

**PROSPECTUS FOR  
PALMA SOLA BAY CLUB, A CONDOMINIUM**  
(Revised 2-22-18)

**(1) THIS PROSPECTUS (OFFERING CIRCULAR) CONTAINS IMPORTANT MATTERS TO BE CONSIDERED IN ACQUIRING A CONDOMINIUM UNIT.**

**(2) THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE BUYER SHOULD REFER TO ALL REFERENCES, ALL EXHIBITS HERETO, THE PURCHASE AGREEMENT DOCUMENTS AND SALES MATERIALS.**

**(3) ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. REFER TO THIS PROSPECTUS (OFFERING CIRCULAR) AND ITS EXHIBITS FOR CORRECT REPRESENTATIONS.**

## **SUMMARY**

**THE CONDOMINIUM IS CREATED AND IS BEING SOLD AS FEE SIMPLE INTERESTS.**

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

**THERE IS A CONTRACT FOR THE MANAGEMENT OF THE CONDOMINIUM PROPERTY WITH ADVANCED MANAGEMENT, INC.**

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

**THE SALE, LEASE OR TRANSFER OF UNITS IS RESTRICTED OR CONTROLLED.**

**THIS IS A PHASE CONDOMINIUM. ADDITIONAL LAND AND UNITS MAY BE ADDED TO THIS CONDOMINIUM.**

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

**RECREATIONAL FACILITIES MAY BE ALTERED, EXPANDED OR ADDED WITHOUT CONSENT OF UNIT OWNERS OR THE ASSOCIATION.**

**THE BUDGET CONTAINED IN THIS OFFERING CIRCULAR HAS BEEN PREPARED IN ACCORDANCE WITH THE CONDOMINIUM ACT AND IS A GOOD FAITH ESTIMATE ONLY AND REPRESENTS AN APPROXIMATION OF FUTURE EXPENSES BASED ON FACTS AND CIRCUMSTANCES EXISTING AT THE TIME OF ITS PREPARATION. ACTUAL COSTS OF SUCH ITEMS MAY EXCEED THE ESTIMATED COSTS. SUCH CHANGES IN COSTS DO NOT CONSTITUTE MATERIAL ADVERSE CHANGES IN THE OFFERING.**

**PROSPECTUS  
FOR  
PALMA SOLA BAY CLUB, A CONDOMINIUM**

This Prospectus is prepared and presented by Palma Sola Bay Development, Inc, a Florida corporation (the “Developer”), as the developer of Palma Sola Bay Club, a Condominium (the “Condominium”), in compliance with Chapter 718, Florida Statutes, (the “Condominium Act”). This Prospectus describes, in summary form, some, but not all, of the features of the Condominium and the individual units therein (the “Units”). The attachments to the Prospectus, and in particular the Declaration of Condominium, attached to the Prospectus as **Exhibit 1** (the “Declaration”), set forth the legal rights and duties associated with the purchase of a Unit and ownership of a Unit in the Condominium. The attachments should be carefully reviewed by all prospective purchasers. Capitalized terms used in this Prospectus shall, unless otherwise expressly defined, have the meanings given them in the Declaration.

**1. DESCRIPTION OF THE CONDOMINIUM.**

**(a) Name and Location.** The name of the Condominium is Palma Sola Bay Club, a condominium. The Condominium is or will be located in the City of Bradenton, Manatee County, Florida, off 75<sup>th</sup> Street West. The legal description of the property to be submitted to condominium ownership as part of this Condominium, both initially as Phase 1 and for future Phases, is found on the Plat, which is **Exhibit A** to the Declaration, and which is attached to this Prospectus as **Exhibit 1**. The address for the Condominium is 3400 75<sup>th</sup> Street West, Bradenton, Manatee County, Florida 34210.

**(b) Description of Condominium Property.**

(1) The Condominium is a phase condominium, as authorized by the Condominium Act. Initially, the Condominium will consist only of Phase 1. As more particularly described in Article 5 of the Declaration, Developer, at its option, may add any one or more of Phases 2 through 19B. Developer has added Phase R (which contains the clubhouse, the pool and other facilities) and Phase T. Developer will submit Phase 7 at or prior to the time any of Phases 15 -19B are submitted. See Section 5.1 of the Declaration.

If all Phases are added as planned, the number of Units in the Condominium will be two hundred seven (207) and the number of buildings containing Units is twenty-three (23). The number of buildings containing Units will remain at twenty-three if all Phases are added, notwithstanding any change in the number of Units in any such Phase or Phases. Each building will contain nine (9) Units. Each Unit will contain a minimum of one (1) bathroom and (1) bedroom, and a maximum of three (3) bathrooms and four (4) bedrooms.

Initially the Condominium will consist only of Phase 1, which contains nine (9) Units in one building. The building contains three (3) habitable floors over a ground level floor

with Limited Common Element parking. Each floor contains three (3) Units. There are two Limited Common Element covered parking spaces assigned to each Unit. There will also be uncovered Common Element parking spaces. Phase 1 also contains a major part of the internal street of the Condominium, which will provide access to Phases 1-14, R and T. See Article 5 of the Declaration (**Exhibit 1**), the Plat (**Exhibit 2**), and the Floor Plans (**Exhibit 11**) for more detail.

The maximum number of buildings containing Units is twenty-three (23) and the minimum number of buildings containing Units is one (1). The minimum number of Units in a building is six (6) and the maximum is nine (9). The minimum square footage of a Unit is 1,200 square feet and the maximum square footage is 3,500 square feet, excluding any patio, lanai, balcony, or Terrace.

(2) The survey and plot plan for the Condominium (called the "Plat") is attached as **Exhibit 2** to this Prospectus. The Plat is also Exhibit A to the Declaration

(3) To date Phases R, T, 1, 2, 5, 6, 7, 8, 9 and 12 have been contributed to the Condominium. The estimated latest dates of completion of construction, finishing, and equipping each Subsequent Phase is approximately twelve months after the estimated latest date of completion of the immediately preceding Phase, with the estimated latest date of completion for the entire condominium being January 31, 2024. The dates are estimates only, and actual completion may be different, as affected by weather, availability of materials, acts of God, and other factors. Notwithstanding the foregoing, however, pursuant to Section 718.403(1) of the Condominium Act, in no event shall any Phase be added to the Condominium more than seven (7) years after the date of recording of the certificate of a surveyor or mapper pursuant to s. 718.104(4)(e) or the recording of an instrument that transfers title to a Unit in the Condominium which is not accompanied by a recorded assignment of developer rights in favor of the grantee of such Unit, whichever occurs first, unless the Unit Owners vote to approve an amendment extending the 7- year period pursuant to the provisions of the Amended Act

(4) Attached as **Exhibit 11** to this Prospectus are standard floor plans for the Units. All square footages and dimensions shown on floor plans are approximate and subject to construction variations. The foregoing description does not preclude rooms in a given Unit from being combined or prevent or require use of any specific room in any manner, which is otherwise lawful and permitted. Floor plans may be modified by Developer. See Section 21.3 of the Declaration, attached hereto as **Exhibit 1**. Floor plans, as well as Unit size and configuration and building and size and type may vary in other Phases. See Section 5.7 of the Declaration for more details.

**(c) Number of Units Using Facilities.** The maximum number of Units that will use facilities in common with the Condominium is 207. If, however, all Phases are not added to the Condominium, and any Subsequent Phase Lands are developed as a separate condominium or other residential development, units in such development(s) on Subsequent Phase Lands have the right to use the recreational amenities and facilities in this Condominium in common with Owners of this Condominium. See

Sections 5.14, 5.15 and 5.16 of the Declaration, attached hereto as **Exhibit 1**. In such event, the number of Units that may share such facilities may vary, depending on the total number of units built in this Condominium and on the Subsequent Phase Lands, but shall never exceed a maximum of 207, Units, including the Units in this Condominium. Inasmuch as Phase R and Phase 14 (potentially) contain the recreational facilities intended to accommodate up to 207 Units, all of which will be in this Condominium, no additional recreational facilities or enlargement of such facilities is planned, subject however to the possible addition of facilities to the Bay Front Parcel, as part of Phase R, and facilities in Phase 14, as more fully described in Section 4 of this Prospectus and Sections 5.11(c) and (d) of the Declaration, attached as **Exhibit 1**.

*In addition to the facilities proposed for the Bay Front Parcel and Phase 14, which are not guaranteed, Developer, however, reserves the right to add other modest recreational facilities and to enlarge such facilities. Because the Developer does not plan to add or enlarge facilities, or if it does so, such additions or enlargements will be of a minimal nature, any such addition or enlargement of facilities will not result in a material increase to an Owner's maintenance expense. See Section 21.3 of the Declaration, attached as **Exhibit 1**.*

**2. NATURE OF INTERESTS.**

**THE UNITS IN THE CONDOMINIUM WILL BE CREATED AND SOLD AS FEE SIMPLE INTERESTS.**

No timeshare estates may be created in this Condominium.

**3. RECREATIONAL AND OTHER COMMONLY USED FACILITIES.** The following is a description of the recreational and other commonly used facilities to be located in Phase R and Phase T.

- **Clubhouse.** A two story clubhouse, as depicted on the Plat, near to the pool, containing the following rooms. *Areas and capacities are approximate.*

<u>Identification</u>	<u>Purpose</u>	<u>Area (In Sq. Ft.)</u>	<u>Capacity</u>
<i><u>First Floor:</u></i>			
Community Room (with open kitchen and game area)	Meeting/Social	1015	68
Exercise Room	Exercise	514	11
Men's Restroom	Restrooms	39	1
Women's Restroom	Restrooms	39	1

Mechanical Room	Equipment	55	1
<u>Second Floor:</u>			
Recreation Room	Pool Table, social	680	47
Game Room	Cards, social	214	15
Kitchen	Food preparation	51	1
Copy Room	Business	42	1
Mechanical/Toilet	Equipment/Toilet	88	1

- **Swimming Pool.** A swimming pool of approximately 862 square feet, with a variable depth of 3.5 to 5.5 feet, approximately, measuring 41.3 feet by 20 feet inside, with an approximate capacity of 18 persons, is to be located in Phase R, as depicted on the Plat. The pool will be heated.
- **Pool Deck and Firepit.** A deck area adjacent to the swimming pool of approximately 3,700 square feet, has a capacity of 75 persons. This deck has been expanded from the deck originally depicted on the Plat.
- **Outdoor Kitchen.** An outdoor covered kitchen contains an assembly area, without fixed seating, and a sink and grill. The area is approximately 297 square feet and has an approximate capacity of 20 persons. The outdoor kitchen opens onto the pool deck, and is depicted on the Plat.
- **Pool Restrooms.** The pool restrooms share a roof with the outdoor kitchen, and each of the men's room and the ladies' room contain approximately 136 square feet, and each has a capacity of two (2) persons.
- **Putting Green, Barbeque & Picnic Area.** The putting green, barbeque and picnic area contains approximately 3,500 square feet and has a capacity of 20 persons. These amenities are currently available for use by the owners now and are located in Phase 14, which has not yet been contributed to the Condominium. It is expected but not guaranteed that Phase 14 will be contributed to the Condominium at a later date.
- **Bocce Ball Court Barbeque & Picnic Area.** The bocce ball court, barbeque and picnic area residing in Phase T contains approximately 1,500 square feet and has a capacity of 20 persons. .
- **Bay Front Parcel.** Phase R also contains the Bay Front Parcel on the west

side of Palma Sola Boulevard, bordering Palma Sola Bay. The parcel is subject to a conservation easement, which limits its uses. It does provide a visual amenity to the Condominium. Developer has installed an observation deck overlooking Palma Sola Bay encompassing approximately 400 square feet with a capacity of 25 persons.

Developer represents that it will spend not less than \$25,000.00 to purchase personal property for the above described recreational facilities which will include exercise equipment, signs, pool equipment, kitchen equipment, pool table, furniture, and other fixtures and supplies. *All of the above facilities are located in Phase R. Developer has committed to add Phase R and Phase T to the Condominium. See Section 1(b) of this Prospectus above. All such facilities will be available for use by Owners upon the addition of Phase R, with the exception of the proposed facilities in the Bay Front Parcel.*

In the event that the Developer elects not to submit any one or more Phases to the Condominium, and there is/are separate condominium(s) or other residential development(s) on the Subsequent Phase Lands not submitted, the owners and residents of the Subsequent Phase Lands not added will share easements and rights, described and defined in Article 5 of the Declaration as Coordinated Development Rights, with the Owners in this Condominium. Such Coordinated Development Rights include easements for access over the roadways and walks, drainage, Utilities and the right to use the recreational facilities in Phase R and Phase 14, if added. However, the owner(s) of, or association(s) operating a condominium(s) on, Subsequent Phase Lands is/are required to pay to the Association a prorata share of the cost of maintenance of the Shared Facilities, associated with such Coordinated Development Rights. See Article 5, and in particular Sections 5.14 and 5.15 of the Declaration, attached hereto as **Exhibit "1."** In such event, the recreational facilities described above, will be owned by the Owners of Units in this Condominium, but their use will be shared with owners and residents of residential developments on Subsequent Phase Lands not added.

Inasmuch as Developer has added Phase R, and Phase R contains the recreational facilities planned for the Condominium, there are no such facilities planned that will not be owned by the Owners or the Association. As noted above, in the event that one or more Phases are not added to this Condominium, and are developed as separate residential communities, Owners within such community or communities may have the right to use the above described recreational facilities, conditioned on payment of a pro rata share of the cost of maintenance thereof that is incurred by the Association. See Article 5, and in particular Sections 5.14 and 5.15 of the Declaration.

#### **4. RECREATIONAL FACILITIES MAY BE EXPANDED.**

**RECREATIONAL FACILITIES MAY BE ALTERED, EXPANDED OR ADDED WITHOUT CONSENT OF UNIT OWNERS OR THE ASSOCIATION.**

## **5. DEVELOPER LEASING PROGRAM.**

### **THE UNITS MAY BE TRANSFERRED SUBJECT TO A LEASE.**

The Developer intends to sell all Units and has no program for leasing. However, Developer reserves the right to lease any Unit owned by it until a purchaser is found. If any Unit is sold prior to the expiration of a Lease, title to such Unit will be conveyed subject to the Lease and the purchasers will succeed to the interest of the lessor. If a Unit is sold subject to a Lease, a copy of the executed Lease will be attached to the purchase agreement in accordance with Section 718.503, if applicable. If a Unit has been previously occupied, the Developer will so advise a prospective purchaser in writing, prior to the time the purchaser executes a purchase agreement, if required by law.

## **6. CONTRACTS.**

### **(a) Management Contract.**

### **THERE IS A CONTRACT FOR THE MANAGEMENT OF THE CONDOMINIUM PROPERTY WITH ADVANCED MANAGEMENT, INC. (“AMI”)**

The Management Agreement is attached as **Exhibit 9** to this Prospectus. AMI (the “Management Company”) is not affiliated with the Developer. As compensation, the Management Company receives (in addition to reimbursements for certain expenses incurred, and fees for special ancillary services as provided in the contract) an initial fee for each Unit of \$14.00 per month, or \$168.00 per year,. The fees may increase as negotiated between the Association and the Management Company. The Management Agreement may be terminated by either party on 60 days’ notice.

The Association has entered into the above described Management Agreement, for an initial term beginning on August 1, 2016 and ending December 31, 2016, and thereafter for annual automatic renewals unless cancelled by either party, as provided in the contract. Among other things, the Management Company will be responsible for the implementation of maintenance and the operation of the Condominium, may hire and terminate employees, provide routine accounting, budget and other financial services and reports, collect Assessments, pay bills properly incurred and authorized, and otherwise handle the day to day matters for the Association, all subject to the oversight, direction and authority of the Board of Directors, and subject to budget constraints of the Association. See the Management Agreement, attached as **Exhibit 9** to this Prospectus for more details.

### **(b) Other Contracts for the Operation and Maintenance of the Condominium**



**Property With a Term in Excess of One Year.** The Association has entered a contract with Bright House Networks, LLC, a franchised cable television company, to provide Bulk Multi-Channel Video Services to the Condominium, a copy of which is attached as **Exhibit 10**. The contract is for an initial term of five (5) years, beginning when the services are first provided to the Condominium. Thereafter, the contract will renew periodically, unless terminated by either party before the end of the then current term. The services are Bright House's Bulk "Standard" Services, with current channel lineup as of 2013 set out as part of **Exhibit 10**. Bright House may offer additional services, such as internet access, but that is not included as part of what the Association provides. Owners may also have to pay for services or equipment rental that is in addition to that included in the Bulk Multi-Channel Video Services provided under the contract. The initial charge to the Association is \$28.49 per Unit per month, plus tax, which is \$341.88 per year per Unit, plus tax. These charges are included in the budget and are Common Expenses. Under the contract this charge may increase annually within certain limits. The Association may also switch to another Bulk Multi-Channel Video Services provider should it reasonably believe such change is advantageous to a majority of the Owners.

While not part of the Condominium property, the Association entered into a maintenance agreement with Manatee County where the county permitted the Association to maintain a sign, landscaping, fountain and other related facilities on the county property adjacent the main entrance off of 75<sup>th</sup> Street West and the Association agreed to maintain same and to mow the grass around the County pond to keep same in an attractive manner to beautify the entrance area. A copy of the agreement is attached hereto as **Exhibit 14**.

## **7. CONDOMINIUM ASSOCIATION.**

**(a) Condominium Association.** Upon conveyance of a Unit, the Owner(s) automatically become member(s) of Palma Sola Bay Club Association, Inc. (the "Association"). A copy of the Articles and Bylaws of the Association are attached as Exhibits 3 and 4, respectively. The Articles and Bylaws are Exhibits B and C, respectively, to the Declaration.

**(b) Control of the Condominium Association.**

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

(See Article 4, and in particular, Sections 4.3, 4.4, 4.5 and 4.6 of the Bylaws, attached as **Exhibit 4** to this Prospectus)

As more fully set out in the Bylaws of the Association, there will be three (3) Directors for so long as Developer has the right to appoint the majority of the Board. Thereafter, there will be five Directors, or such larger odd number as the Board may determine,

consistent with the Articles. Initially, the Developer has the right to appoint all members of the Board. Unit Owners other than the Developer become entitled to elect no less than one-third (1/3) of the Directors of the Association when they own at least fifteen (15%) percent of the Units that will be ultimately operated by the Association. Unit Owners other than the Developer are entitled to elect not less than a majority of the Directors upon the first to occur of the following: (1) three (3) years after fifty (50%) percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers; (2) three (3) months after ninety (90%) percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers; (3) when some of the Units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business; (4) when all of the Units that will be operated ultimately by the Association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered by sale by the Developer in the ordinary course of business; (5) when the Developer files a petition seeking protection in bankruptcy; (6) when a receiver for the Developer is appointed by a circuit court and is not discharged within 30 days after such appointment; or (7) seven (7) years after recordation of the Declaration creating the initial Phase. The Developer retains the right to appoint at least one Director so long as it owns at least five (5%) percent of the Units. See Sections 4.1 - 4.6, inclusive, of the Bylaws.

## **8. RESTRICTIONS ON TRANSFER.**

### **THE SALE, LEASE OR TRANSFER OF UNITS IS RESTRICTED OR CONTROLLED.**

See Article 13 and Article 14 of the Declaration, attached as **Exhibit 1** to this Prospectus. There are notice requirements for any Lease or sale of a Unit, and Leasing application provisions. A proposed Tenant must complete a Lease application form and he or the Owner must pay an application fee, which may not exceed the maximum amount provided by law. Lease applicants are subject to a criminal background check and the Lease may be rejected if the report reflects the proposed Tenant or any proposed Occupant is a convicted felon or pedophile. Units may not be leased for less than a thirty (30) day term, and no Lease may begin sooner than thirty (30) days after the beginning of the last Lease term. **THE DEVELOPER MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE FINANCIAL FEASIBILITY OF LEASING UNITS OR THE INCOME TO BE DERIVED THEREFROM. ANY OWNER WHO DESIRES OR INTENDS TO LEASE A UNIT MUST INDEPENDENTLY DETERMINE AND ASSUME RESPONSIBILITY FOR THE FEASIBILITY OF LEASING, AND SHOULD CONSULT WITH HIS OWN ADVISERS WITH RESPECT TO THE TAX CONSEQUENCES AND OTHER ECONOMIC ADVANTAGES AND DISADVANTAGES OF UNIT OWNERSHIP.**

## **9. PHASE DEVELOPMENT.**

**THIS IS A PHASE CONDOMINIUM. ADDITIONAL LAND AND UNITS MAY BE ADDED TO THIS CONDOMINIUM.**

(See Article 5 of the Declaration, attached to this Prospectus as **Exhibit 1**).

**(a) Description of Phasing.** It is anticipated that the Condominium will be established and developed in twenty-five (25) Phases, twenty-three (23) of which contain Units, and two of which contain no Units. Phase R contains the primary recreational facilities, although Phase 14 may contain additional facilities. See Section 4 of this Prospectus for more details. Initially, the Condominium consisted only of Phase 1, which contains 9 Units. If all Phases are added as planned, the total number of Units will be 207. The Developer is not required to construct or add any particular Phase (other than Phase R and Phase T, which have been added), and if constructed and submitted, the Developer may add the Phases to the Condominium in any order and may change the Units and the site plan for Phases as described in the Declaration.

Because each Unit has appurtenant to it an equal fractional ownership interest in the Common Elements and Common Surplus (and carries with it an equal obligation for a share of the Common Expense), at all times each Unit shall have appurtenant to it an ownership interest equal to one, divided by the total number of Units then forming the Condominium. Each Unit shall always be entitled to one vote with respect to Association matters, with the total number of votes being equal to the total number of Units then forming the Condominium. See Article 5 of the Declaration, attached hereto as **Exhibit 1**, for details on phasing.

**(b) Future Phases.** Units which are added to the Condominium may be substantially different from the Units in Phase 1. While it is anticipated that Units in future Phases shall be substantially similar to those in Phase 1, the Developer reserves the right to materially modify any Unit or building in any of the Phases not yet added to the Condominium, should Developer determine that such changes are appropriate. Units may be larger or smaller than those in Phase 1, and may have different floor plans. Buildings may have different architectural features, and be of varying heights and design.

## **BUILDINGS AND UNITS WHICH ARE ADDED TO THE CONDOMINIUM MAY BE SUBSTANTIALLY DIFFERENT FROM THE OTHER BUILDINGS AND UNITS IN THE CONDOMINIUM.**

(See Section 5.6 of the Declaration attached to this Prospectus as **Exhibit 1**).

For each of Phases 1 through 19B, the maximum number of Units in each building is nine (9) and the minimum number of Units in each building is nine (9). The minimum square footage of a Unit is 1,200 square feet and the maximum square footage of a Unit is 3,500 square feet, excluding any patio, lanai, balcony, or Terrace. Phases 1 through 19B will each contain one (1) building. The maximum number of buildings containing Units twenty-three (23) and the minimum is one (1).

**10. SUMMARY OF RESTRICTIONS.** There are significant restrictions upon the use

and modification of the Units and the Condominium Property. These are found in detail in the Declaration, and in particular in Articles 11 and 12 of the Declaration. The following is a summary of some of the more significant restrictions as set forth in the Declaration. See the Declaration for more details. Also, additional restrictions may be found in the Rules and Regulations, attached to this Prospectus as **Exhibit 5**.

- **Residential Occupancy.** Units must be occupied only by one Family and the number and relationship of Occupants is restricted.
- **Age.** There is no age restriction on Occupants of the Units.
- **Pets.** An Occupant may keep no more than two (2) household pets (dogs, domestic cats and such other animals, if any, expressly permitted by the Association, of no more than one hundred (10) pounds each) in a Unit, provided that such pet is not an unreasonable annoyance. Subject to restrictions, Occupants may also keep tropical fish or caged household-type birds in reasonable numbers. Pets must be leashed, carried, or caged when outside the Unit, and pets that become an annoyance or a nuisance can be ordered to be removed. See Section 12.3 of the Declaration.
- **Vehicles and Parking.** Section 12.5 of the Declaration defines “Vehicles” to include “Passenger Vehicles,” “Commercial Vehicles,” “Recreational Vehicles,” and “Ancillary Vehicles.” Generally speaking, no Owner may have more than two (2) Vehicles; however, if there are more than two Occupants of a Unit licensed to drive, the Board may, subject to the availability of Common Element parking spaces, authorize the Occupants of such Unit to have a third Vehicle. Such allowances may be discontinued by the Board, and permission to have a third Vehicle may be lost. Any such permission is a privilege, and not a right. Only Passenger Vehicles may be parked in Limited Common Element or Common Element parking spaces. There are allowances for temporary parking of Commercial Vehicles and Vehicles being used as transportation by Guests. Vehicles may not be repaired within the Condominium, except for limited emergency repairs. See Section 12.5 of the Declaration for more details.
- **Signs.** Signs and similar items are generally prohibited within the Condominium Property, including those posted in windows or Vehicles. See Section 12.7 of the Declaration.
- **Visual Clutter.** Displaying, suspending or hanging items from buildings, railings, windows and the like is generally prohibited. See Section 12.8 of the Declaration.
- **Antennas and Dishes.** Antennas, dishes and similar radio or telecommunication devices are generally prohibited. The Owner may install such a Regulated Device entirely within a Limited Common Element Terrace.

An Owner may *not* drill a hole or otherwise penetrate a Common Element wall for wiring or attach anything to a Common Element wall without Board approval. To the extent the location of such devices is regulated by the FCC, then they are permitted to the extent required by such regulation. See Section 12.9 of the Declaration. A Regulated Device may be generally described as a dish or certain other antennas of one meter or less in diameter or diagonal measurement, or an antenna for receiving local television signals. See the definition of Regulated Device in Article 1 of the Declaration.

- **Terraces.** Nothing may be stored on a Terrace except for appropriate lanai furniture and furnishings and potted plants. Gas, charcoal and electric grills are prohibited. Terraces may not be enclosed. See Sections 12.10 and 11.4(e) of the Declaration.
- **Hallways.** Owners may not place or store items within a Common Element hallway without the approval of the Association, except for a single welcome mat and any potted plants allowed pursuant to the Rules and Regulations. See Section 12.11 of the Declaration.
- **Alterations.** Material alterations or substantial additions to a Unit or the Common Elements by an Owner requires approval of the Board, and generally Owners may not alter the Common Elements. Owners may make modifications to the interior of a Unit without Board approval if certain conditions are met, but any such proposed alteration requires notification to the Board. See Section 11.4 of the Declaration.
- **Leasing of Units.** There are restrictions on leasing of Units. See Section 8 above of this Prospectus, and Article 13 of the Declaration.
- **De Facto Time Sharing.** Time sharing is prohibited, as is *de facto* time sharing, which means rotation of Occupancy of a Unit among different Families. Owners may be required to designate a specific Family to Occupy the Unit, and Occupancy by other Families when the regular Occupant is not in residence is limited. See Sections 5.12 and 12.12 of the Declaration.

**11. UTILITY SERVICES.** Utility services are provided as follows:

- Potable water – Manatee County Utilities - Common Expense.
- Irrigation (reclaimed) water – Manatee County Utilities - Common Expense.
- Sewer – Manatee County Utilities - Common Expense.
- Garbage and Trash – Waste Services, Inc. - Common Expense.
- Storm Drainage – Maintained by Association – Common Expense.
- Electricity – Florida Power & Light Company – Owner Expense, except for Common Area electricity.
- Cable Television – Bright House Networks - Common Expense, but additional

services or equipment not included in Association contract will be an Owner Expense. See Section 6(b) of this Prospectus and **Exhibit 10**.

- Telephone – Any authorized telephone provider - Owner Expense, except for any Common Area telephone service.

**12. APPORTIONMENT OF COMMON EXPENSES AND OWNERSHIP OF COMMON ELEMENTS.** The manner by which the liability for Common Expenses and the ownership of the Common Elements and the Common Surplus in this Condominium are apportioned is that each Unit is treated equally. At all times, each Unit is liable for a share of the Common Expense, and has ownership of the Common Elements and the Common Surplus, in a fractional share, the numerator of which is 1, and the denominator of which is the total number of Units then within the Condominium. That denominator is nine for Phase 1, but will change if and when additional Phases are added. If all phases are added as planned, each Owner shall be liable for a 1/201 share of the Common Expense and have a 1/201 ownership share of the Common Elements and the Common Surplus. That interest may decrease to as low as 1/207, depending on whether and to what extent additional Units are added in any one or more of Phases 16, 17, 18 and/or 19.

**13. ESTIMATED OPERATING BUDGETS.** Estimated operating budgets for the Condominium and the Association, and a schedule of Owner's expenses, are attached as **Exhibit 6** to this Prospectus. The initial estimated operating budgets are annualized for the initial period of the operation of the Condominium, beginning on the date the Declaration is first recorded, and ending on December 31 of that year. (Budgets beginning the first full fiscal year after the Declaration is recorded will be for the particular fiscal year.) There are several estimated Budgets. One budget is for all Phases, i.e. 1-19B, and R and T comprising 207 units in 23 buildings. . That Budget reflects the estimated budget for the entire planned Condominium. One Budget is for all Phases that have been added to the Condominium as of January 1 2017, and a third Budget is for all Phases that have been filed with the Division 1, 2, 6, 7, 8, 9, 12, 14, R & T.

The budgets set forth the anticipated and estimated operating expenses of the Association on a monthly and annual basis, and also estimate the individual Unit Owner's expenses to meet the Assessments of the Association. The budgets are Developer's good faith estimate, as of the time of filing of this offering circular with the Division, of the expenses and costs anticipated to be incurred in the operation of the Condominium. These figures are estimates only, however, and may be reasonably expected to fluctuate based upon actual experience, potential increase of Units in future phases within permitted limits, changes in costs, unanticipated events, the fluctuating purchasing power of the dollar, and the level of service required or requested by the Association. Subsequent increased amounts of any item in an estimated budget that are beyond the control of the Developer shall not be considered an amendment to the offering which would give rise to rescission rights under Section 718.503(1)(a) or (b) of the Condominium Act, nor shall any such increase modify, void or otherwise affect Developer's guarantee of Assessments set out in Section 22 of this Prospectus.

Without limiting such comments, prospective purchasers are reminded that the cost of insurance in coastal Florida is, and will likely continue to be, extremely volatile. Although the budgets are based on good faith estimates of the cost of insurance, the actual cost will not be known until the Condominium is established. Even then, costs may increase dramatically from year to year. In sum, the budgets are just estimates, and actual costs in the future may result in significantly higher Assessments. Anyone to whom the precision of these figures is critical to a decision to purchase likely should not purchase.

**THE BUDGET CONTAINED IN THIS OFFERING CIRCULAR HAS BEEN PREPARED IN ACCORDANCE WITH THE CONDOMINIUM ACT AND IS A GOOD FAITH ESTIMATE ONLY AND REPRESENTS AN APPROXIMATION OF FUTURE EXPENSES BASED ON FACTS AND CIRCUMSTANCES EXISTING AT THE TIME OF ITS PREPARATION. ACTUAL COSTS OF SUCH ITEMS MAY EXCEED THE ESTIMATED COSTS. SUCH CHANGES IN COSTS DO NOT CONSTITUTE MATERIAL ADVERSE CHANGES IN THE OFFERING.**

**14. CLOSING EXPENSES AND TITLE INSURANCE.** At the Closing, the following estimated closing expenses must be paid by a Buyer:

- A Capital Contribution to the Association in the amount equal to three (3) months Regular Assessments in effect at the time of the Closing, based upon the budget for all Phases but excluding reserves, which Contribution shall become a part of the Association reserves..
- Legal fees charged by Buyer's own attorney.
- All expenses connected with any mortgage financing secured by Buyer, including premium for mortgagee title insurance coverage and closing fees and charges associated with the mortgage closing, and documentary stamps and intangible taxes on the mortgage.
- Condominium Association Assessments in full for both the month of Closing and subsequent month, and ad valorem taxes will be prorated as of the day of Closing.
- Any costs associated with Utilities, not furnished by the Association, including but not necessarily limited to, deposits for Utilities.
- An administrative fee equal to 1.5% of the total Purchase Price, to help defray Developer's legal, overhead, and administrative expenses occurred in the development and documentation of the Condominium and offering of the Units.
- Insurance premiums for any insurance obtained by the Buyer with respect to ownership of the Unit.
- Any overnight or courier fees to forward documents, if the Buyer will not be personally present for Closing.

An Owner's title insurance policy is available to the Buyer, at Developer's expense, through the Developer, or Buyer may obtain title insurance elsewhere, at Buyer's option. See Paragraph 5 of the Purchase Agreement, attached to this Prospectus as **Exhibit 7.**

**15. IDENTITY OF DEVELOPER.** The Developer is Palma Sola Bay Development, Inc., a Florida corporation. The Developer's owners are comprised of a subsidiary of Prospect Real Estate Group, LLC (the "Operator") and a subsidiary of Mountain Real Estate Capital, LLC (the "Investment Group") The Operator company principals are experienced real estate developers, having developed thousands of single-family condominium and apartment units in Florida and the Southeast. The Investment Group consists of institutional venture capital with billions of dollars under management. The Developer's corporate office is located at 477 Commerce Way, Ste. 115, Longwood, FL 32750. Mark Filburn is the manager of the company directing the creation and sale of the Condominium. References to Mark Filburn are made solely for compliance with the Condominium Act and are not intended to create any personal liability for such individual with respect to the development, construction, and sale of the Condominium and Units therein.

**16. WARRANTIES.** Except for any statutory warranties provided by the Condominium Act, there are no express or implied warranties unless they are stated in writing by the Developer. See the Purchase Agreement, attached as **Exhibit 7**.

**Except For Statutory Warranties And Express Warranties In Writing, Developer Disclaims, And Each Buyer Waives, All Other Warranties, Whether Express Or Implied, Whether Of Merchantability, Habitability, Fitness For A Particular Purpose Or Otherwise.**

**17. EVIDENCE OF DEVELOPER'S INTEREST.** A copy of an executed Option Agreement, establishing that the Developer has a contractual interest in the property that may form a part of the Condominium, is attached to this Prospectus as **Exhibit 13**.

**18. MANDATORY ARBITRATION.** Certain disputes between the Owners and the Association are required to be submitted to non-binding arbitration. See Section 8.2 of the Bylaws, attached as **Exhibit 4** to this Prospectus.

**19. CERTAIN DISCLOSURES.** The following disclosures are provided to prospective purchasers.

**(a) Exercise Equipment.** The clubhouse is equipped with exercise equipment, for the use and convenience of Occupants of the Condominium. No one should undertake an exercise program or use such equipment without first consulting a physician. Children beneath the age of sixteen (16) may not use the exercise equipment in the clubhouse unless accompanied and supervised by an adult. Exercise equipment should be used only by persons who are in such physical condition as to permit use of such equipment without endangering life or health. ***All Persons Using the Exercise Equipment in the Clubhouse Shall Do So at His or Her Risk, and Neither the Developer nor the Association, Nor Their Respective Shareholders, Directors, Officers, or Members, Shall Have Any Liability to Any Person With Respect to the Use of Such Exercise Equipment.*** See Section 12.13 of the



Declaration.

**(b) Sound Transmission.** Any Owner wishing to change the floor covering in a Unit must comply with Section 11.3(d) of the Declaration. ***EACH OWNER, BY ACCEPTANCE OF A DEED OR OTHER CONVEYANCE, HEREBY ACKNOWLEDGES AND AGREES THAT SOUND AND IMPACT NOISE TRANSMISSION IN A BUILDING SUCH AS THE CONDOMINIUM IS VERY DIFFICULT TO CONTROL, AND THAT NOISES FROM ADJOINING OR NEARBY UNITS AND/OR MECHANICAL EQUIPMENT CAN AND WILL BE HEARD IN UNITS. THE DEVELOPER DOES NOT MAKE ANY REPRESENTATION OR WARRANTY AS TO THE LEVEL OF SOUND OR IMPACT NOISE TRANSMISSION BETWEEN AND AMONG UNITS AND THE OTHER PORTIONS OF THE CONDOMINIUM PROPERTY, AND EACH OWNER HEREBY WAIVES AND EXPRESSLY RELEASES, TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW AS OF THE DATE OF THE DECLARATION, ANY SUCH WARRANTY AND CLAIM FOR LOSS OR DAMAGES RESULTING FROM SUCH SOUND OR IMPACT NOISE TRANSMISSION.***

**(c) Mold and Mildew.** Mold is present in all buildings, particularly in warm, humid climates such as the west coast of Florida. The extent of mold in the Condominium will depend primarily on the steps that are taken by the Owners and the Association. See Section 24.7 of the Declaration for some information and steps that may be taken to limit mold. ***EACH OWNER, BY ACCEPTANCE OF A DEED OR OTHER CONVEYANCE, HEREBY ACKNOWLEDGES AND AGREES THAT MOLD AND MILDEW WILL BE PRESENT WITHIN THE CONDOMINIUM PROPERTY, AS MOLD, MILDEW AND OTHER CONTAMINANTS HAVE BEEN PRESENT IN OUR ENVIRONMENT, ESSENTIALLY FOREVER AND MOLD THRIVES AND GROWS PARTICULARLY IN DAMP AND WARM CONDITIONS, SUCH AS THOSE FOUND IN FLORIDA. THE DEVELOPER DOES NOT MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE ABSENCE OF MOLD OR MILDEW, OR ANY PARTICULAR CONCENTRATION THEREOF, EITHER INITIALLY OR IN THE FUTURE. EACH OWNER HEREBY WAIVES AND EXPRESSLY RELEASES, TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW AS OF THE DATE OF THIS DECLARATION, ANY SUCH WARRANTY AND CLAIM FOR LOSS OR DAMAGES RESULTING FROM MOLD, MILDEW OR OTHER CONTAMINANTS.***

**(d) Alternate Entrance.** There is an alternate emergency entrance to, and exit from, the Condominium from Palma Sola Blvd., in proposed Phase 17. The entrance will be a controlled entrance, and shall be for emergency use only, except as permitted by the County. See Section 5.18 of the Declaration and the Plat.

**(e) Controlled Access.** There is controlled access to the Condominium. There is a gate or another mechanical barrier at the Main Entrance to the Condominium from 75<sup>th</sup> Street West.. Access is initiated by portable, wireless activation devices, a key pad with a code, or other activation system. The gate may be left in the open position during hours determined by the Developer until the development and construction of the Condominium are completed. See Section 5.11 of the Declaration.

**No Such Controlled Or Restricted Access Shall Be Deemed A Security Service Or Facility, And Neither Developer Nor The Association Makes Any Representation That Any Restricted Access Feature Provides Any Effective Barrier To Potential**

**Intruders. Restricted Access Is Intended To Enhance The Ambiance Of The Condominium, And To Provide A Measure Of Control Of Free Vehicular Access Only.**

**20. Hurricane Information.** The Condominium's location near Palma Sola Bay is in a coastal high hazard zone. Most of the Condominium is in an A Zone according to FEMA maps in effect as of the date of this offering, while a small part is in a V Zone. The area is subject to potential hurricanes, storm tides and surges, and flooding. The Condominium is in an evacuation zone. Each prospective purchaser should acquire a Unit in the Condominium only with an understanding of the risks associated with ownership of property identified as having special flood hazards, and being in an area prone to hurricanes. Although the Association will carry flood insurance, so long as it is available at reasonable rates, *and each Unit Owner is advised to carry flood insurance with respect to the interior of his or her Unit and its contents*, the amount of flood insurance available may not always be adequate to replace or repair damaged property. Moreover, the cost and availability of windstorm insurance is, and will likely continue to be, volatile. There may also be uninsured or under insured losses, depending on the cost and availability of windstorm insurance. If an Owner or other Occupant plans to be absent from a Unit during all or a portion of the hurricane season, he or she must prepare the Unit prior to departure, remove all objects from any Terraces, and relocate them to the interior of the Unit or to a secure storage area. The Board may also require Owners who are absent during such times to designate a responsible firm or individual to care for the Unit should a hurricane threaten, or the Unit be damaged.

**21. Easements.** There are, or will be, a number of easements for Utilities located on the Condominium Property. Included are the following:

(a) **Florida Power and Light.** An easement to Florida Power and Light Company, to provide electricity to the Condominium, substantially as located as reflected on the Plat.

(b) **Verizon.** An easement to Verizon for the installation and maintenance of telephone and telecommunication lines, located substantially as reflected on the Plat.

(c) **Water Main.** An easement to Manatee County for a water main, both for supplying water to the Condominium and for supplying water to lands outside the Condominium, located substantially as reflected on the Plat.

(d) **Cable TV.** An easement to Bright House Networks, LLC, to permit the installation of lines facilities for the furnishing of cable television and other telecommunication signals to the Condominium, as described in the Bulk Services Agreement attached as **Exhibit 10**.

(e) **Heather Run Easements.** There are two easements that are for the

benefit of the neighboring condominium, Heather Run. There is an access, drainage and utilities easement, located on the Plat, and described in the Declaration in Section 7.5, and an additional utility easement for a sewer line, as located on the Plat and described in Section 7.5 of the Declaration.

**22. Statutory Assessment Guarantee; Liability of Developer for Common Expenses.** Pursuant to Section 718.116(9)(a)2 of the Condominium Act, the Developer has elected to provide a guarantee of the Assessments to be paid by Owners, and to agree to pay any Common Expenses which exceed the guaranteed amount, and thereby be excused from paying Assessments against Units owned by Developer.

(a) The Developer guarantees that from the recording of the Declaration, until December 31, 2015, or such earlier date as Owners other than the Developer first elect a majority of the Directors of the Condominium Association (the "Turnover Date"), Assessments against Owners for Common Expenses will not exceed \$386.81 per month.

(b) If the Turnover Date has not occurred by January 1, 2016, the Developer, at its option, may elect to extend its guarantee so that from January 1, 2016, until the first to occur of the Turnover Date or December 31, 2016, Assessments against Owners for Common Expenses will not exceed \$ 386.81 per month.

(c) All Assessment guarantee amounts are per Unit. During the guarantee period, the Developer and all Units owned by the Developer will not be obligated to pay Assessments for Common Expenses. Instead, the Developer will fund the difference, if any, between Assessments receivable at the guaranteed level from other Unit Owners and the Common Expenses actually incurred during the guarantee period. If at any time during the guarantee period, funds collected from Owners other than the Developer are not sufficient to provide for payment on a timely basis of all Common Expenses, the Developer will fund the deficit at the time payment is due. After the end of the guarantee period, Developer shall provide an accounting, and fund any outstanding deficits in accordance with the Condominium Act, and rules promulgated pursuant thereto. In no event shall an Owner be required to pay regular periodic Assessments during the guarantee period greater than that as provided in the then current duly adopted budget, i.e. if the Assessments necessary to fund a budget are less than the guaranteed amount, the Owner pays the lower Assessment. If the Assessments necessary to fund the budget are equal to or greater than the guaranteed amount, the Owner pays the guaranteed amount.

Notwithstanding the foregoing guarantee, Owners and Developer may be liable for Assessments levied for Common Expenses incurred with respect to casualty losses which are a result of a natural disaster or act of God, to the extent such losses are not covered by insurance proceeds, provided the Association has, for the guarantee period during which such loss occurs, maintained all insurance coverage required by Section 718.111(11)(a) of the Condominium Act. Any such Assessments shall comply with Section 718.116(9)(a)2 of the Condominium Act.

(d) At the December 2, 2016 Special Meeting of the Members, where 28 out of a total of 34 attended, a majority of the non developer Members voted 27-1 to approve a Developer guaranteed budget for 2017 which did not fully fund reserves which budget is shown on the attached **Exhibit 6** to this Prospectus.