your appointment is greatly appreciated so that you may receive your full service and others are not inconvenienced. Arriving a minimum of 15 minutes prior to your appointment allows you time to check in, receive your robe, sandals, and locker and prepare for your service.

Reservations

We suggest making all Spa & Salon reservations at least 72 hours in advance. During High Season a credit card is required to reserve appointments.

Cancellation Policy

Because your Spa & Salon services are reserved for you, we ask that you notify us at least 4 hours in advance if you need to cancel or re-schedule. Spa Packages require 24-hour notice. If you fail to cancel, your credit card will be charged for appointment.

Gift Certificates

A Spa Gift Certificate is ideal for any special occasion or as a thank you gift. Phone and mail orders available also.

Gratuity

A 15% gratuity will be automatically added to all a la cart spa and salon services. Package prices are inclusive.

Hours of Operation

(June-August) 9am-7pm Mon.-Sat.
 (Spring Break) 9am-7pm Mon.-Sat.
 (September-May) 9am-5pm Mon.-Sat.
 (Seasonal) 12pm-5pm Sunday
 Spa (850) 337-5107
 Resort Toll Free 877-44-RESORT

(417-3767)

www.thespaatsilvershells.com

Massage Establishment License # MM9858



Lunch at The Grille

Soups

Creamy Shrimp & Corn Bisque - \$3.95
Soup du Jour - \$3.95

Salads

The Grille Salad

Grilled chicken breast, mixed greens, mango, tomato, grapes, avocado & cashews laced with a spicy mango vinaigrette - \$8.95

St. Thomas Steak Salad

An island spiced grilled ribeye steak atop mixed greens with mango, tomato, feta cheese & fries in a light apple cider vinaigrette - \$8.95

The Cobb Salad

An American classic. Crisp iceberg lettuce topped with diced chicken, ham, avocado, bacon, egg, tomato, black olives & blue cheese with your choice of dressing - \$8.95

Grilled Chicken Caesar Salad

Crisp romaine lettuce tossed in our own Caesar dressing with croutons, Parmesan cheese & cherry tomatoes, topped with a grilled chicken breast - \$7.95

Spinach, Shrimp & Fruit Salad

Fresh baby spinach tossed in a lite raspberry vinaigrette with jumbo shrimp, apples, oranges, strawberries, spiced pecans & feta cheese - \$8.95

Sandwiches & Things

(All sandwiches served with French fries or fresh fruit)

Grilled Hamburger

Grilled hamburger with, lettuce, tomato, onion & pickle, served with or without cheddar - \$6.95

Grouper Sandwich

Filet of grouper grilled, blackened or fried with lettuce, tomato & pickle - \$8.95

Island Jerk Chicken Breast Sandwich

Authentic Jerk marinated chicken breast with lettuce, tomato & pickle - \$7.95

Spicy Shrimp Pasta

Tender, spiced Gulf shrimp simmered in a white wine sauce with asparagus, tomato, basil & peppers, served over capellini pasta - \$9.95

Wrap of the Day

A soft, griddled tortilla with filling du jour - \$7.95

Spaghetti & Meatballs

The Best in Destin! Served with garlic bread - \$7.95

Lunch served
Monday thru Friday
11:30 am - 2:00 pm

Dinner served nightly
5:00 pm - 9:00 pm



Children's Menu Available

For reservations, please call
(850)337-5108

For banquet or
private party information,
please call
(850)337-5173

Prices and menu subject to change



THE
Grille
AT
SILVER SHELLS

15000 Emerald Coast Parkway
Destin, Florida 32541
(850)337-5108



Starters

Brandied Lobster Bisque

A "House Favorite"!
Velvety lobster bisque classically prepared
& laced with brandy & cream - \$6.95

Choctawhatchee Bay Crab Cakes

Jumbo lump crab cakes
lightly spiced & fried with a
whole grain mustard butter sauce - \$8.95

Portobello Mushroom Napoleon

A grilled Portobello mushroom,
smothered in Applewood smoked bacon
vinaigrette, served atop wilted spinach
with sun-dried tomatoes, pine nuts
& Parmesan cheese - \$8.95

Salads

Florida Salad

Hydroponic Bibb lettuce topped
with bleu cheese, spiced pecans,
oranges & avocados, drizzled with
mango vinaigrette - \$6.95

Tri-Color Salad

A trio of greens tossed in extra virgin
olive oil & cider vinegar with mango,
tomato & feta cheese - \$5.95

Classic Caesar Salad

Crisp romaine lettuce tossed in our own
Caesar dressing with croutons
& Parmesan cheese - \$4.95



Silver Shells Signature Entrées

Grouper Silver Shells

Sautéed fillet of grouper topped with
jumbo lump crab meat & almonds, laced in
a white butter sauce with petite green beans
& steamed basmati rice - \$26.95

Filet of Beef Bordelaise

Grilled filet of mignon nestled in
wilted spinach with a red wine sauce
& andouille mashed potatoes - \$28.00

Fresh Catch of the Day

Your choice of grilled, fried,
sautéed or blackened catch of the day
served with petite green beans
& basmati rice - \$19.95



2 for 1 Entrées

Lemon Chicken

Sautéed breast of chicken
with lemon & capers, served with
basmati rice & asparagus - \$26.95

Sirloin Madagascar

Grilled sirloin of beef with
a green peppercorn sauce,
andouille mashed potatoes &
petite green beans - \$28.00

Almond Crusted Mahi Mahi

Almond encrusted sautéed fillet
with an orange basil butter sauce,
mashed sweet potatoes &
petite green beans - \$26.95

Shrimp and Scallop Fra Diavolo

Shrimp & scallops simmered
in a spicy tomato broth
over capellini pasta - \$30.00

Grouper St. Thomas

Fillet of grouper with a brandied
lobster sauce, basmati rice
& petite green beans - \$26.95

Pork Tenderloin Modina

Chipotle grilled pork tenderloin
drizzled with balsamic honey,
mango chutney, asparagus
& andouille mashed potatoes - \$26.95

Chef de Cuisine - Chris Chirum


Silver Shells
 BEACH RESORT



Resort Property Management
 15000 Emerald Coast Pkwy
 Destin, FL 32541
 Tel: (850) 650-9998
 Fax: (850) 650-9990
 www.silvershells.com

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FREE LOCAL CALLS	Direct Dial
LONG DISTANCE	1 + Area Code + Number .20 per minute. No other fees apply
INTERNATIONAL	011 + Country Code + City Code + Number
CREDIT CARD/ COLLECT	0 + Area Code + Number
ROOM TO ROOM	Dial Room Phone Number

PHONE NUMBER

MESSAGE
WAITING

REDIAL

RETRIEVE MESSAGE

				HANDSET VOLUME
FRONT DESK	WAKE-UP	WATER ACTIVITIES	HOUSE- KEEPING	SALLS
				
				
SPA	BEACH SERVICE	DINING	SUNDRIES	EMERGENCY
DIAMOND + T0A				

**ST MARTIN
ELECTRIC BILLING COMPARISON
RESIDENTIAL RATE COMPARED TO GSD - 1
ESTIMATED ANNUAL SAVINGS**

CURRENT BILLING - RESIDENTIAL

VS

GENERAL SERVICE DEMAND

CUSTOMER CHARGE \$12,240.00
(102 x \$10.00)

CUSTOMER CHARGE \$980.04
(2 meters)

ENERGY CHARGE

ENERGY CHARGE

Total KWH X \$0.041910
1,658,520 KWH X \$0.041910 \$69,508.57

Total
1,658,520 KWH X 0.01627 \$26,984.12

FUEL CHARGE

FUEL CHARGE

Total KWH X \$0.02359
1,658,520 KWH X \$0.02359 \$39,124.49

Total
1,658,520 KWH X 0.02359 \$39,124.73

DEMAND CHARGE

DEMAND CHARGE

NA

Total
3600 KW X \$5.42 \$19,512.00

TOTAL ELECTRIC COST **\$120,873.06**

TOTAL ELECTRIC COST **\$86,600.89**

Gross Receipts Tax \$3,101.60
Franchise Fee \$5,076.67
State Sales Tax NA

Gross Receipts Tax \$2,222.18
Franchise Fee \$3,637.24
State Sales Tax \$5,196.05

TOTAL COST ON TOU RATE **\$129,052.93**

TOTAL COST ON GSD-1 RATE **\$97,656.36**

SAVINGS THIS PERIOD ON TOU RATE

\$31,396.57

SUNDESTIN RESORT
1040 E HWY 98
DESTIN, FL 32540

June 12, 2003

Marc Mazo
Power Check Consultants
14252 Puffin Court
Clearwater, Fl 33762

Dear Marc:

As you are aware, it took a little longer than we anticipated accomplishing the conversion to master metering; however, it appears to be a positive step for the resort that will lead to reduced energy consumption and lower electricity bills.

Based on the conversion, the homeowners' association now includes the cost of electricity for the units as a common expense within its annual budget. When individually metered, the cost of electricity for each unit was part of the association common expenses. As manager of the resort, I am responsible for operating within the budget guidelines adopted by the board of directors. Based on the inclusion of the electric within the annual budget I have become more attuned to watching this expense. Now that we receive one master electric bill for the units, it has heightened my awareness of this expense and helped generate more interest by me and our staff in insuring that steps are taken to reduce energy consumption where ever and when ever possible.

Housekeeping staff regularly helps our energy conservation efforts by closing curtains on the sun side of the resort after cleaning a unit, and by setting AC thermostats back to higher levels after guests have lowered them below what is necessary to cool the unit. Maintenance and engineering staff are now more motivated to accomplish preventive maintenance, and to quickly correct any problems identified by housekeeping that might create unnecessary use of electricity.

It is my opinion that for resorts that operate in a manner similar to hotels, regardless of whether they have some permanent occupants, or not, master metering will help conserve energy and reduce the costs of electricity.

Yours very truly,

Lino Maldonado

Lino Maldonado
General Manager

*Resort Condominium Rentals
on the Gulf of Mexico*

Holiday Villas II

June 12, 2003

Marc Mazo
Power Check Consultants
14252 Puffin Court
Clearwater, FL 33762

Dear Marc:

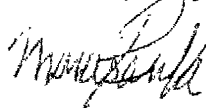
I have no problem letting the Florida Public Service Commission know that we believe their decision to allow Holiday Villas II to master meter the resort was a positive step for energy conservation.

Holiday Villas II is extremely pleased with our master metering system. As a result of receiving one electric bill each month for all units, it is much easier to track usage. This helps identify problem areas and make corrections much faster than if we had to wait for our investor/owners who do not live in the units to receive their bill, analyze it, and then let us know if there appears to be a problem.

In addition, because of the master metering the electric expense for the units is included in our annual Association budget. As manager, I am responsible for operating the resort within budgetary guidelines approved each year by our Board of Directors. By including the expense within the budget, it serves to heighten my awareness and provide incentive to reduce energy costs where ever possible.

By receiving one master bill for all the units, it is my opinion that we watch the costs closer and are more inclined to take steps to conserve energy and reduce the costs. It is much easier to motivate our staff to make efforts towards energy conservation, i.e. improved maintenance, more awareness by housekeeping in thermostat control, or any other methods we learn for lowering our electric costs.

Yours very truly,



Marcus Paula
Manager

Subj. **St. Maarten at Silver Shells**
Date. 10/3/2003 8:01:49 PM Eastern Standard Time
From: dfink@abbott-resorts.com
To: powck@aol.com
Sent from the Internet (Details)

Marc Mazor

This is to officially inform you that the St. Maarten at Silver Shells Condominium Association, Inc., Board of Directors approved and hereby requests for you or your firm to represent St. Maarten to the Florida Public Service Commission. This was approved by the Board of Directors at their meeting held on September 18, 2003.

Dareil Fink,
Community Association Manager
Abbott Resorts, A ResortQuest Company
(850) 269-1762 - phone
(850) 654-9124 - fax