

LEXINGTON LAKES

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FILING CHECKLIST

LEXINGTON LAKES, A CONDOMINIUM

	Executed Copy Enclosed	Copy of Proposed Instrument Enclosed	N/A No Such Instrument To Be Used	Will Be Submitted as an Amendment
Prospectus Text		X		
Declaration of Condominium		X		
Articles of Incorporation		X		
Certificate of Incorporation				X
Bylaws		X		
Estimated Operating Budget		X		
Form of Agreement for Sale or Lease		X		
Receipt for Condominium Documents		X		
Escrow Agreement	X			
Financial Information (if applicable)			X	
Plot Plan		X		
Floor Plan		X		
Survey		X		
Management and Maintenance Contracts		X		
Ground Lease			X	
Form of Unit Lease if a Leasehold			X	
Lease or Agreement and Other Documents for Use of Recreation Facilities or Property			X	

	Executed Copy Enclosed	Copy of Proposed Instrument Enclosed	N/A No Such Instrument To Be Used	Will Be Submitted as an Amendment
Declarations of Servitude		X		
Conversion Inspection Report			X	
Termite Inspection Report			X	
Covenants and Restrictions		X		
Rules and Regulations		X		
Sales Brochure			X	
Local and State Approval of Development Plan			X	
Question and Answer Sheet		X		
Evidence of Developer's Ownership or Contractual Interest	X			

OFFERING CIRCULAR

FOR

LEXINGTON LAKES, 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 Lexington Lakes, a Condominium ("Offered Condominium"). The Offered Condominium is being developed by Centex Homes, a Nevada general partnership ("Developer"), through its Southeast Florida Division, whose address is 8198 Jog Road, Suite 200, Boynton Beach, FL 33437.

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 Lexington Lakes Condominium Association, Inc. ("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 ("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 Lexington Lakes, a Condominium ("Declaration") (Exhibit 1A, Article 18), and the discussion in Section 2.1 of this Offering Circular.

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

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

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

8. 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 1A, Articles 3, 5, 6 and 7) and the discussion in Section 1.4 of this Offering Circular.

9. RECREATIONAL FACILITIES MAY BE EXPANDED OR ADDED WITHOUT THE CONSENT OF THE HOME OWNERS OR THE ASSOCIATION.

For further details, please refer to the discussion in Section 3.3 of this Offering Circular.

10. THE HOMES MAY BE TRANSFERRED SUBJECT TO A LEASE.

Please refer to the discussions in Section 2.1.4 of this Offering Circular for further details.

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

Please refer to the Declaration (Exhibit 1, Article 16) and the discussions in Section 2.1.4 of this Offering Circular.

12. THERE MAY BE A CONTRACT WITH A MANAGEMENT COMPANY FOR THE MANAGEMENT OF THE CONDOMINIUM PROPERTY.

The Association may enter into a contract with a management company for the management of the Homes. A copy of the proposed Management Agreement for the Homes is Exhibit 10 to this Offering Circular. Please refer to the discussion in Section 5 of this Offering Circular.

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

Please refer to Article 29 of the Declaration, (Exhibit 1A 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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- EXHIBIT 1B: FORM OF AMENDMENT TO DECLARATION OF CONDOMINIUM OF LEXINGTON LAKES, A CONDOMINIUM TO ADD PHASE _____
- EXHIBIT 2: ARTICLES OF INCORPORATION OF LEXINGTON LAKES CONDOMINIUM ASSOCIATION, INC.
- EXHIBIT 3: BYLAWS OF LEXINGTON LAKES CONDOMINIUM ASSOCIATION, INC.
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- EXHIBIT 14: FREQUENTLY ASKED QUESTIONS AND ANSWERS SHEET

SECTION 1: GENERAL INFORMATION

1.1. Introduction

Lexington Lakes, 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 Southeast Florida Division ("Developer"). The Offered Condominium will be located in Stuart, Martin County ("County"), Florida. The Offered Condominium will be created by the recording of the Declaration of Condominium of Lexington Lakes, a Condominium (hereinafter referred to as "Declaration"). This Offering Circular is for the Offered Condominium which may be submitted to condominium ownership in thirty-five (35) "Phases" as described in the Declaration (Exhibit 1A 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 two hundred sixty four (264) residential condominium units ("Homes") contained within thirty-four (34) two (2)-story buildings ("Buildings"). It is anticipated that twenty-eight (28) Buildings will contain eight (8) units each, five (5) Buildings will contain six (6) units each, and one (1) Building will contain ten (10) units, and Phase 35, common area property, which is intended to be comprised of roadways, parking areas, recreation parcel, lakes and preserve areas, 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 Contracts for Purchase and Sale 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 Lexington Lakes Condominium Association, Inc. ("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 dwelling. Any mortgage on a Home is the responsibility of that Home Owner 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 his or her 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 6.

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 Southeast Florida Division of Developer is located at 8198 Jog Road, Suite 200, Boynton Beach, FL 33437. Developer and its related affiliates have been developing real estate since 1950.

David E. Abrams is the President of the Southeast Florida Division of Developer. Mr. Abrams has been a Division Manager for the Developer, and in 2002 was appointed a Division President. The Developer's condominium development experience in Florida includes, but is not limited to, the development of 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; Morningside, Cypress Hammock 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; Cedar Ridge at Autumn Woods, located in Naples, Florida, Oxford Pointe at Crown Colony, and Valencia at Miromar Lakes Beach and Golf Club located in Estero, Florida, Crestwood at Carolina located in Margate, Florida, Tequesta Trace and Tequesta Cay located in Village of Tequesta, Florida, Banyan Bay located in Broward County, Florida, Magnolia Bay located in Palm Beach County, Florida; and Sandpiper Cove at Botanica located in Palm Beach 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 its Declaration amongst the Public Records of the County, the initial Phase, Phase 24, 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 Contract for Purchase and Sale). 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 8B 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 which would contain, in addition to the Common Elements, a total of eight (8) Homes.

“Subsequent Phases” are those portions of the Land and improvements thereon, other than the Initial Phase, which are designated as Phases 1 through 23 and Phases 25 through 35, inclusive, and which consist of the real property more particularly described in the proposed surveys, plot plans and graphic descriptions of improvements for each Subsequent Phase as shown on the proposed “Phase 1 Survey,” “Phase 2 Survey,” “Phase 3 Survey,” etc., which, together with the Initial Phase Survey for the Offered Condominium, are attached to the Declaration as Exhibits B-1 through B-35, inclusive, and comprise Exhibit 8B to this Offering Circular and are referred to herein as the “Survey.”

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.

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 thirty-four (34) residential buildings containing a total of two hundred sixty four (264) Homes in the Offered Condominium. While Developer plans to construct that number of Buildings and that number of Homes, Developer reserves the right to vary from Developer’s plan within the minimum and maximum range as set forth below:

<u>PHASES</u>	<u>NUMBER OF RESI- DENTIAL BUILDINGS</u>	<u>NUMBER OF HOMES</u>			<u>SQUARE FOOTAGE*</u>		
		<u>Minimum</u>	<u>Planned</u>	<u>Maximum</u>	<u>Min.</u>	<u>Plan.</u>	<u>Max.</u>
1-22, 24, 25, 27, 28, 30, 31	28	7	8	9			
		Floorplans:					
			Birmingham		829	1036	1243
			Cumberland		968	1210	1452
			Hampshire		1134	1417	1700
			Keswick		1421	1776	2131
			Norfolk		1422	1777	2131
			Oxford		953	1191	1429
			Province		1024	1280	1536
			Sheffield		1188	1484	1780
			Yorkshire		1289	1611	1933

<u>PHASE</u>	<u>NUMBER OF RESI- DENTIAL BUILDINGS</u>	<u>NUMBER OF HOMES</u>			<u>SQUARE FOOTAGE*</u>		
		<u>Minimum</u>	<u>Planned</u>	<u>Maximum</u>	<u>Min.</u>	<u>Plan.</u>	<u>Max.</u>
23, 29, 32, 33 & 34	5	5	6	7			
			Floorplans:	Province	1024	1280	1536
				Sheffield	1188	1484	1780
				Yorkshire	1289	1611	1933
26	1	10	10	12			
			Floorplans:	Oxford	953	1191	1429
				Province	1024	1280	1536
				Sheffield	1188	1484	1780
				Yorkshire	1289	1611	1933

Accordingly, Developer reserves the right to construct a maximum of three hundred (300) Homes in the Offered Condominium.

In the event Developer varies from Developer's plan for Phase 24, then the form of Declaration and Exhibits thereto (the form of Declaration is Exhibit 1A hereto) will be revised accordingly, if necessary, prior to the recordation of the Declaration amongst the Public Records of the County.

Phase 35 of the Offered Condominium is planned to include a recreation area, certain drives, parking areas, landscaped areas and storm water management system.

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 Lexington Lakes, 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 Association.

1.5. Lexington Lakes Condominium Association, Inc.

The operation of the Offered Condominium will be by the Board of Directors ("Board") of the Association elected or designated in accordance with the Articles of Incorporation of the 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 Association. Each Home Owner is a member of the Association as provided in the Articles, a copy of which is attached hereto as Exhibit 2.

1.6. Utility Services

Developer has provided for the availability of various utility services required for the Offered Condominium. Sewage is provided by the City of Stuart, Florida. Potable water supply is provided by the City of Stuart, Florida. 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. Telephone service is available from Bell South. Cable television service is available from Adelphia Cable. Solid waste and recycling disposal will be supplied by the City of Stuart, Florida. Electronic alarm monitoring will be supplied by Centex Home Team Services.

SECTION 2: DISCUSSION OF CONDOMINIUM DOCUMENTS AND RESTRICTIONS CONTAINED THEREIN

This section of the Offering Circular is devoted to a discussion of the condominium documents for the Offered Condominium (such condominium documents, together with this Offering Circular, are herein collectively referred to as the "Condominium 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 Condominium 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 1A and 1B, 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 thirty-five (35) 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 Association. The Declaration sets forth that each Home shall have an equal percentage share of the Common Elements, "Common Expenses" (as defined in the Declaration), and "Common Surplus" (as defined in the Act), appurtenant to each Home. The obligations to pay Common Expenses for the operation and maintenance of the Offered Condominium and provisions for assessments are set forth in Articles 19, 20 and 21 of the Declaration. The Declaration has no stated length of term and can be terminated as set forth in Article 30 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, 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 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 11 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 Lexington Lakes which provide access to publicly dedicated streets and for other purposes for the convenience and benefit of members of the Association, Home Owners and their family members, guests, invitees and lessees. Perpetual nonexclusive easements will also be established pursuant to Article 11 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 Association the right to impose upon the Common Elements of the Offered Condominium such easements for the foregoing purposes as Developer or the Association, as the case may be, deems to be in the best interest of the Offered Condominium. (See Article 11 of the Declaration attached hereto as Exhibit 1A.) 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 29 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 8A), by the 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 herein and in the Declaration which affect the Offered Condominium.

2.1.3. Occupancy and Use Restrictions

Article 16 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 Home Owners regarding pets, among other things, are set forth in the Declaration and in the Rules and Regulations for the Offered Condominium (Exhibit 5 hereto). The Declaration provides that a Home Owner is permitted to keep up to two (2) domestic pets 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.

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.

The leasing of Homes is subject to the restrictions set forth in Article 16 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 one (1) month. All lessees of Homes are subject to the Condominium 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 Association or of the Home Owner, as set forth in Article 18 of the Declaration. For example, the exterior of the Homes, the maintenance of which is the obligation of the Association, shall not be painted, decorated or modified by any Home Owner. 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 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 Association and Home Owners are set forth in Article 18 of the Declaration.

In order to preserve the values and provide for the uniform appearance of Lexington Lakes, the architectural review and control functions of Developer and the Association set forth in the Declaration shall be administered and performed by the Architectural Review Committee ("ARC"). Please see Article 17 of the Declaration for further discussions of the Architectural Review Committee.

2.1.6. Insurance

The 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 12 and 13 of the Declaration. Certain coverage, as

discussed hereinbelow, in addition to that provided by the Association, shall, however, be the responsibility of the Home Owner.

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 13 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, wall, ceiling coverings, electrical fixtures, appliances, air conditioner or heating equipment, water heaters, water filters, built-in cabinets and countertops, and window treatments, including curtains, drapes, blinds, hardware, and similar window treatment components, or replacements of any of the foregoing which are located within the boundaries of a Home and serve only one Home and all air conditioning compressors that service only an individual Home, whether or not located within the Home boundaries. In addition, each Home Owner is responsible for purchasing insurance against liability for the acts or omissions of the 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 Association. Please refer to the Declaration (Articles 12 and 13) for further details.

2.1.7. Right 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. A lease will have a probable term of one (1) year, but in no event shall the term be less than one (1) month. 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 the Homes so designated may be transferred subject to a lease.

THE HOMES MAY BE TRANSFERRED SUBJECT TO A LEASE.

Developer has also reserved the right in Article 28 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. There are other provisions in the Condominium 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 16 of the Declaration); and a limited right to amend the Declaration (see Article 27 thereof).

2.1.8. Right of Developer to Develop Other Homes

Article 29 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 29 of the Declaration, in the event Developer develops Other Homes, the Other Home Owners and their family members, guests, invitees and lessees shall have the right to use and enjoy the 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 29 of the Declaration.

If so determined by Developer, where Other Homes, if any, are submitted to the condominium form of ownership, the 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 Association. (See Section 2.2 of this Offering Circular.)

2.2. Articles of Incorporation of Lexington Lakes Condominium Association, Inc.

The Offered Condominium shall be administered, operated and maintained by the Association. The Association is a corporation not for profit organized or to be organized under Chapter 617, Florida Statutes. The legal document which establishes the 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 Association. The Articles provide that the membership of the Association shall be comprised of Home Owners in the Offered Condominium. 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 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 Association, such other Home Owners shall also constitute a separate Class.

The Articles provide that "Purchaser Members" (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 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 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 Association have been Closed; or 3) when all of the Total Units to be governed by the 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 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 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 Association by its Members.

2.3. Bylaws of Lexington Lakes Condominium Association, Inc.

The Bylaws of the Association ("Bylaws") (Exhibit 3 hereto) specifically detail the everyday working features of the 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 Association. The Bylaws also set forth the items that make up the proposed operating budget of the 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 Association amongst Home Owners, see Section 4 of this Offering Circular.

2.4. 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 Association with respect to the Offered Condominium and the Notes to the Budget (Exhibit 4); (b) 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 9); (c) Contract for Purchase and Sale ("Contract"), the form of which is attached hereto as Exhibit 7; (d) Receipt for Condominium Documents which is used in conjunction with delivery of this Offering Circular (Exhibit 13); (e) evidence of Developer's ownership interest in the land upon which the Condominium will be built (Exhibit 12); and Frequently Asked Questions and Answers Sheet (Exhibit 14).

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 Surveys, which are attached as Exhibit 8B hereto.

CONDOMINIUM PHASES & FLOOR PLAN TYPE	TOTAL HOMES OF EACH FLOOR PLAN IN EACH PHASE (Note 1)		NUMBER OF BEDROOMS IN EACH FLOOR PLAN IN EACH PHASE (Note 2)	NUMBER OF BATHROOMS IN EACH FLOOR PLAN IN EACH PHASE
<u>Phases 1-22:</u>				
Birmingham	2	Planned:	2	2
		Minimum:	2	2
		Maximum:	2	2
Cumberland	2	Planned:	3	2
		Minimum:	3	2
		Maximum:	3	2
Hampshire	2	Planned:	3	2
		Minimum:	3	2
		Maximum:	3	2
Keswick (2 Story Units)	1	Planned:	3	2 ½
		Minimum:	3	2 ½
		Maximum:	3	3 ½
Norfolk (2 Story Units)	1	Planned:	3	2 ½
		Minimum:	3	2 ½
		Maximum:	3	3 ½
<u>Phases 24, 25, 29, 30, 32 & 33:</u>				
Oxford (2 Story Units)	2	Planned:	2	2 ½
		Minimum:	2	2 ½
		Maximum:	2	2 ½
Province (2 Story Units)	2	Planned:	2	2 ½
		Minimum:	2	2 ½
		Maximum:	2	2 ½
Sheffield (2 Story Units)	2	Planned:	3	2 ½
		Minimum:	3	2 ½
		Maximum:	3	2 ½
Yorkshire (2 Story Units)	2	Planned:	3	2 ½
		Minimum:	3	2 ½
		Maximum:	3	3 ½

Phases 23, 26, 27, 28 & 31:

Province (2 Story Units)	2	Planned:	2	2 ½
		Minimum:	2	2 ½
		Maximum:	2	2 ½
Sheffield (2 Story Units)	2	Planned:	3	2 ½
		Minimum:	3	2 ½
		Maximum:	3	2 ½
Yorkshire (2 Story Units)	2	Planned:	3	2 ½
		Minimum:	3	2 ½
		Maximum:	3	2 ½

Phase 34:

Oxford (2 Story Units)	2	Planned:	2	2 ½
		Minimum:	2	2 ½
		Maximum:	2	2 ½
Province (2 Story Units)	2	Planned:	2	2 ½
		Minimum:	2	2 ½
		Maximum:	2	2 ½
Sheffield (2 Story Units)	4	Planned:	3	2 ½
		Minimum:	3	2 ½
		Maximum:	3	2 ½
Yorkshire (2 Story Units)	2	Planned:	3	2 ½
		Minimum:	3	2 ½
		Maximum:	3	2 ½

Note: 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 each of the Phases of the Offered Condominium is provided in Paragraph 3 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 8B to this Offering Circular.

3.3. Facilities Comprising the Recreational Area

Construction of the recreational facilities and associated improvements which are located or to be located on the Condominium Property ("Recreational Area") will be completed no later than July 15, 2005 (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 Recreational Area) and shall include the facilities described below. The anticipated maximum number of persons able to use the Recreational Area at any one time is set forth below. The number of persons who may be able to use the Recreational Area shall at all times be subject to the regulations of all applicable government agencies. All Home Owners (and their guests, licensees and invitees) shall be allowed to use the Recreational Area.

The construction of the facilities within the Recreational Area is intended to include one (1) heated swimming pool with a surface area of approximately one thousand two hundred (1,200) square feet, with a minimum depth of three (3) feet, a maximum depth of six (6) feet and is capable of serving approximately thirty (30) people at any one time. There will also be one (1) spa. There will also be an approximately one thousand eight hundred (1,800) square foot pool deck surrounding the swimming pool and is capable of serving approximately twenty (20) people. There will also be a cabana building with approximately two thousand two hundred fifty (2,250) square feet with an approximately one hundred eleven (111) square foot men's room capable of serving approximately two (2) people at a time and an approximately one hundred eleven (111) square foot women's room capable of serving approximately two (2) people at a time. Developer intends to provide the following personal property for the Recreational Area: twelve (12) pool deck chairs, three (3) tables, and twenty (20) lounge chairs.

For further discussion, please see Section 6.6 of the Declaration.

3.4 Security

The 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 nor the Association 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 and the Association harmless from any loss or claim arising from the occurrence of any crime or other act. Neither the Association, Developer, nor any successor developer shall in any way be considered insurers or guarantors of security within the Condominium. Neither the Association, Developer, nor any successor developer 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 Association and its Board, Developer, or any successor developer 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 or the Association 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 Association, its Board, Developer, or any successor developer 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 Association, its Board, Developer,

nor any successor developer 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 6] from Developer conveying title to the purchased Home to the purchaser and where a purchase money mortgage, when applicable, and various other "closing documents" completing the purchase of the Home, 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. Real property taxes prorated as of the date of the Closing as described in the Contract (Exhibit 7 hereto).
4. Assessments for Common Expenses, prorated from the date of the Closing to the end of the month in which the Closing takes place and collected in advance for the following month.
5. Mortgage closing costs if a mortgage loan is used, including loan points, abstracting, mortgagee title insurance, credit report, recording fees, intangible tax, etc.
6. Insurance premiums in the event insurance coverage in addition to that provided by the 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 Association.
- *7. Premium for Title Insurance Policy.

8. Attorney's fees for any attorney retained by purchaser may be payable at the Closing.
9. A "Working Fund Contribution" equal to a three (3) months share of the Common Expenses pursuant to the Budget.
- * Developer shall make available a Title Insurance Policy written by Commerce Title Company, a title insurance company affiliated with Developer. If purchaser elects not to have Developer provide the title insurance policy by selecting another title insurance company or if any attorney retained by purchaser is selected to write title insurance, Developer will not provide any form of prior policy or base title to the purchaser or their title company or attorney.

4.2. Expenses of Ownership

The following constitutes a summary of the mandatory financial obligations of Home Owners payable to the Association as Assessments during the calendar year and periods of time described in the Budget attached as Exhibit 4 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 or utility bills which are billed directly to the Home Owner and not through the 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 assessments by other Home Owners in the Offered Condominium can affect your assessments.

Common Expenses are the expenses of the Offered Condominium incurred by the 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 Common Elements which are not to be maintained by the Home Owners. The procedures for assessment and collection of Common Expenses are described in the Declaration.

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

4.3. Budgetary Materials

4.3.1. Procedure for Preparation of the Budget

The Bylaws of the Association provide for the Board of the Association to adopt the Budget for each year for the estimated 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 Association in accordance with the Bylaws.

4.3.2. Guarantee and Guarantee Period

The Budget has been attached hereto as Exhibit 4 and has been prepared with the aid of Developer. In preparing the Budget, Developer's personnel's experience with other developments 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 Association will not incur additional expenses or that the 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 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 4 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 Common Expenses for each Home will not exceed Three-Hundred Fifty and No/100 Dollars (\$350.00) per month from the recording of the Declaration until December 31, 2005 ("Guarantee for Common Expenses"). Developer shall pay to the Association that portion of the Common Expenses of the Association not generated by assessments of Homes. During this Guarantee Period and any extensions thereof, the Developer and all Homes owned by the Developer will not be subject to assessments for Common Expenses. The expiration of the Guarantee Period is December 31, 2005; provided, however, that the Guarantee Period 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 one (1) year to December 31, 2006; provided, however, the Guarantee for Common Expenses shall terminate in the event the Majority Election Date occurs prior to December 31, 2006. Developer further reserves the right to extend the Guarantee Period for one (1) additional year to December 31, 2007; provided, however, any such Guarantee for Common Expenses shall terminate in the event the Majority Election Date occurs prior to December 31, 2007.

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

4.3.3 Assessment and Lien Powers

The Declaration provides 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 Association.

4.4. Enforcement

Under the Act and Article 19 of the Declaration, upon the default by any Home Owner in the payment of any assessment, the 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, attorney and paralegal fees thereon. A Home Owner so defaulting will be liable to the 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, attorney and paralegal fees thereon, have been fully paid.

The lien may be foreclosed by a suit brought in the name of the 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 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 the Recreational Area, and certain expenses pertaining to the operation and functioning of the 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 MAY BE A CONTRACT WITH A MANAGEMENT COMPANY FOR THE MANAGEMENT OF THE CONDOMINIUM PROPERTY.

The Association may enter into a management agreement with a management company ("Manager") to provide for the operation and maintenance of the Homes ("Management Agreement"). There will be separate management fees payable as part of the 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 Exhibit "A" of the Management Agreement. In consideration of their management services, the Manager of the Homes receives from the Association a net fee, free of all charges and expenses, except for services and supplies purchased for the benefit of the Association, \$120.00 annually per Home for the term of the Agreement, as indicated in the Management Agreement. A copy of the proposed form of Management Agreement is attached as Exhibit 10 hereto, and the proposed fees are included in the Budget.

SECTION 6: OTHER EASEMENTS

In addition to the easements granted pursuant to the Declaration and the access easements described in Section 2.1.2 of this Offering Circular, easements for utilities have been or will be established for Bell South, Florida Power and Light and Adelphia Cable. Copies of easements which have been recorded as of the date of preparation of this Offering Circular are attached hereto as Exhibit 11.

SECTION 7: MULTICONDOMINIUM SUMMARY

THIS CONDOMINIUM MAY BE PART OF A MULTICONDOMINIUM DEVELOPMENT IN WHICH OTHER CONDOMINIUMS MAY BE OPERATED BY THE SAME 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 29 of the Declaration (Exhibit 1A 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 Association ("Multicondominium"). The Act requires that Developer provide the following information as to a potential Multicondominium:

Article 29 of the Declaration provides for access and cross easements between the various condominiums in the event a Multicondominium is developed. Article 29 of the Declaration addresses a unit owner's share of the Common Expenses and Common Surplus of the Condominium 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 Condominium Association and how any expenses therefor would be shared. Article IV of the Articles (Exhibit 2 hereto) addresses membership qualifications and voting rights 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 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 thirty-four (34) condominiums, and the minimum and maximum number of units in each of those condominiums (other than the Offered Condominium) will be eight (8) and two hundred sixty-four (264), 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 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.

Hager, Palbicke & Associates, Inc., located at 3850 N.W. Boca Raton Boulevard, Suite 3, Boca Raton, Florida 33431, prepared the Surveys, legal descriptions and Site Plans, attached hereto as Exhibits 8A and 8B, as filed with and approved by the appropriate government authorities.