

GULF PLACE CARIBBEAN OWNER ASSOCIATION, INC. FREQUENTLY ASKED QUESTIONS AND ANSWERS

JANUARY 1, 2006

- Q:** What are my voting rights in the condominium association?
A: In any meeting of members, the owners of units shall be entitled to one vote for each unit owned.
- Q:** What restrictions exist on my right to use my unit?
A: Restrictions on the use of units appear in the Declaration of Condominium of the association.
*Copies of these documents are available on request.
- Q:** What restrictions exist on the leasing of my units?
A: None. Restrictions which apply to owners also apply to tenants. Such restrictions appear in the Declaration of Condominium of the Association.
- Q:** How much are my association dues to the condominium association for my unit type, and when are they due?
A: 2006 Association Dues are \$388 per month, \$1164 per quarter, and are payable quarterly. There is a \$100 transfer fee at closing of each unit.
- Q:** Do I have to be a member in any other association?
A: No. * See notes
- Q:** Am I required to pay rent or land use fees for recreational or other commonly used facilities?
A: No.
- Q:** 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?
A: No.

Notes

Gulf Place Caribbean Owners Association has an easement agreement by which it contributes to commonly used facilities owned by the Gulf Place Community Association. The condominium association budget includes line items for shared infrastructure and maintenance, the courtesy patrol service, and arts & events contributions.

The statements contained herein are only summary in nature. A prospective purchaser should refer to all references, exhibits thereto, the sales contract, and the condominium Documents.

Please refer to covenants regarding tile installation in your condo.

**GULF PLACE CARIBBEAN
2006 BUDGET**

INCOME	PER MONTH	PER YEAR
Assessment Income	22,892.00	274,704.00
Interest	10.00	120.00
Late Fee	40.00	480.00
Transfer Fee Income	33.33	400.00
Misc.Inc	416.67	5,000.00
Vending Income	0.00	0.00
TOTAL INCOME	23,392.00	280,704.00
 OPERATING EXPENSE		
Accounting	300.00	3,600.00
Condo Fees	19.67	236.00
Engineering & Legal Services	50.00	600.00
License & Taxes	30.17	362.00
Management Fees	1,180.00	14,160.00
Office	47.00	564.00
Postage	50.00	600.00
Transfer Fee Expense	16.67	200.00
Total Administrative	1,693.50	20,322.00
 Insurance		
Interest	83.33	1,000.00
D&O	72.67	872.00
Fidelity	47.67	572.00
Flood	291.25	3,495.00
Liability	403.92	4,847.00
Property	709.17	8,510.00
Umbrella	168.50	2,022.00
Insurance Appraisal	25.00	300.00
Reserve Study	137.50	1,650.00
Windstorm	1,595.25	19,143.00
Total Insurance	3,534.25	42,411.00
 Maintenance		
Building	383.33	4,600.00
Elevator	130.00	1,560.00
Fire Systems	241.25	2,895.00
Grounds - Contract	1,888.17	22,658.00
Grounds (straw & palm pruning)	283.33	3,400.00
Lake & Irrigation System	300.00	3,600.00
Maintenance/Personnel	1,700.00	20,400.00
Pool Furn & Equipment	291.67	3,500.00
Pool & Spa Maint. Contract	1,210.00	14,520.00
Supplies (Janitorial)	150.00	1,800.00
Pool Supplies	333.33	4,000.00
Total Maintenance	6,911.08	82,933.00
 Community Assn. Common Areas		
Comm. Assn. Maintenance	360.00	4,320.00
Community Pool & Tennis	758.00	9,096.00
Courtesy Patrol	556.50	6,678.00
Total Community Assn. Comm	1,674.50	20,094.00

\$388 per unit per month, \$1164 per unit per quarter

Approved 12/8/05

**GULF PLACE CARIBBEAN
2006 BUDGET**

Arts & Entertainment		0.00
Utilities		
Cable	1,168.00	14,016.00
Electricity	950.00	11,400.00
Gas	1,125.00	13,500.00
Pest Control	191.17	2,294.00
Sanitation	625.00	7,500.00
Telephone	65.00	780.00
Water & Sewer	3,399.00	40,788.00
Total Utilities	7,523.17	90,278.00
TOTAL OPERATING EXPENSE:	21,336.50	256,038.00
Reserve Accounts		
Mechanical Equipment	100.00	1,200.00
Elevator	84.42	1,013.00
Paint	1,195.83	14,350.00
Pavements	100.00	1,200.00
Pool & Spa	180.25	2,163.00
Roof	355.00	4,260.00
Wooden Bridge Replacement	40.00	480.00
Total Reserve Accounts	2,055.50	24,666.00
TOTAL EXPENSE	23,392.00	\$280,704.00
NET INCOME	0	0

\$388 per unit per month, \$1164 per unit per quarter

Approved 12/8/05

Gulf Place Community Association
2006 Budget Overview
 January through December 2006

Accrual Basis

	Jan - Dec 06
Income	
Work Orders	3,900.00
Assesment dues	
B5 Comm	1,452.88
B5 Residential	5,566.20
Parcel 19 & 20	58,875.48
Cabanas	54,411.12
Courtyard Mixed Use	40,600.32
Courtyard Residential	42,540.12
Trustmark Bank	5,287.56
Town Center	34,366.20
Town Center East	41,439.84
7 Town Center Loop	9,180.96
Total Assesment dues	293,720.68
Initial Contribution	
Courtyard	2,500.00
Total Initial Contribution	2,500.00
Other Income	
Card Lock System	11,490.00
Abbott Resorts Contribution	
Courtesy Patrol Contributions	9,900.00
Total Abbott Resorts Contribution	9,900.00
Carribbean Contribution	20,094.00
Gulf Place HOA Contributions	28,769.32
Total Other Income	70,253.32
Total Income	370,374.00
Expense	
Water Retention Management	2,400.00
Insurance	
Windstorm	360.00
D&O	1,440.00
Property & Liability	2,700.00
Total Insurance	4,500.00
Administrative	
Annual Meeting	720.00
Accounting & Professional Svc	2,400.00
Licenses and Taxes	1,000.00
Management Fee	36,000.00
Office Supplies	885.00
Postage	300.00
Total Administrative	41,305.00
Courtesy Patrol Costs	
Personnel	47,525.00
Total Courtesy Patrol Costs	47,525.00
Design Review Board	1,200.00
Enhancement	3,000.00
Holiday & Display	3,600.00
General Maintenance	
Water for maint Employees	180.00
Work order parts	1,200.00
Janitorial Supplies	1,800.00
Cell Phone & Supplies	1,800.00

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	Jan - Dec 06
Building	
Condo& Pool Locks	
Interest Expense, Locks	2,400.00
Condo& Pool Locks - Other	2,100.00
Total Condo& Pool Locks	4,500.00
Total Building	4,500.00
Routine property Maintenance	28,800.00
Palm Tree Maintenance	6,000.00
Property Signs	1,200.00
Street Lights	1,500.00
Tools & Supplies	3,900.00
Uniforms	1,200.00
Vehicle/Cart	4,800.00
Total General Maintenance	56,880.00
Events	
Supplies	1,200.00
Total Events	1,200.00
Amphitheater	
Amphitheater Grounds	12,000.00
Amphitheater Electric	1,200.00
Total Amphitheater	13,200.00
The Bank	
Sidewalks	1,245.00
Grounds Contract	1,500.00
Total The Bank	2,745.00
D Block	2,880.00
Town Park	
Pet Stations	600.00
Grill Area	600.00
Water and Sewer	840.00
Putting Green Maint.	3,000.00
Tennis & Shuffleboard Courts	2,400.00
Electric	3,600.00
Grounds Contract	5,760.00
Grounds Supply	2,400.00
Total Town Park	19,200.00
Park Pool	
Pool House & Trellis	1,200.00
Pool Supplies	2,700.00
Furniture & Equipment	1,700.00
Grounds	950.00
Lights	180.00
Pest Control	400.00
Maintenance Payroll	2,100.00
Maintenance Supplies	300.00
Pool contract	10,480.00
Total Park Pool	20,010.00
Cabanas Pools	
Deck & Trellis	1,200.00
Electric	2,760.00
Gas Heat	10,645.00
Pool Baths	1,680.00
Pool Contract	10,440.00
Supplies	4,500.00
Total Cabanas Pools	31,225.00

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Accrual Basis

	Jan - Dec 06
Cabanas Grounds	
Landscaping/Sidewalks	9,300.00
Maintenance Payroll	5,220.00
Total Cabanas Grounds	14,520.00
Courtyard Maintenance	
Sidewalk	4,800.00
Grounds Contract	
Spires Lane Townhomes	7,920.00
West Henry Court	4,620.00
East Henry Court	9,240.00
Total Grounds Contract	21,780.00
Grounds Supplies	3,600.00
Irrigation	240.00
Street Lights	480.00
Total Courtyard Maintenance	30,900.00
Town Center	
Street lights	300.00
Pots & Flowers	1,500.00
Music system	3,600.00
Irrigation	180.00
Plaza Maintenance	5,400.00
Maintenance 95 L.Hamilton	
Town Center grounds	3,600.00
Maintenance 95 L.Hamilton - Other	7,020.00
Total Maintenance 95 L.Hamilton	10,620.00
Maint 45 & 37 Town Ctr Loop	7,020.00
Maintenance 7 Town Ctr Loop	3,660.00
Landscape Materials	2,400.00
Total Town Center	34,680.00
Street Maintenance	
Town Center Loop	
Street Lights	300.00
Total Town Center Loop	300.00
Laura Hamilton Blvd	
Electric	780.00
Grounds Contract	4,800.00
Irrigation & Pumps	3,600.00
Landscaping Materials	2,000.00
Street Lights	180.00
Total Laura Hamilton Blvd	11,360.00
Spires Lane	
Landscape Contract	4,740.00
Landscape Materials	2,700.00
Spires Electric	1,320.00
Spires Irrigation & Pumps	1,800.00
Street Lights	600.00
Total Spires Lane	11,160.00
Total Street Maintenance	22,820.00
Walking Paths	3,600.00
Walkover Maintenance	1,500.00

Gulf Place Community Association
2006 Budget Overview
January through December 2006

Accrual Basis

	<u>Jan - Dec 06</u>
Reserves	
Tennis Courts	1,375.00
Beach Boardwalks	3,867.00
Spires Lane	900.00
Andrews Drive	705.00
Laura Hamilton Blvd	396.00
Pool at Cabanas	681.00
Park Place Pool	1,160.00
Walls & Fences	1,200.00
Def Maint	1,200.00
Total Reserves	<u>11,484.00</u>
Total Expense	<u>370,374.00</u>
Net Income	<u><u>0.00</u></u>

2006 Reserve Savings Worksheet

Item	Estimated Life	Estimated Remaining Life	Estimated Replacement Cost	Estimated Balance 12/31/2005	Amount Required to Fund	2006 Funding
Spires Lane - Seal Coat	10	3	3,168	2,111	1,057	352.33
Spires Lane - Paving	25	18	12,858	3,182	9,676	537.55
Andrews Drive - Seal Coat	10	5	2,754	1,502	1,252	250.48
Andrews Drive - Paving	25	20	11,825	2,727	9,098	454.90
Laura Hamilton - Seal Coat	10	4	1,440	831	609	152.23
Laura Hamilton - Paving	25	19	5,844	1,296	4,548	239.38
Boardwalk (east)	15	15	14,000	0	14,000	933.33
Boardwalk (middle)	15	15	16,000	0	16,000	1,066.67
Boardwalk (middle)	15	15	14,000	0	14,000	933.33
Boardwalk (west)	15	15	14,000	0	14,000	933.33
Cabanas Pool & Spa	6	5	5,000	1,595	3,405	681.00
Park Place Pool replaster	6	2	8,100	5,783	2,317	1,158.50
Deferred Maintenance				519		1,200.00
Tennis Court Surface				3,250	2,750	1,375.00
Walls & Fences	6	2	6,000	2,500		1,200.00
Totals			114,990	25,296		11,468.04

NOTES

The Useful life and Replacement Cost for Spires Lane and beach boardwalks are based on a GAB 1998 survey. Estimated Replacement costs increased 10% in 2004 and 2005 to adjust for inflation of building materials and labor. Boardwalk balance in account is zero due to Hurricane Ivan repairs. Pool replaster cost is based on current estimates. Cabanas pool was resurfaced in 2004. Deferred Maintenance was added in fiscal year 2001 to fund equipment repairs, pool trellis repairs, etc. Walls and Fences was added in 2004 for the park pool and Cabanas pool walls

Proposed Funding By Budget Category	Total Category	Rounded Amounts
Spires Lane	889.88	900
Andrews Drive	705.38	705
Laura Hamilton Blvd	391.61	396
Beach Boardwalks	3,866.67	3867
Cabanas Pool	681.00	681
Park Pool	1,158.50	1160
Deferred Maintenance	1,200.00	1200
Tennis Courts	1,375.00	1375
Walls & Fences	1,200.00	1200
		11484

**GULF PLACE CARIBBEAN
2006 CONTRIBUTIONS
TO THE GULF PLACE COMMUNITY**

Community Association Expense Item Caribbean's Multiplier from Worksheet	Annual Expense	Caribbean % Residential	Caribbean % Mixed Use
Amphitheater Events & Maintenance Courtesy Patrol	\$8,600		
Beach Walkover Operating Expense	\$49,500		\$1,160
Beach Walkover Reserve Savings Park, Park Pool, & Tennis	\$1,500		\$6,678
Park Pool & Tennis Reserve Savings	\$3,867		\$202
Spires Lane Operating Costs	\$52,358	\$8,676	\$522
Spires Lane Reserve Savings	\$2,535	\$420	\$1,829
Spires Lane Reserve Savings	\$13,560		\$121
Walking Path Maintenance	\$900		\$486
Walking Path Maintenance	\$3,600		
Total Residential Contribution		\$9,096	
Total Mixed Use Contribution			\$10,998
Total Caribbean Contribution to Community	\$20,094		
Cost Per Unit Per Year	340.57		
Cost Per Unit Per Month	28.38		

Note: Increases in the 2005 Park, Pool & Tennis line items are for painting of the park pool walls and a two year reserve program to establish funding for tennis court improvements planned for 2006
 The community budget for walk path maintenance increased from \$2,400 to \$3,600 for 2005 to provide addition of more gravel material to the paths this fall and winter.
 Spires Lane operating costs include cost to prune palm trees once per year

In past years the Caribbean paid \$2 per month per unit, 1,416 per year, for A&E fees for amphitheater events. This cost has been eliminated

FISCAL YEAR 2006 FORMULA FOR PRORATED EXPENSES

Property	# Residential Units	% Residential	Comm. Multiplier	Total Mixed Use	% Mixed Use
Caribbean	59	16.57%		59	13.49%
Homeowners' Assn.	112	31.46%		112	25.61%
Cabanas	43	12.08%		43	9.83%
Courtyard Residential	26	7.30%		26	5.94%
Courtyard Mixed Use	17	4.78%	1.25	38.25	8.75%
Town Center suites	20	5.62%		20	4.57%
Town Center East suites	33	9.27%		33	7.55%
Town Center Commercial			1.25	6.25	1.43%
Town Center E. Commercial			1.25	5	1.14%
Town Ctr Loop B5	6	1.69%	1.25	2.5	0.57%
7 Town Center Loop			1.25	9.5	2.17%
Emerald Coast Bank			1.25	4.375	1.00%
D Block	40	11.24%		40	9.15%
Parcel, 26,000 sf commercial	356	100.00%	1.25	32.5	7.43%
				437.375	100.00%

Note 1: Residential percentage has been applied to the Neighborhood Expenses for the Park Pool and recreation amenities, which are shared by all residential units.

Note 2: Mixed use percentages apply to all administrative, general maintenance, street and landscaping maintenance, maintenance of walk paths, beach boardwalks, and reserves as identified in the annual budget. Commercial units are weighted to compute each commercial unit, or 1,000 square foot of commercial space, as 1.25 units.

Note 3: Participation of Gulf Place Caribbean and Gulf Place HOA are negotiated by joint use agreement. The percentages above are applied to those areas in which joint use has been arranged.

Formulas will be reviewed and adjusted annually as new properties are built.

GULF PLACE HOMEOWNERS ASSOCIATION

COMMUNITY BUDGET WORKSHEET

Community Association Expense	2006 Annual Expense	Mixed Use %	Residential %	2005 Contributions
HOA Multiplier from Worksheet				
Beach Boardwalk Operating Expense	1,500	25.61%	31.46%	\$739.00
Beach Boardwalk Reserve Savings	3,867		472	\$680.00
Amphitheater & Events	8,600		1,217	\$2,437.00
Courtesy Patrol	49,500	2,202		\$9,602.00
Park, Park Pool & Tennis	52,358	12,677		\$13,263.00
Park Pool Reserves Savings	1,160		16,472	\$334.00
Tennis Reserve Savings	1,375		365	\$828.00
			433	
Walking Path Maintenance	3,600	922		\$886.00
Total Mixed Use Shared Expenses		15,801		\$14,344.00
Total Residential Shared Expenses			18,958	\$14,425.00
Total to Gulf Place Community As:	\$34,759			\$28,769.00
Total Per Lot Per Year	\$310			
Total Per Lot Per Month	\$25.86			

Note: In past years the Gulf Place Marketing A&E fee added \$2 per lot per month, or \$2,688. This cost has been eliminated.

Notes

The Homeowners Association signed a Joint Use Agreement with the Community Association in 1998. It provides for maintenance of the trails and beach boardwalks, and participation in tennis and pool facilities. Beginning in 1999 the GPHOA paid a prorated share of security/courtesy patrol personnel. Residential and Mixed Use Calculations have decreased as additional units are built in the Community. (2004 Mixed use was 30.47% and residential was 35.56%)

Increases in the Park, Park Pool & Tennis are due to additional funds to paint pool walls and a three year reserve program to establish funding for tennis court improvements planned for early 2007.

Beach boardwalk reserves have increased to fund reserve savings at a higher level due to damages from tropical storms. Courtesy Patrol increases will fund service 10 hours per day instead of 8 hours per day (6 p.m. to 4 a.m. daily)