

OFFERING CIRCULAR

FOR

PALOMA AT PALMIRA GOLF AND COUNTRY CLUB, A CONDOMINIUM

- 1. THIS 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 OFFERING CIRCULAR AND ITS EXHIBITS FOR CORRECT REPRESENTATIONS.**

INTRODUCTORY STATEMENT

This Offering Circular has been prepared pursuant to the Condominium Act, Chapter 718, Florida Statutes, as amended through the date of preparation of this Offering Circular (“Act”), in connection with the offering for sale of residential condominium parcels (“Homes”) in Paloma at Palmira Golf and Country Club, a Condominium (“Offered Condominium”). The Offered Condominium is being developed by Centex Homes, a Nevada general partnership (“Developer”), through its Naples/Fort Myers Division, 5801 Pelican Bay Boulevard, Suite 600, Naples, Florida 34108.

The Act requires that the Developer set forth on this page of the Offering Circular the following statements with regard to the Offered Condominium:

1. THIS 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. PLEASE REFER TO THIS OFFERING CIRCULAR AND ITS EXHIBITS FOR CORRECT REPRESENTATIONS.

4. THE OFFERED CONDOMINIUM IS BEING CREATED AND SOLD IN FEE SIMPLE.

There is neither a recreation lease nor a land lease associated with the Offered Condominium.

5. The community may contain certain areas which will be owned and operated by Paloma at Palmira Golf and Country Club Condominium Association, Inc. (“Neighborhood Association”). As part of the expenses of the Offered Condominium, the Home Owners are required to pay a share of the costs and expenses of maintenance of these areas (“Neighborhood Common Expenses”) which obligation is secured by a lien right against each Home. A Home Owner’s failure to make these payments may result in a foreclosure of the lien.

For further details please refer to the Declaration of Condominium for Paloma at Palmira Golf and Country Club (“Declaration”) (Exhibit 1, Article 20).

6. The Offered Condominium is located within Palmira Golf and Country Club. Palmira Golf and Country Club (“Palmira Golf and Country Club”) contains or will contain certain areas which will be owned and operated by Palmira Golf and Country Club Master Homeowners Association, Inc. (“Master Association”). As part of the expenses of the Offered Condominium, the Home Owners are required to pay a share of the costs and expenses of maintenance of these areas (“Assessments”) which obligation is secured by a lien right against each Home. A Home Owner’s failure to make these payments may result in a foreclosure of the lien.

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

For further details please refer to Article VI of the Declaration of Protective Covenants, Restrictions and Easements for Palmira Golf and Country Club ("Master Declaration") (Exhibit 4), and the discussion in Section 2.4 of this Offering Circular.

7. The operation of the Offered Condominium will be by the Board of Directors ("Board") of the Neighborhood Association elected or designated in accordance with the Articles of Incorporation of the Neighborhood Association ("Articles").

DEVELOPER HAS THE RIGHT TO RETAIN CONTROL OF THE BOARD AFTER A MAJORITY OF THE HOMES HAVE BEEN SOLD.

This right of control terminates at the time set forth in Article IX of the Articles. For further details, please refer to the Articles (Exhibit 2, Article IX) and Sections 1.5 and 2.2 of this Offering Circular.

8. THIS IS A PHASE CONDOMINIUM. ADDITIONAL LAND AND HOMES MAY BE ADDED TO THE OFFERED CONDOMINIUM.

For further details, please refer to the Declaration (Exhibit 1, Articles 3, 5, 6 and 7), and the discussion in Section 1.4 of this Offering Circular.

10. BUILDINGS AND HOMES WHICH ARE ADDED TO THE OFFERED CONDOMINIUM MAY BE SUBSTANTIALLY DIFFERENT FROM THE OTHER BUILDINGS AND HOMES IN THE OFFERED CONDOMINIUM.

For further details, please refer to the Declaration (Exhibit 1, Articles 3, 5, 6 and 7) and the discussion in Section 1.4 of this Offering Circular.

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

Please refer to the discussion in Section 2.1.7 of this Offering Circular for further details.

12. THE SALE, LEASE OR TRANSFER OF HOMES IS RESTRICTED OR CONTROLLED.

Please refer to the Declaration (Exhibit 1, Article 17) and the discussion in Section 2.1.4 of this Offering Circular.

13. THERE IS A CONTRACT FOR THE MANAGEMENT OF THE CONDOMINIUM PROPERTY WITH THE ASSOCIATION MANAGEMENT DIVISION OF CENTEX REALTY, INC.

The Neighborhood Association will enter into a contract for the management of the Homes with the Association Management Division of Centex Realty, Inc., a company affiliated with Developer. A copy of the proposed Management Agreement for the Homes is attached as Exhibit 14 to this Offering Circular.

Please refer to the discussion in Section 5 of this Offering Circular.

14. PARKLANDS LEE COMMUNITY DEVELOPMENT DISTRICT (“PARKLANDS LEE CDD” OR “CDD”) IMPOSES TAXES OR ASSESSMENTS OR BOTH TAXES AND ASSESSMENTS ON THIS PROPERTY THROUGH A SPECIAL TAXING DISTRICT. THESE TAXES AND ASSESSMENTS PAY THE CONSTRUCTION, OPERATION AND MAINTENANCE COSTS OF CERTAIN PUBLIC FACILITIES OF PARKLANDS LEE CDD AND ARE SET ANNUALLY BY THE GOVERNING BOARD OF PARKLANDS LEE CDD. THESE TAXES AND ASSESSMENTS ARE IN ADDITION TO COUNTY AND ALL OTHER TAXES AND ASSESSMENTS PROVIDED FOR BY LAW.

Please refer to the discussion in Section 1.7 of this Offering Circular.

15. THERE IS A LIEN OR LIEN RIGHT AGAINST EACH HOME TO SECURE THE PAYMENT FROM ALL HOME OWNERS OF ASSESSMENTS OR OTHER EXACTIONS COMING DUE FOR THE CONSTRUCTION, OPERATION AND MAINTENANCE COSTS OF CERTAIN PUBLIC FACILITIES AND SERVICES WITHIN PARKLANDS LEE CDD, AS WELL AS FOR THE PAYMENT OF AT LEAST THE ANNUAL MINIMUM AMOUNT PAYABLE ON OUTSTANDING BOND ISSUES. A HOME OWNER’S FAILURE TO MAKE THESE PAYMENTS MAY RESULT IN FORECLOSURE OF THE LIEN.

Please refer to the discussion in Section 1.7 of this Offering Circular.

16. THE OFFERED CONDOMINIUM MAY BE PART OF A MULTICONDOMINIUM DEVELOPMENT IN WHICH OTHER CONDOMINIUMS MAY BE OPERATED BY THE SAME NEIGHBORHOOD ASSOCIATION.

Please refer to Article 30 of the Declaration (Exhibit 1 hereto), Article IV of the Articles (Exhibit 2), Section 7 of the Bylaws (Exhibit 3), and Section 7 of this Offering Circular.

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SECTION 1: GENERAL INFORMATION

1.1. Introduction

Paloma at Palmira Golf and Country Club, a Condominium (the “Offered Condominium”) is being created as a “phase condominium” as contemplated by the Condominium Act, Chapter 718, Florida Statutes, (“Act”), as amended through the date of recording of the Declaration of Condominium, and is being developed by Centex Homes, a Nevada general partnership, through its Naples/Fort Myers Division (“Developer”). The Offered Condominium will be located in Naples, Lee County (“County”), Florida. The Offered Condominium will be created by the recording of the Declaration of Condominium of Paloma at Palmira Golf and Country Club, a Condominium (hereinafter referred to as “Declaration”). This Offering Circular is for the Offered Condominium which may be submitted to condominium ownership in twenty-nine (29) “Phases” (twenty-six [26] residential Phases and three [3] non-residential Phases consisting of the Amenities Center [Phase 27], Common Tract 1 [Phase 28] and Common Tract 2 [Phase 29]) in Paloma at Palmira Golf and Country Club, as described in the Declaration (Exhibit 1 to this Offering Circular) and in Section 1.4 of this Offering Circular. If fully developed as planned, it is anticipated that the Offered Condominium will be comprised of one hundred four (104) residential condominium units (“Homes”) contained within twenty-six (26) (2)-story buildings (“Buildings”); one (1) Phase (“Phase 27”) comprising the “Amenities Center”; one (1) Phase (“Phase 28”) comprising the “Common Tract 1” and one (1) Phase (“Phase 29”) comprising the “Common Tract 2”. It is anticipated that all twenty-six (26) Buildings will contain four (4) Homes each and other common elements. Developer, however, is not and shall not be obligated to build any or all of the Homes herein described or submit any or all of the Phases to condominium ownership, except to the extent it agrees to pursuant to individual Real Estate Sale Agreements entered into with purchasers of Homes, and may add or change Homes in “Subsequent Phases” (as hereinafter defined) as indicated in the Declaration and this Offering Circular.

THE OFFERED CONDOMINIUM IS BEING CREATED AND SOLD IN FEE SIMPLE.

There is neither a recreation nor a land lease associated with the Offered Condominium.

This Offering Circular contains all the information required to be provided under the Act to prospective owners of Homes (“Home Owners”) in the Offered Condominium.

1.2. Concept of Condominium Ownership in the Offered Condominium

Briefly stated, the concept of condominium ownership means that a Home Owner acquires his or her Home in fee simple together with an undivided interest in other areas of the Offered Condominium in which the Home is located which are used or may be used in common by other Home Owners, and which constitute “Common Elements” (as such term is defined in the Declaration). In addition, certain Common Elements are reserved for the exclusive use of certain Home Owner(s) and constitute Limited Common Elements. All of the Home Owners become members of Paloma at Palmira Golf and Country Club Condominium Association, Inc. (“Neighborhood Association”) which is administered by its Board of Directors (“Board”).

The Home Owner owns his or her Home in many ways similar to the manner in which a single-family owner owns his or her home. Any mortgage on a Home is the responsibility of that Home only and no other Home is subject to the lien of any mortgage placed on any other Home. Further, under present law, each Home is taxed as a separate lot for real estate tax purposes and a Home Owner will not be responsible if any of the Home Owner's neighbors fails to pay the taxes due on their Homes. Each Home is conveyed to a Home Owner by separate Special Condominium Warranty Deed, the form of which is attached hereto as Exhibit 10.

1.3. Developer

Centex Homes, the Developer, is a Nevada general partnership, a subsidiary of Centex Corporation which is publicly traded (symbol CTX) on the New York Stock Exchange. Developer is one of the largest home builders in the United States. Developer has been ranked as one of the top 10 home building companies for over twenty-four (24) consecutive years by Professional Builder, a national publication. The Naples/Fort Myers Division of Developer is located at 5801 Pelican Bay Boulevard, Suite 600, Naples, Florida 34108. Developer and its related affiliates have been developing real estate since 1950.

Timothy J. Ruemler is the President of the Naples/Fort Myers division of Developer. Mr. Ruemler has been a controller and construction manager for the Developer, and in 1995 was appointed a Division President, having experience in developing real estate in various states, including Florida. Both the Developer's and Mr. Ruemler's condominium development experience in Florida includes the development of the Lakemont Cove and Creekside Crossing Condominiums, both located in Bonita Springs, Florida; Harbor Lakes, Harbor Landing, Bay Pointe, The Hamptons, Greenbriar III, Greenbriar V, Greenbriar VI, Lakeside III, Eagles Nest, Hammock Isle and Egrets Landing Condominiums, all located in Bonita Bay in Bonita Springs, Florida; Turtle Pointe and Indigo Shores, both located in West Bay Club located in Estero, Florida; Morningside, Cypress Hammock, Palmetto Ridge, Oak Hammock I, Oak Hammock II, and Indigo Isle Condominiums, all located at The Brooks in Bonita Springs, Florida; The Orchards, Mont Claire at Pelican Marsh and Osprey Pointe at Pelican Marsh Condominiums in Naples, Florida; Grand Vista and Tarpon Harbor at Myakka Pointe, both located in Riverwood located in Charlotte County, Florida, Valencia at Miromar Lakes Beach and Golf Club located in Estero, Florida, and Bay Haven at Coco Bay, located in Lee County, Florida.

1.4. Plan for Development of the Offered Condominium

THIS IS A PHASE CONDOMINIUM. ADDITIONAL LAND AND HOMES MAY BE ADDED TO THE OFFERED CONDOMINIUM.

Please refer to Articles 3, 5, 6 and 7 of the Declaration and the discussion below for further details.

Developer intends that if the Condominium is created by recording the Declaration amongst the Public Records of the County, the initial Phase, Phase 26 (hereinafter referred to as the "Initial Phase"), will be submitted to condominium ownership as part of the Condominium (hereinafter referred to as the "Initial Phase"). Developer is not, however, obligated or committed to construct any or all of the Phases of the Offered Condominium (except as set forth in each Real Estate Sale Agreement). The proposed portion of the "Land" (as defined in the Declaration) and improvements

which shall comprise the Initial Phase are shown on the proposed survey, plot plan and graphic description of improvements for the Initial Phase (“Initial Phase Survey”) which is included within Exhibit 12-C to this Offering Circular. The improvements in the Initial Phase of the Offered Condominium, if submitted to condominium ownership, are described in detail in Article 5 of the Declaration and are planned to include one (1) two (2) story residential building (“Building”) which would contain, in addition to the Common Elements, a total of four (4) Homes.

“Subsequent Phases” are those portions of the Land and improvements thereon other than the Initial Phase, which are designated as Phases 1 through 25 and Phases 27 through 29, and which consist of the real property more particularly described in the proposed survey, plot plan and graphic description of improvements for each Subsequent Phase as shown on the proposed “Phase 1 Survey,” “Phase 2 Survey,” etc., which, together with the Initial Phase Survey for the Offered Condominium, are attached to the Declaration as Exhibits B-1 through B-29 and collectively comprise Exhibit 12-C to this Offering Circular and are referred to herein as the “Surveys.”

BUILDINGS AND HOMES WHICH ARE ADDED TO THE OFFERED CONDOMINIUM MAY BE SUBSTANTIALLY DIFFERENT FROM THE OTHER BUILDINGS AND HOMES IN THE OFFERED CONDOMINIUM.

For further details, please refer to Articles 3, 5, 6 and 7 in the Declaration and the following discussion in this Section 1.4 of the Offering Circular.

Although each of Subsequent Phases 1 through 25, if submitted to condominium ownership, is planned to include one (1) residential Building containing Homes which are substantially the same as the Homes to be contained in the Initial Phase, if the Declaration is recorded amongst the Public Records of the County, the number of Homes contained in each residential Building included in these Subsequent Phases could differ as set forth immediately below:

<u>PHASES</u>	<u>NUMBER OF RESI- DENTIAL BUILDINGS</u>	<u>NUMBER OF HOMES</u>			<u>SQUARE FOOTAGE*</u>		
		Minimum	Planned	Maximum	Min	Plan	Max
1-25	25	4	4	5			
				First Floor			
				Unit Type A:	1324	1654	1984
2050				Second Floor			
				Unit Type B:	1838	2297	2756

*Square footage was calculated from the center of the common wall to the outside of the exterior wall. However, please note that the common and exterior walls are portions of the Common Elements of the Condominium, rather than the Home itself.

If the Declaration is recorded amongst the Public Records of the County, and if all Subsequent Phases are submitted to condominium ownership as part of the Offered Condominium as planned, there shall be twenty-six (26) residential Buildings and one hundred four (104) Homes in the Offered Condominium, as well as a recreation area, roadways and other Common Elements.

Developer plans to construct a garage for each Home, which will be part of the Home, submitted to Condominium Ownership. All Homes shall have two-car garages.

While Developer plans to construct the number of Buildings, the number of Homes and the size of Homes set forth above, Developer reserves the right to vary from Developer's plan within the minimum and maximum range as set forth above. In the event Developer varies from Developer's plan for the Initial Phase (Phase 26), then the form of Declaration and Exhibits thereto (the form of Declaration is Exhibit 1 hereto) will be revised accordingly, if necessary, prior to the recordation of the Declaration amongst the Public Records of the County. Other phases in the Offered Condominium are planned to include a recreation area, roadways and rights of access. Developer may, in its sole discretion, but shall not be obligated to, submit any or all of the Subsequent Phases to condominium ownership as part of the Offered Condominium. The latest date by which all Subsequent Phases may be added to the Offered Condominium is seven (7) years from the recording of the Declaration.

Notwithstanding the numerical sequence of the Subsequent Phases or any inference that can be drawn therefrom or from elsewhere in this Offering Circular, Developer has reserved the right in the Declaration to submit Subsequent Phases to the Offered Condominium in any sequence, provided that there shall be adequate access and means of ingress to and egress from any Subsequent Phase submitted to the Offered Condominium to and from the public way(s), including the dedicated street(s) adjoining Paloma at Palmira Golf and Country Club, as defined in the Declaration. Further, the descriptions relating to Phases or Exhibits referred to in this Section 1.4 of the Offering Circular, including, but not limited to, legal, graphic, numerical, narrative and the like, are approximations and Developer has reserved the right in the Declaration to the fullest extent permitted by law to change such descriptions as to a Phase by changing the Declaration prior to the recordation thereof or by recording an amendment thereto provided that no such change as to any Phase may be made after Developer conveys a Home in such Phase to a Home Owner.

In the event Developer determines not to add any Subsequent Phase to the Offered Condominium, it may determine to create a different condominium on such property. In that case, the different condominium may be operated by the Neighborhood Association.

1.5. Paloma at Palmira Golf and Country Club Condominium Association, Inc.

The operation of the Offered Condominium will be by the Board of Directors ("Board") of the Neighborhood Association elected or designated in accordance with the Articles of Incorporation of the Neighborhood Association ("Articles").

DEVELOPER HAS THE RIGHT TO RETAIN CONTROL OF THE BOARD AFTER A MAJORITY OF THE HOMES HAVE BEEN SOLD.

This right of control terminates at the time set forth in Article IX of the Articles.

The Offered Condominium is operated by the Neighborhood Association. Each Home Owner is a member of the Neighborhood Association as provided in the Articles, a copy of which is attached hereto as Exhibit 2. Additionally, the Neighborhood Association is an "Association

Member” of Palmira Golf and Country Club Master Homeowners Association, Inc. (“Master Association”), as such term is described in the Articles of Incorporation of the Master Association (Exhibit 5 hereto).

1.6. Palmira Golf and Country Club

The Offered Condominium is located within Palmira Golf and Country Club, a planned community. Palmira Golf and Country Club is being developed by Parklands Development Limited Partnership, a Delaware limited partnership, and all of such entities’ successors and assigns (“Master Declarant”), not by Developer. Portions of Palmira Golf and Country Club are subject to a Declaration of Protective Covenants, Restrictions and Easements for Palmira Golf and Country Club recorded in Official Records Book 3394, Page 0609 of the Public Records of the County, as amended (“Master Declaration”). The Master Declaration sets forth Master Declarant’s plan for development of Palmira Golf and Country Club. According to the Master Declaration, Master Declarant plans to develop Palmira Golf and Country Club as a multi-staged planned community comprising residential and recreational uses. Certain property constructed in Palmira Golf and Country Club may be grouped together as a Neighborhood. Developer makes no warranty or representation regarding Palmira Golf and Country Club.

Please refer to the Master Declaration (Exhibit 4) for further information.

1.7. Parklands Lee Community Development District

A uniform community development district will be established by Master Declaration pursuant to Florida Statutes Chapter 190 (“District”) to administer all or a portion of Palmira Golf and Country Club. The District will provide certain urban infrastructure facilities and services, and the District will have the authority to levy and collect fees, rates, charges, taxes and assessments to pay for, finance and provide such services. These fees, rates, charges, taxes and assessments will appear on the annual real estate tax bill for each Home Owner or on a separately provided bill as a separate and distinct tax, which will include the annual minimum amount payable on outstanding bond issues (unless the underlying existing financial obligation has been otherwise paid by the Home Owner), and amounts for operation and maintenance. Taxes and assessments of Parklands Lee Community Development District will constitute a lien upon all Homes.

PARKLANDS LEE COMMUNITY DEVELOPMENT DISTRICT (“CDD”) IMPOSES TAXES OR ASSESSMENTS OR BOTH TAXES AND ASSESSMENTS, ON THIS PROPERTY THROUGH A SPECIAL TAXING DISTRICT. THESE TAXES AND ASSESSMENTS PAY THE CONSTRUCTION, OPERATION AND MAINTENANCE COSTS OF CERTAIN PUBLIC FACILITIES OF PARKLANDS LEE COMMUNITY DEVELOPMENT DISTRICT AND ARE SET ANNUALLY BY THE GOVERNING BOARD OF THE PARKLANDS LEE COMMUNITY DEVELOPMENT DISTRICT. THESE TAXES AND ASSESSMENTS ARE IN ADDITION TO COUNTY AND ALL OTHER TAXES AND ASSESSMENTS PROVIDED FOR BY LAW.

THERE IS A LIEN OR LIEN RIGHT AGAINST EACH HOME TO SECURE THE PAYMENT FROM ALL HOMES OF ASSESSMENTS OR OTHER EXACTIONS COMING DUE FOR THE CONSTRUCTION, OPERATION AND MAINTENANCE COSTS OF THE PUBLIC FACILITIES WITHIN PARKLANDS LEE COMMUNITY DEVELOPMENT

DISTRICT, AS WELL AS FOR THE PAYMENT OF AT LEAST THE ANNUAL MINIMUM AMOUNT PAYABLE ON OUTSTANDING BOND ISSUES. A HOME OWNER'S FAILURE TO MAKE THESE PAYMENTS MAY RESULT IN FORECLOSURE OF THE LIEN.

1.8. Palmira Golf and Country Club Master Homeowners Association, Inc.

The Master Association is responsible for the maintenance of the "Corporation Common Areas" (as such term is defined in the Master Declaration). Paloma at Palmira Golf and Country Club is one of the "Neighborhoods" in Palmira Golf and Country Club as more particularly described in the Master Declaration.

The Association is an "Association Member" of the Master Association as described in the Articles of Incorporation of the Master Association. The "Neighborhood Voting Representative" of the Offered Condominium (i.e., the President of the Neighborhood Association) shall cast the votes for the Home Owners with respect to all Master Association matters requiring a membership vote pursuant to the Bylaws of the Master Association and Bylaws of the Neighborhood Association. The Master Association has been organized for the purpose of administering the covenants and obligations relating to the Corporation Common Areas in Palmira Golf and Country Club. All members of the Master Association acquire the benefits as to use of the Corporation Common Areas as described in the Master Declaration and the obligation to pay the "Assessments" as set forth in the Master Declaration.

1.9. Utility Services

Developer has provided for the availability of various utility services required for the Offered Condominium. Potable water and sanitary sewer service will be supplied by Bonita Springs Utilities, Inc. Master storm drainage is provided by Parklands Lee Community Development District while internal storm drainage is provided by the Neighborhood Association. Present plans call for substantially all utility lines for electricity and telephone service for the Offered Condominium to be placed underground. Electric service will be supplied by Florida Power & Light Company. Telephone service is available from Sprint/United Telephone System. Trash collection will be supplied by Waste Management, Inc. Cable television is available from Comcast Cable, and each Home Owner is responsible for payment of any hookups or impact fees charged by the provider.

1.10. Contiguous Golf Course and Renaissance Center

Palmira Golf and Country Club contains a private golf course and fitness center known as the Renaissance Center Club (hereinafter collectively referred to as "Clubs") that are not part of Paloma at Palmira Golf and Country Club. Neither ownership of any Home nor membership in the Neighborhood Association creates, grants or conveys any vested right or easement, prescriptive or otherwise, to use or to continue to use the Clubs or the facilities at this or any time, unless approved by the owner and/or operator of the Clubs. The right or privilege to use the Clubs shall be determined in the sole and absolute discretion of the owner and/or operator of the Clubs, subject to the terms, conditions and rules enacted from time to time by the owner and/or operator thereof, subject to any fees and charges imposed from time to time by such owner or operator, and subject to availability.

Developer makes no representations or warranties as to the type, amount, nature, quality or fitness for intended use of any of the Clubs' facilities which may actually be constructed by the owner or operator of the Clubs' property.

1.10.1. Errant Golf Balls. Golf balls hit from the golf course may unintentionally come upon the Property. Golfers at reasonable times and in a reasonable manner may come upon the Condominium Property to retrieve errant golf balls. All Owners, by acceptance and delivery of a deed to a Home, assume all risks associated with errant golf balls, and all Owners agree and covenant not to make any claim or institute any action whatsoever against Developer or the Neighborhood Association, Master Declarant, the Clubs or the Master Association resulting from any errant golf balls, any damages that may be caused thereby, or for negligent design of the golf course or for damage caused by golfers coming on to the Condominium Property to retrieve errant golf balls. Neither Developer nor the Neighborhood Association, nor the Master Declarant, the Clubs, any management company, or the Master Association, are responsible for installing screening devices or trees to limit or prevent errant golf balls from causing injury or damage.

1.10.2. Assumption of Risk and Indemnification. Each Owner by its purchase of a Home in the vicinity of the golf course hereby expressly assumes the risk of noise, personal injury or property damage caused by maintenance and operation of the golf course, including, without limitation; (a) noise from maintenance equipment and it being specifically understood that such maintenance typically takes place around sunrise or sunset, (b) noise caused by golfers, (c) use of pesticides, herbicides, and fertilizers, (d) view restrictions caused by maturation of trees and shrubbery or redesign of the golf course, (e) reduction in privacy caused by constant golf traffic on the golf course or the removal or pruning of shrubbery or trees on the golf course, and (f) design of the golf course and agrees that neither Developer nor the Neighborhood Association, nor the Master Declarant, the Clubs, any management company, or the Master Association, or any other person claiming any loss of damage, including, without limitation, indirect, special or consequential loss or damage arising from personal injury, destruction of property, trespass, loss of enjoyment or any other alleged wrong or entitlement to remedy based upon, due to, arising from or otherwise related to the proximity of Owner's Home to the golf course, including, without limitation, any claim arising in whole or in part from the negligence of Developer, the Neighborhood Association, Master Declarant, the Clubs, any management company, or the Master Association. Owners (other than Developer) hereby agree to indemnify and hold harmless Developer, the Neighborhood Association, Master Declarant, the Clubs, any management company and the Master Association against any and all claims by Owner's visitors, tenants and others upon the Property.

Please refer to the Clubs' owners/operators for further information.

SECTION 2: DISCUSSION OF NEIGHBORHOOD DOCUMENTS AND RESTRICTIONS CONTAINED THEREIN

This section of the Offering Circular is devoted to a discussion of the neighborhood documents for the Offered Condominium (such neighborhood documents together with this Offering Circular are herein collectively referred to as the "Neighborhood Documents") and attempts to highlight certain points contained within these documents. This section, however, is not intended to and should not serve as a substitute for reading all of the Neighborhood Documents.

2.1. Declaration of Condominium and Rules and Regulations - Restrictions Contained Therein

The Declaration is the document which, when recorded by Developer amongst the Public Records of the County, submits the Initial Phase of the Offered Condominium to condominium ownership. Developer intends to submit each Subsequent Phase of the Offered Condominium to condominium ownership as and when it is completed by the recording of a separate Amendment to the Declaration. The Subsequent Phases, if added to the Offered Condominium, will each be added pursuant to an Amendment to the Declaration. The proposed form of Declaration and the form of Amendment to Declaration to Add a Phase are attached hereto as Exhibits 1 and 1A, respectively. Attached to the Amendment adding each Subsequent Phase to the Offered Condominium shall be the actual Survey for such Subsequent Phase which shall describe the dimensions of the Homes and show the location of the Common Elements.

Articles 3, 5, 6 and 7 of the Declaration describe the twenty-nine (29) Phases and phase development of the Condominium. Article 9 of the Declaration sets forth that each Home Owner, or Home Owners, collectively, of a Home has one (1) vote in the Neighborhood Association. The Declaration sets forth that each Home shall have an equal percentage share of the Common Elements, "Neighborhood Common Expenses" (as defined in the Declaration), and "Common Surplus" (as defined in the Act), appurtenant to each Home. The obligations to pay Neighborhood Common Expenses for the operation and maintenance of the Offered Condominium and provisions for assessments are set forth in Articles 20, 21 and 22 of the Declaration. The Declaration has no stated length of term and can be terminated as set forth in Article 31 thereof.

Sections 2.1.1 through 2.1.8 are a summary of other restrictions, rights and obligations contained in the Declaration.

2.1.1. Share of Common Elements, Neighborhood Common Expenses and Common Surplus

The share of ownership of the Common Elements appurtenant to each Home, the share of Common Surplus to which each Home is entitled and the share of Neighborhood Common Expenses each Home Owner will bear is set forth in Article 8 of the Declaration. This share is equal per Home. After the creation of the Offered Condominium with only the Initial Phase, the percentage share appurtenant to each Home will decrease for each Home if, as and when a Subsequent Phase or Subsequent Phases are submitted to condominium ownership as part of the Offered Condominium.

2.1.2. Easements

In accordance with the requirements of the Act and as set forth in Article 12 of the Declaration, perpetual nonexclusive easements will be established across, over, under and upon the walks and other rights-of-way located within the Offered Condominium if, as and when the Declaration and/or an Amendment to the Declaration is recorded so as to provide a means of ingress and egress to private roads within Paloma at Palmira Golf and Country Club which provide access to publicly dedicated streets and for other purposes for the convenience and benefit of members of the Neighborhood Association, Home Owners and their family members, guests, invitees and lessees. Perpetual nonexclusive easements will also be established pursuant to Article 12 of the Declaration

over the Common Elements of the Offered Condominium for the maintenance, installation and repair of facilities, including utilities, and Developer has reserved unto itself and has granted to the Neighborhood Association the right to impose upon the Common Elements of the Offered Condominium such easements for the foregoing purposes as Developer or the Neighborhood Association, as the case may be, deems to be in the best interest of the Offered Condominium. (See Article 12 of the Declaration attached hereto as Exhibit 1.) Further, in the event the Declaration is recorded amongst the Public Records of the County and Developer does not submit any one (1) or more Subsequent Phases to condominium ownership as part of the Offered Condominium, Developer has reserved the right as set forth in Article 30 of the Declaration to develop upon the land planned to have been included in such Subsequent Phase or Subsequent Phases, “Other Homes” (as hereinafter defined) which shall not be part of the Offered Condominium but which shall have as an appurtenance to and a covenant running with such Other Homes a perpetual nonexclusive easement over, across and through the Condominium Property, as shown on the site plan (Exhibit 12B), by the Home Owners of such Other Homes (“Other Home Owners”) and their family members, guests, invitees and lessees and a perpetual nonexclusive easement for ingress and egress and access to, over and across the walks and other rights-of-way in the Offered Condominium from and to public ways, including dedicated streets.

Similarly, Home Owners in the Offered Condominium will have a perpetual nonexclusive easement for ingress and egress and access to, over and across any walks and other rights-of-way on the land planned to have been included in each Subsequent Phase or Subsequent Phases if not added to the “Condominium Property” (as defined in the Declaration).

Please see Section 6 of this Offering Circular for a discussion about easements other than those set forth in the Declaration which affect the Offered Condominium.

2.1.3. Occupancy and Use Restrictions

Article 17 of the Declaration contains restrictions on the use of a Home, as well as all other property within the Offered Condominium. There are no restrictions relating to children residing in a Home. Among other provisions, it states that the Homes may be used for single-family residences only, no separate part of a Home may be rented and no transient may be accommodated therein for compensation or commercial purposes.

Certain restrictions affecting the Home Owners regarding pets, among other things, are set forth in the Declaration and in the Rules and Regulations for the Offered Condominium (Exhibit 9 hereto). The Declaration provides that pets or other animals, livestock or poultry may not be kept, harbored, raised or bred in the Offered Condominium, except as provided under the Rules and Regulations for the Offered Condominium promulgated by the Neighborhood Association, which currently provide that no Home Owner or resident is permitted to keep a domestic pet, whether temporary or permanent, in his or her Home without the prior written permission of the Board; however, under no circumstances will any dog whose breed is noted for its viciousness or ill-temper, in particular, the “Pit Bull” (as hereinafter defined), Rottweiler, Mastiff, Presa Canario, or any crossbreeds of such breeds, be permitted on any portion of the Condominium Property. A “Pit Bull” is defined as any dog that is an American Pit Bull Terrier, American Staffordshire Terrier, Staffordshire Bull Terrier, or any dog displaying a majority of the physical traits of any one (1) or more of the above breeds, or any dog exhibiting those distinguishing characteristics which substantially conform to the standards established by the American Kennel Club or United Kennel

Club for any of the above breeds. No exotic pet or any animal of any kind which has venom or poisonous defense or capture mechanisms, or if let loose would constitute vermin, shall be allowed on any portion of the Condominium Property. Trained seeing-eye dogs will be permitted for those persons holding certificates of blindness and necessity. Other animals will be permitted if such animals serve as physical aides to handicapped persons and such animals have been trained or provided by an agency or service qualified to provide such animals. The guide or assistance animal will be kept in direct custody of the assisted person or the qualified person training the animal at all times when on the Condominium Property and the animal shall wear and be controlled by a harness or orange-colored leash and collar. Pets may not be kept, bred or maintained for any commercial purpose. Any pet must be temporarily caged, carried or kept on a leash when outside of a Home. No pet shall be kept tied outside a Home or on any Lanai, unless someone is present in the Home. No dogs will be curbed in any landscaped area or close to any walk, but only in special areas designated by the Board, if any, provided this statement shall not require the Board to designate any such area. A Home Owner shall immediately pick up and remove any solid animal waste deposited by his pet. The Home Owner shall compensate any person hurt or bitten by his or her pet and shall indemnify the Association and hold it harmless against any loss or liability of any kind or character whatsoever arising from or growing out of having any animal within the Condominium Property. If a dog or any other animal becomes obnoxious to other Home Owners by barking or otherwise, the Home Owner thereof must cause the problem to be corrected; or, if it is not corrected, the Home Owner, upon written notice by the Association, will be required to permanently remove the animal from the Condominium Property. The Association will promulgate rules and regulations from time to time designating other rules as necessary to regulate pets.

Article 18 of the Declaration provides that at the time of conveyance by Developer of each Home, there shall be automatically assigned to the Home Owner thereof the exclusive use of the Parking Space which comprises the driveway located adjacent to the respective Garage, which is limited to the amount of space required to park the car. Home Owners shall not park in the driveways so as to impede the neighboring Home Owner from ingress/egress from such neighboring Home Owner's garage and/or driveway. Such assigned Parking Spaces, and any other Parking Spaces which have been set aside for the exclusive use of a Home Owner, shall be "Limited Common Elements" (as defined in the Declaration). Other parking spaces within the Offered Condominium may be designated as available for guest parking. The exclusive use of any Parking Space which is not assigned to a particular Home may be reserved to Developer and its agents, contractors and lessees for so long as Developer owns one (1) or more Homes.

In addition to the occupancy and use restrictions set forth in the Declaration and the Rules and Regulations of the Neighborhood Association, occupancy and use restrictions are also set forth in the Master Declaration (Exhibit 4 hereto).

2.1.4. Sale, Transfer or Leasing of Homes

THE SALE, LEASE OR TRANSFER OF HOMES IS RESTRICTED OR CONTROLLED.

No "time-share" is permitted on the sale or transfer of a Home. There are no other restrictions on the sale or transfer of a Home.

No Home Owner, or any other person or entity who acquires a property interest in and to any Home within Paloma at Palmira Golf and Country Club shall dispose of his or her Home without approval of the Master Association (See Article X of the Master Declaration for further details).

The leasing of Homes is subject to the restrictions set forth in Article 17 of the Declaration. A Home shall not be leased more than three (3) times per calendar year and no Home may be rented for a period of less than thirty (30) days. All leases must be in writing and a copy must be provided to the Neighborhood Association. All lessees are subject to the Neighborhood and Master Association Documents.

2.1.5. Obligation of Maintenance and Repair

The obligation of maintenance and repair of the Condominium Property of the Offered Condominium is either that of the Neighborhood Association or of the Home Owner, as set forth in Article 19 of the Declaration. For example, the exterior of the Homes, the maintenance of which is the obligation of the Neighborhood Association, shall not be painted, decorated or modified by any Home Owner without prior consent of the Neighborhood Association. The Declaration further provides that the Home Owner is responsible to maintain in good condition and to repair and replace at his or her expense all portions of his or her Home, including all windows and screens, as specified in the Declaration, and is not to make any alteration or repair which would jeopardize or impair the safety or soundness of the Building, the Common Elements or the architectural design of the Building. The Neighborhood Association is responsible for the maintenance, repair and replacement of certain of the Common Elements and all exterior surfaces of the Buildings. Plumbing and electrical repairs within a Home are the financial obligation of the Home Owner. Additional obligations of maintenance by the Neighborhood Association and Home Owners are set forth in Article 19 of the Declaration.

2.1.6. Insurance

The Neighborhood Association shall purchase liability and casualty insurance for the purpose of providing liability and casualty insurance coverage for the Common Elements and the Condominium Property as set forth in Articles 13 and 14 of the Declaration. Certain coverage, as discussed hereinbelow, in addition to that provided by the Neighborhood Association, shall, however, be the responsibility of the Home Owner. The Neighborhood Association, in the Declaration, agrees to indemnify and hold Developer harmless from and against any and all claims, suits, actions, damages, and/or causes of action arising from any personal injury, loss of life, and/or damage to property sustained in or about the Offered Condominium or the appurtenances thereto. The insurance purchased by the Neighborhood Association is intended to cover this indemnity. Included in this indemnification are any expenses that Developer may be compelled to incur in bringing suit for the purpose of compelling the specific enforcement of the provisions, conditions and covenants contained in the Declaration to be kept and performed by the Neighborhood Association.

In the event the insurance proceeds are insufficient to cover a loss to any improvements within any of the Homes and/or improvements within the Common Elements or the Condominium Property, the Home Owner shall be responsible for the deficiency in the manner set forth in Article 14 of the Declaration. Each Home Owner shall be responsible for purchasing

casualty insurance to provide coverage in such event. Each Home Owner is also responsible for the purchase of casualty insurance, including for water damage, for any personal property or improvements in his or her Home, including, but not limited to, floor coverings, wall coverings and ceiling coverings and the following equipment, if any, located within his or her Home; electrical fixtures, appliances, air conditioning or heating equipment, water heaters and built-in cabinets. In addition, each Home Owner is responsible for purchasing insurance against liability for the acts or omissions of the Neighborhood Association in relation to the use of the Common Elements (which liability may be imposed pursuant to Section 718.119 of the Act). Finally, each Home Owner shall be responsible for purchasing liability insurance for accidents occurring in his or her own Home or for accidents or damages for which the Home Owner is liable, including water damage to other Homes or Common Elements, caused by his or her act or failure to act and for any additional liability insurance the Home Owner so desires.

Each Home Owner should contact his or her insurance agent to determine the extent such personal coverage is advisable in addition to the coverage provided by the Neighborhood Association. Please refer to the Declaration (Articles 13 and 14) for further details.

2.1.7. Rights of Developer to Lease Homes and Other Rights

While it is not the present plan of Developer to retain Homes for lease rather than sale, Developer reserves the right to do so. If the Homes owned by Developer are leased, the lease will be a typical residential lease with a probable term of one (1) year, but in no event shall the term be less than thirty (30) days, nor shall a Home be leased more than three (3) times per calendar year. The provisions of the leases, if any, will be subject to market conditions. In the event Developer exercises this right, the particular Homes will be designated and such Homes so designated may be transferred subject to a lease.

THE UNITS MAY BE TRANSFERRED SUBJECT TO A LEASE.

Developer has also reserved the right in Article 29 of the Declaration to transact on the Condominium Property of the Offered Condominium all business necessary to consummate the sale and/or lease of Homes, including, but not limited to, the right to maintain models, place signs, have employees in the area, use the Common Elements and Condominium Property, and to show Homes. Developer has further reserved the right for itself and any of its affiliates to utilize the models for other communities located in Palmira Golf and Country Club, as Developer and/or any of Developer's affiliates as developers of other communities in Palmira Golf and Country Club may so determine, in their sole discretion. There are other provisions in the Neighborhood Documents giving certain rights to Developer, such as selection of members of the Board (see Article IX of the Articles); provisions allowing rule approval (see Article 30 of the Declaration); and a limited right to amend the Declaration (see Article 28 thereof).

2.1.8. Rights of Developer to Develop Other Homes

Article 30 of the Declaration provides that Developer may develop Other Homes upon any portions of the Land which are currently intended to be a Subsequent Phase or Subsequent Phases of the Offered Condominium but which are ultimately not submitted to condominium ownership as part of the Offered Condominium. "Other Home" means a residential unit other than a Home within an Offered Condominium which is: (i) constructed upon a portion of the land which

was planned to be a Subsequent Phase; (ii) subject to exclusive ownership; and (iii) intended as an abode for one family. Other Homes may be subject to the condominium form of ownership, but shall not be subject to or governed by the Declaration for the Offered Condominium.

As provided in Article 30 of the Declaration, in the event Developer develops Other Homes, the Home Owners of Other Homes (“Other Home Owners”) and their family members, guests, invitees and lessees shall have the right to use and enjoy the Amenities Center (as hereinafter defined) and Condominium Property. Each Other Home Owner shall also be responsible for his/her proportionate share of the expenses attributable to the administration, operation, maintenance, repair and improvement of the Condominium Property as more particularly described in Article 30 of the Declaration.

If so determined by Developer, where Other Homes, if any, are submitted to the condominium form of ownership, the Neighborhood Association may be responsible for the operation and maintenance of the Other Homes, in which event the Other Home Owners would be members of the Neighborhood Association. (See Section 2.2 of this Offering Circular.)

2.2. Articles of Incorporation of Paloma at Palmira Golf and Country Club Condominium Association, Inc.

The Offered Condominium shall be administered, operated and maintained by the Neighborhood Association. The Neighborhood Association is a corporation not for profit organized or to be organized under Chapter 617, Florida Statutes. The legal document which establishes the Neighborhood Association is its Articles of Incorporation (“Articles,” Exhibit 2 hereto). The Articles have been or will be filed with the Secretary of State of the State of Florida and set forth the purposes and powers of the Neighborhood Association. The Articles provide that the membership of the Neighborhood Association shall be comprised of Home Owners in the Offered Condominium and, under certain circumstances, Other Home Owners. Each Home Owner (or members collectively if a Home is owned by more than one (1) owner) is entitled to one (1) vote for each Home owned by him/her (or them, as the case may be). The Articles also set forth the qualifications for members of the Board (“Directors”) and for the election of the Directors. Each Home Owner shall become a member of the Neighborhood Association by acquisition of ownership of fee title to a Home as evidenced by the recording of the instrument of conveyance amongst the Public Records of the County.

The Home Owners constitute a “Class” (as defined in the Articles) and, in the event there are Other Home Owner members of the Neighborhood Association, such other Home Owners shall also constitute a separate Class. Developer shall also be a separate Class for so long as it owns at least one (1) Home or Other Home.

The Articles provide that “Purchaser Members” (Home Owners in the Offered Condominium other than Developer and, if applicable, Other Home Owners other than Developer) shall elect at least one-third (1/3) of the Board upon the conveyance by Developer to Purchaser Members of fifteen percent (15%) of the Total Units (as defined in the Articles) to be governed by the Neighborhood Association. Purchaser Members shall be entitled to elect a majority of the Board upon the happening of any one of the events set forth in Article IX.D. of the Articles, whichever shall first occur, as follows: 1) three (3) years after sales by Developer of fifty percent (50%) of the sum of the Total Units to be governed by the Neighborhood Association have been “Closed”

(defined as the recording of a deed or other instrument of conveyance to a Purchaser Member amongst the Public Records); or 2) three (3) months after sales by Developer of ninety percent (90%) of the sum of the Total Units to be governed by the Neighborhood Association have been Closed; or 3) when all of the Total Units to be governed by the Neighborhood Association have been completed (as evidenced by the issuance of Certificates of Occupancy for all of same) and some have been sold to Purchaser Members and none of the others are being offered for sale by Developer in the ordinary course of business; or 4) when some of the Total Units to be governed by the Neighborhood Association have been conveyed to Purchaser Members and none of the others are being constructed or offered for sale by Developer in the ordinary course of business; or 5) seven (7) years after the recordation of the Declaration; or 6) when Developer, as Developer has the right to do at any time upon written notice to the Neighborhood Association, relinquishes its right to designate a majority of the Board. These provisions are designed to assure Purchaser Members representation on the Board and to provide a method for the ultimate control of the Neighborhood Association by its Members.

2.3. Bylaws of Paloma at Palmira Golf and Country Club Condominium Association, Inc.

The Bylaws of the Neighborhood Association (“Bylaws”) (Exhibit 3 hereto) specifically detail the everyday working features of the Neighborhood Association. For example, the Bylaws describe how and when the meetings of the members, “Class Members” (as defined in the Articles) and Board are held and the powers and duties of the Directors and officers of the Neighborhood Association. The Bylaws also set forth the items that make up the proposed operating budget of the Neighborhood Association (“Budget”) and provide for a procedure for preparation and approval of the Budget. For a discussion as to the allocation of expenses of the Neighborhood Association amongst Home Owners, see Section 4 of this Offering Circular.

2.4. Declaration of Protective Covenants, Restrictions and Easements for Palmira Golf and Country Club and Amendments Thereto

The Declaration of Protective Covenants, Restrictions and Easements for Palmira Golf and Country Club, and amendments thereto (“Master Declaration”), have been recorded by Master Declarant amongst the Public Records of the County. The Master Declaration and amendments thereto are Exhibit 4 hereto. Portions of Palmira Golf and Country Club are subject to the covenants and restrictions contained within the Master Declaration.

The Master Declaration provides for assessing all “Owners” (as defined in the Master Declaration) now or hereafter in Palmira Golf and Country Club (which includes Home Owners in the Offered Condominium) for the expenses of maintaining and operating the Corporation Common Areas. The amount of assessment for these expenses comprise the Assessments. Please refer to the Master Declaration for further information.

Developer is not the developer of Palmira Golf and Country Club. Developer makes no representation or warranty regarding the Master Declaration and all documents and instruments referred to therein.

The Offered Condominium is located within Palmira Golf and Country Club. Palmira Golf and Country Club contains or will contain certain areas which will be owned and operated by the

Master Association. As part of the expenses of the Offered Condominium, the Home Owners are required to pay a share of the costs and expenses of maintenance of these areas (“Assessments”) which obligation is secured by a lien right against each Home. A Home Owner’s failure to make these payments may result in a foreclosure of the lien.

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

The aforesaid lien and the right to foreclose same are discussed in greater detail in Article VI of the Master Declaration.

2.5. Articles of Incorporation of Palmira Golf and Country Club Master Homeowners Association, Inc.

The Master Association has been formed by Master Declarant to administer, operate and maintain the Corporation Common Areas and to enforce the covenants and restrictions of the Master Declaration. The Articles of Incorporation of the Master Association have been filed with the Secretary of State of the State of Florida on March 7, 2001. The Articles of Incorporation of the Master Association are attached hereto as Exhibit 5. The Articles of Incorporation of the Master Association set forth the purposes and powers of the Master Association. The Articles of Incorporation of the Master Association and the Master Declaration provide for Master Declarant to control the Master Association through the designation of members of the Board of Directors and officers as described therein. The Home Owners are members of the Master Association. Directors shall be elected as set forth in the documents for the Master Association. Please see Exhibits 4, 5 and 6 to this Offering Circular.

2.6. Bylaws of Palmira Golf and Country Club Master Homeowners Association, Inc.

The Bylaws of the Master Association provide for the everyday working features and budgetary functions of the Master Association in much the same manner as do the Bylaws of the Association. The Bylaws of the Master Association are attached hereto as Exhibit 6.

2.7. Miscellaneous Documents

Certain other documents attached as Exhibits hereto and not previously discussed include: (a) Proposed Operating Budget (“Budget”) showing the anticipated expenses of the Neighborhood Association with respect to the Offered Condominium and the Notes to the Budget (Exhibit 7); (b) Operating Budget showing the expenses of the Master Association (Exhibit 8); (c) Escrow Agreement, which provides for the “Escrow Agent” as defined therein, to hold the deposits of purchasers of Homes in accordance with the terms thereof (Exhibit 13); (d) Real Estate Sale Agreement (“Contract”), the form of which is attached hereto as Exhibit 11; (e) Receipt for Neighborhood Documents which is used in conjunction with delivery of this Offering Circular (Exhibit 16); (f) evidence of Developer’s contractual interest in the Land upon which the

Condominium will be built (Exhibit 17); and (g) Frequently Asked Questions and Answers Sheet (Exhibit 18).

SECTION 3: DESCRIPTION OF HOMES AND FACILITIES FOR COMMON USE

3.1. Information Regarding Homes

The following schedule shows each type of Home in the Offered Condominium and the number of bedrooms and baths contained in each type of Home. The Phase, Home type and Home number can be determined from the floor plans for each Home in the Offered Condominium, which are attached as Exhibit 12-D hereto.

<u>EACH PHASE</u>	<u>TOTAL HOMES IN EACH PHASE (NOTE 1)</u>	<u>NUMBER OF BEDROOMS IN EACH HOME (NOTE 2)</u>			<u>NUMBER OF BATHROOMS IN EACH HOME</u>		
		<u>Min.</u>	<u>Planned</u>	<u>Max.</u>	<u>Min.</u>	<u>Planned</u>	<u>Max.</u>
1-26	4						
	First Floor Units:	2	2	3	2	2	2
	Second Floor Units:	3	3	4	2 ½	2 ½	2 ½

Note 1: These designations do not prevent or prohibit the combining of two (2) or more Homes into one (1) Home or, if combined, the subsequent severance of those Homes into their component parts, provided that the foregoing are done in accordance with the Declaration.

Note 2: These designations do not preclude rooms in a Home from being combined, nor do they prevent or require the use of any specific room in any manner which is otherwise lawful, nor prevent the conversion of any such room into a bedroom or another use.

The estimated date of completion of the Home is provided in Paragraph 1(b) of every executed Contract for a Home within the Offered Condominium. In any case, all Subsequent Phases will be completed and added to the Offered Condominium within seven (7) years of recording the Declaration and if any have not been so added by such time, they may not then be added.

3.2. Facilities Comprising the Common Elements of the Offered Condominium

The Common Elements which are contained within the Offered Condominium consist of the Condominium Property which is not included within a Home as more particularly described on the Surveys which comprise Exhibit 12-C to this Offering Circular.

3.3. Facilities Comprising the Amenities Center (Phase 27)

The Amenities Center ("Amenities Center" or "Phase 27") will be completed no later than May, 2005, or six (6) months after the issuance of a certificate of completion by the County, Florida for site improvements, whichever is the later (subject to delays incurred by circumstances beyond Developer's control, such as acts of God, strikes, shortages and catastrophes, which interfere with

Developer and the construction of the Amenities Center) and shall include the facilities described below. The anticipated maximum number of persons for each room or facility is set forth below. The number of persons who may be able to use the rooms in the recreation building within the Amenities Center shall at all times be subject to the regulations of all applicable government agencies. All Home Owners (and their guests, licenses and invitees) shall be allowed to use the Amenities Center.

The construction of the recreational facilities within the Amenities Center is intended to include one heated swimming pool (planned to be heated for a minimum of three (3) months of the year) having a surface area of approximately one thousand (1,000) square feet, a minimum depth of three (3) feet, a maximum depth of six (6) feet and is capable of serving approximately twenty (20) people at any one time. There will also be an approximately one thousand six hundred (1,600) square foot pool deck surrounding the swimming pool which will be capable of serving approximately fifty-three (53) people at any one time depending upon the type of activity for which the pool deck is being used. The Amenities Center is also intended to include a heated spa having a surface area of approximately fifty (50) square feet and is capable of serving approximately four (4) people at any one time. The clubhouse building is planned to be approximately one thousand two hundred thirty three (1,233) square feet and is intended to contain mens' and womens' rooms including restrooms and each are capable of serving two (2) people at any one time and are approximately 320 square feet total, an approximately ninety-four (94) square foot kitchen area capable of serving approximately four (4) people, an approximately four hundred seventy-one (471) square foot enclosed lanai capable of serving approximately twenty (20) people at any one time, an approximately four hundred seventy-one (471) square foot multi-purpose room capable of serving approximately thirty (30) people at any one time and an approximately twenty-four (24) square foot storage room/mechanical room, which is located in the men's room. Developer intends to provide the following personal property for the Amenities Center: three (3) tables with four (4) chairs each, five (5) lounge chairs, refrigerator, microwave and four (4) barstools.

Please refer to Section 6.3 of the Declaration (Exhibit 1) for further details.

3.4. Security

The Neighborhood Association may, but shall not be obligated to, maintain or support certain activities within the Condominium designed to make the Condominium safer than it otherwise might be. Neither Developer, the Neighborhood Association, the Master Association, Master Declarant nor the CDD, makes any representations whatsoever as to the security of the premises or the effectiveness of any monitoring system or security service. All owners agree to hold Developer, the Neighborhood Association, the Master Association, Master Declarant and the CDD harmless from any loss or claim arising from the occurrence of any crime or other act. Neither the Neighborhood Association, Developer, nor any successor developer, the Master Association, Master Declarant, nor the CDD shall in any way be considered insurers or guarantors of security within the Condominium.

Neither the Neighborhood Association, Developer, nor any successor developer, the Master Association, Master Declarant nor the CDD shall be held liable for any loss or damage by reason or failure to provide adequate security or ineffectiveness of security measures undertaken, if any. All owners and occupants of any Home, and tenants, guests and invitees of a Home Owner, acknowledge that the Neighborhood Association and its Board, Developer, or any successor developer, the Master Association and its Board, Master Declarant, and the CDD and its Board do not represent or warrant that any fire protection system, burglar alarm system or other security

system, if any, designated by or installed according to guidelines established by Developer, the Neighborhood Association, the Master Association, Master Declarant, and the CDD may not be compromised or circumvented. That any fire protection or burglar alarm systems or other security systems will in all cases provide the detection or protection for which the system is designed or intended. Each Home Owner and occupant of any Home and each tenant, guest and invitee of a Home Owner, acknowledges and understands that the Neighborhood Association and its Board, Developer, or any successor developer, the Master Association and its Board, Master Declarant and the CDD and its Board are not insurers and that each Home Owner and occupant of any Home and each tenant, guest and invitee of a Home Owner assumes all risks for loss or damage to persons, to Homes and to the contents of Homes and further acknowledges that the Neighborhood Association and its Board, Developer, nor any successor developer, the Master Association and its Board, Master Declarant, and the CDD and its Board have made neither representations nor warranties nor has any Home Owner or occupant of any Home, or any tenant, guest or invitee of a Home Owner relied upon any representations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire and/or burglar alarm systems or other security systems recommended or installed, if any, or any security measures undertaken within the Offered Condominium, if any.

SECTION 4: MONETARY OBLIGATIONS OF ACQUISITION; EXPENSES OF OWNERSHIP; PROPOSED OPERATING BUDGET

4.1. Acquisition Expenses

The following is a schedule of estimated expenses or items of expense, in addition to the purchase price, to be paid by the purchaser at the Closing. (The “Closing” is the point in time when the purchaser pays the balance of the purchase price due and is delivered a Special Condominium Warranty Deed (the form of which is attached hereto as Exhibit 10) from Developer conveying title to the purchased condominium parcel to the purchaser and where a purchase money mortgage, when applicable, and various other “closing documents” completing the purchase of the Condominium Parcel, are executed.)

1. Documentary stamps on the Special Condominium Warranty Deed calculated at \$.70 per \$100.00 of purchase price.
2. Recording the Special Condominium Warranty Deed calculated at \$6.00 for the first page thereof and \$4.50 for each additional page.
3. Utility Deposits, including any utility meter setting charges/connection fees or other utility charges (e.g., impact fees) paid by Developer on behalf of a purchaser.
4. Real property taxes prorated as of the date of the Closing as described in the Contract (Exhibit 11 hereto).
5. Assessments of the Master Association and Neighborhood Common Expenses prorated from the date of the Closing to the end of the quarter in which the Closing takes place and collected in advance for the following calendar quarter.

6. Mortgage closing costs if a mortgage loan is used, including loan points, abstracting, mortgagee title insurance, credit report, recording fees, intangible tax, etc.
7. Insurance premiums in the event insurance coverage in addition to that provided by the Neighborhood Association is obtained by the Home Owner. Please refer to Section 2.1.6 of this Offering Circular for further details. Each Home Owner should consult his/her insurance agent to determine the extent such personal coverage is advisable in addition to the coverage provided by the Neighborhood Association.
- *8. Premium for Title Insurance Policy.
9. Attorney's fees for any attorney retained by purchaser may be payable at the Closing.
10. A "Working Fund Contribution" equal to a two (2) months share of the annual Neighborhood Common Expenses of the Neighborhood Association for the Home.
10. A working fund contribution in the amount of \$1,000.00 payable to the Master Association.
11. Operation and maintenance fees of the Parklands Lee Community Development District, prorated from the date of Closing to the end of the fiscal year of the CDD.
12. Parklands Lee Community Development District bond debt service, prorated from the date of Closing to the end of the fiscal year of the CDD.
- * Developer shall make available a Title Insurance Policy written by Commerce Title Company, a title insurance company affiliated with Developer.

4.2. Expenses of Ownership

The following constitutes a summary of the mandatory financial obligations of Home Owners payable to the Neighborhood Association as Neighborhood Common Expenses during the calendar year and periods of time described in the Budget attached as Exhibit 7 to this Offering Circular. As used herein, the term "Budget" refers to the Budget for the Offered Condominium. The Budget is not intended nor should it be considered all inclusive or as a representation, guarantee or warranty of any kind whatsoever of all expenses to be incurred as a result of ownership. For example, the Budget does not include real estate taxes, Home Owner insurance, telephone, cable or utility bills which are billed directly to the Home Owner and not through the Neighborhood Association; nor does the Budget constitute any warranty or guarantee as to any special assessments which may be necessitated and levied under the Declaration. The nonpayment of Neighborhood Common Expenses by other Home Owners in the Offered Condominium can affect your assessments.

Neighborhood Common Expenses are the expenses of the Offered Condominium incurred by the Neighborhood Association with respect to Condominium Property and the administration and management of same, including, but not limited to, the cost of maintenance, repair and replacement of all or any portion of the Neighborhood Common Elements which are not to be maintained by the

Home Owners. The procedures for assessment and collection of Neighborhood Common Expenses are described in the Declaration.

The Neighborhood Association collects all of the above-described expenses on a quarterly basis.

Assessments are assessed as set forth in the Master Declaration and are collected by the Neighborhood Association on behalf of the Master Association.

4.3. Budgetary Materials

4.3.1. Procedure for Preparation of the Budget

The Bylaws of the Neighborhood Association provide for the Board of the Neighborhood Association to adopt the Budget for each year for the estimated Neighborhood Common Expenses for the Offered Condominium. The Budget includes the various items of expense set forth in Section 7.2 of the Bylaws. A copy of the proposed Budget and the proposed assessments for each year are to be transmitted to each Home Owner by the Board of the Neighborhood Association in accordance with the Bylaws.

4.3.2. Guarantee and Guarantee Period

The Budget has been attached hereto as Exhibit 7 and has been prepared by the Developer. In preparing the Budget, Developer's experience with other developments in Florida which have been developed by Developer and which are similar to the Offered Condominium has been used. Developer believes that the Budget is reliable; however, reference should be made to the Notes to the Budget in reading and understanding the assumptions used in preparing the Budget. Further, because actual expenditures may differ from estimated expenditures and because of possible changes in the future expenses of the Offered Condominium, the Budget is not intended nor should it be considered as a representation, guarantee or warranty of any kind whatsoever including, without limitation, that the actual expenses for any period of operations may not vary from the amount estimated, that the Neighborhood Association will not incur additional expenses or that the Neighborhood Association will not provide for additional reserves or other sums not reflected in the proposed Budget.

Section 718.112(2)(f)2 of the Act requires that the Budget include a reserve account for capital expenditures and deferred maintenance for roof replacement, building painting and pavement resurfacing and for any other item for which the deferred maintenance expense or replacement cost exceeds \$10,000 unless, by a majority vote at a duly called meeting of the Neighborhood Association, it is voted to provide no reserves or reserves less adequate than required by the Act. The estimated full amount of such reserves is described in the Budget and the Notes thereto (Exhibit 7 to this Offering Circular).

Developer recognizes that by reason of difficulties normally encountered in initially setting up the management and operation of a new development, it is useful to provide some form of guarantee of assessments for initial operations. Accordingly, Developer hereby agrees with each purchaser of a Home that the assessments for Neighborhood Common Expenses for each Home will not exceed Nine Hundred and 00/100 (\$900.00) per quarter from the recording of the Declaration

until December 31, 2005 ("Guarantee for Neighborhood Common Expenses"). During this Guarantee Period for Neighborhood Common Expenses and any extensions thereof, the Developer and all Homes owned by the Developer will not be subject to assessments for Neighborhood Common Expenses. Developer shall pay to the Neighborhood Association that portion of the Neighborhood Common Expenses of the Neighborhood Association not generated by assessments of Homes. The expiration of the Guarantee Period for Neighborhood Common Expenses ("Guarantee Period for Neighborhood Common Expenses") is December 31, 2005; provided, however, that the Guarantee Period for Neighborhood Common Expenses shall terminate on the date of the Majority Election Date in the event the Majority Election Date occurs prior to December 31, 2005.

Developer reserves the right to extend the Guarantee Period for Neighborhood Common Expenses for one (1) year to December 31, 2006; provided, however, the Guarantee Period for Neighborhood Common Expenses shall terminate on the Majority Election Date in the event the Majority Election Date occurs prior to December 31, 2006. This Guarantee for Neighborhood Common Expenses does not relate to Assessments or assessments of the Master Association.

The Guarantee Period for Neighborhood Common Expenses or any extension thereof shall terminate on the date of the Majority Election Date. Developer's election to extend the Guarantee Period for Neighborhood Common Expenses and the terms of such extended Guarantee Period for Neighborhood Common Expenses shall be specified in the Budget adopted by the Neighborhood Association for the period of the Guarantee Period for Neighborhood Common Expenses extension.

4.3.3. Master Association Budget

The Master Declaration provides for the Master Association to prepare the budget each year projecting the estimated expenses of the Master Association.

The Master Association budget is attached hereto as Exhibit 8. Developer did not prepare this budget and makes no representation, guarantee or warranty of any kind whatsoever regarding the Master Association budget.

4.3.4. Assessment and Lien Powers

The Declaration and the Master Declaration both provide procedures for allocation of assessments, including special assessments, and establishing lien rights for collection of assessments. Please refer to these documents for provisions regarding special assessments defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement, including the necessary fixtures and personal property relating thereto. Assessment powers and lien rights are vested in the Neighborhood Association and the Master Association.

4.4. Enforcement

Under the Act and Article 20 of the Declaration, upon the default by any Home Owner in the payment of any assessment, the Neighborhood Association may acquire a lien upon such Home Owner's Home and the share of the Common Elements appurtenant to such Home in the amount of such unpaid assessment, plus interest thereon. A Home Owner so defaulting will be liable to the Neighborhood Association for court costs and reasonable attorney and paralegal fees at all trial and appellate levels and postjudgment proceedings incurred by it in the collection of such unpaid assessment and the enforcement of its lien, the payment of which will also be secured by such lien. Such a lien will be effective upon the recording of a Claim of Lien in the Public Records of the County, and will remain in force until all amounts secured thereby, plus interest thereon, have been fully paid.

The lien may be foreclosed by a suit brought in the name of the Neighborhood Association, acting on behalf of the Home Owners, in the same manner as the foreclosure of a mortgage on real property, or an action may be brought by the Neighborhood Association to recover the unpaid assessment without foreclosing the lien.

4.5. Financial Impact of Other Homes

Notwithstanding anything contained herein to the contrary, in the event Other Homes are constructed, expenses pertaining to the Condominium Property, including certain expenses pertaining to the operation and functioning of the Neighborhood Association and other miscellaneous matters shall be equitably allocated, as determined in the sole discretion of the Board, amongst Home Owners and Other Home Owners. Accordingly, the amounts assessed to each Home Owner and the amounts reflected in the Budget may change if Other Homes are constructed.

SECTION 5: MANAGEMENT OF THE OFFERED CONDOMINIUM

THERE WILL BE A CONTRACT FOR THE MANAGEMENT OF THE CONDOMINIUM PROPERTY WITH THE ASSOCIATION MANAGEMENT DIVISION OF CENTEX REALTY, INC.

The Neighborhood Association will enter into a management agreement with the Association Management Division of Centex Realty, Inc. ("Manager") to provide for the operation and maintenance of the Homes ("Management Agreement"). Centex Homes has a business relationship with Centex Realty, Inc. Centex Realty, Inc., and Centex Homes are both companies under common ownership or control of Centex Corporation. Because of this relationship, this Management Agreement may provide Centex Homes a financial or other benefit. There will be separate

management fees payable as part of the Neighborhood Common Expenses for Homes. The Management Agreement will be cancelable by either party thereto by giving thirty (30) days written notice of cancellation. The Management Agreement will also be cancelable in accordance with the provisions of the Act.

The Manager will assist the Board in administration of the Offered Condominium, including the collection of Assessments, preparation of the Budget, the maintenance of the grounds, placement of insurance, keeping of records and other services as set forth in the Management Agreement. In consideration of their management services, the Manager of the Homes receives from the Neighborhood Association a net fee in the amount of \$6.70 per Home per month, or \$80.40 per Home annually, free of all charges and expenses, except for services and supplies purchased for the benefit of the Neighborhood Association, as indicated in the Management Agreement. A copy of the proposed Management Agreement is attached as Exhibit 14 hereto, and the proposed fees of \$6.70 per Home per month are included in the Budget.

There is no mandatory agreement for management of Palmira Golf and Country Club. The Master Association is empowered to enter into a management agreement in the event it is subsequently determined to be beneficial.

SECTION 6: OTHER EASEMENTS

In addition to the easements granted pursuant to the Declaration for the Offered Condominium, easements for utilities have been or will be established for Florida Power & Light Company, Sprint/United Telephone Company of Florida, Comcast Cable, Bonita Springs Utilities, Palmira Golf and Country Club Master Homeowners Association, Inc., and the Parklands Lee Community Development District. A copy of existing easements are attached hereto as Exhibit 15.

SECTION 7: MULTICONDOMINIUM SUMMARY

THIS CONDOMINIUM MAY BE PART OF A MULTICONDOMINIUM DEVELOPMENT IN WHICH OTHER CONDOMINIUMS MAY BE OPERATED BY THE SAME NEIGHBORHOOD ASSOCIATION.

In the event any or all of the Subsequent Phases of the Offered Condominium are not submitted to the condominium form of ownership as part of the Offered Condominium, Developer has reserved the right in Article 30 of the Declaration (Exhibit 1 hereto) to, among other possibilities, develop any or all of the Subsequent Phases, or any portion(s) thereof, as a separate condominium(s) which may also be operated by the Neighborhood Association ("Multicondominium"). The Act requires that Developer provide the following information as to a potential Multicondominium:

Article 30.1.2 of the Declaration provides for access and cross-easements between the various condominiums in the event a Multicondominium is developed. Article 30.2 of the Declaration addresses a unit owner's share of the Common Expenses and Common Surplus of the Neighborhood Association; the voting rights of each owner in such Multicondominium, including the owner's right to personally cast his or her vote; and any rights to use any facilities of other condominiums within such Multicondominium or owned, leased by or dedicated to the Neighborhood Association and how any expenses therefor would be shared. Article IV of the

Articles (Exhibit 2 hereto) addresses membership qualifications and voting rights and Article IX provides for “Class Directors,” all in the event a Multicondominium is created. Section 7 of the Bylaws provides for the preparation of the budgets for the condominiums and the Neighborhood Association and how the expenses are allocated in the event a Multicondominium is created.

Developer currently has no plans to provide recreational facilities in other condominium(s) in the potential Multicondominium to which Owners will have use rights.

If Developer creates such a Multicondominium, there will be a minimum of one (1) condominium and a maximum of twenty-six (26) condominiums, and the minimum and maximum number of units in each of those condominiums (other than the Offered Condominium) will be four (4) and one hundred four (104), respectively. The exact number of condominiums and units will be determined no later than twenty (20) years from the date of recordation of the Declaration for the Offered Condominium.

If Developer creates such a Multicondominium, there shall not be any units within a particular condominium used for nonresidential purposes.

If a Multicondominium is created, the location and approximate acreage of the land on which any additional condominiums to be operated by the Neighborhood Association will be within the phases contemplated by Developer to be submitted to the Offered Condominium and described in this Offering Circular and the Declaration.

SECTION 8: MISCELLANEOUS MATTERS

The various land use documents required to effectuate the plan for development of the Offered Condominium, the submission of the Offered Condominium to condominium ownership and the sale of Homes in the Offered Condominium have been prepared by Ruden, McClosky, Smith, Schuster & Russell, P.A., 200 East Broward Boulevard, Suite 1500, Fort Lauderdale, Florida 33301.

The Developer, Centex Homes, prepared the Architectural Floor Plans, and plans and specifications as filed with and approved by the appropriate government authorities.

Wilson, Miller, Barton & Peek, Inc., 4571 Colonial Boulevard, Suite 100, Fort Myers, Florida 33912, prepared the Surveys, legal descriptions and building plans for the Offered Condominium attached hereto as portions of Exhibit 12, and prepared the Site Plan and engineering drawings for the Offered Condominium, as filed with and approved by the appropriate government authorities.