

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

**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.**

PROSPECTUS FOR  
PALM POINTE I, A CONDOMINIUM

**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**

**IMPORTANT MATTERS**

1. **THIS CONDOMINIUM IS BEING CREATED AND SOLD ON FEE SIMPLE ABSOLUTE INTERESTS.**
2. **THE DEVELOPER HAS THE RIGHT TO RETAIN CONTROL OF THE ASSOCIATION AFTER A MAJORITY OF THE UNITS HAVE BEEN SOLD.**
3. **THE SALE, LEASE OR TRANSFER OF YOUR UNIT IS RESTRICTED OR CONTROLLED.**
4. **RECREATIONAL FACILITIES MAY BE EXPANDED OR ADDED WITHOUT THE CONSENT OF UNIT OWNERS OR THE ASSOCIATION.**
5. **THE UNITS MAY BE TRANSFERRED SUBJECT TO A LEASE.**
6. **UNIT OWNERS ARE REQUIRED TO PAY THEIR SHARE OF THE COSTS AND EXPENSES OF THE MAINTENANCE, MANAGEMENT, UPKEEP, AND REPLACEMENT OF FACILITIES UNDER THE DECLARATION OF CONDOMINIUM OF PALM POINTE I, A CONDOMINIUM AND UNDER THE MASTER COVENANTS.**
7. **THERE IS A LIEN OR LIEN RIGHT AGAINST EACH UNIT TO SECURE THE PAYMENT OF ASSESSMENTS OR OTHER EXACTIONS COMING DUE FOR THE USE, MAINTENANCE, UPKEEP OR REPAIR OF THE FACILITIES UNDER THE DECLARATION OF CONDOMINIUM OF PALM POINTE I, A CONDOMINIUM AND THE MASTER COVENANTS. THE UNIT OWNER'S FAILURE TO MAKE THESE PAYMENTS MAY RESULT IN FORECLOSURE OF THE LIEN.**
8. **THERE IS A CONTRACT FOR THE MANAGEMENT OF THE CONDOMINIUM PROPERTY AND THERE IS A CONTRACT FOR THE MASTER ASSOCIATION PROPERTY WITH REGENCY PROFESSIONAL MANAGEMENT, INC.**
9. **THIS IS A PHASE CONDOMINIUM. ADDITIONAL LAND AND UNITS MAY BE ADDED TO THIS CONDOMINIUM.**

SCHEDULE "0"

**PALM POINTE I, A CONDOMINIUM**

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## SCHEDULES

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**GENERAL INFORMATION  
CONCERNING THE CONDOMINIUM**

1. Description of Condominium.

a. Introduction. The Developer pursuant to this Offering is CONSOLIDATED CAPITAL FUNDING LLC, a New York limited liability company. It is specifically understood that this Offering is limited to the Units contained herein and does not encompass any other property owned by the Developer. All references in this Offering to Developer shall be deemed to mean CONSOLIDATED CAPITAL FUNDING LLC, a New York limited liability company.

b. Use of Property. Pursuant to this Offering, the Residential Condominium Units ("Units") shall be offered for permanent residential occupancy only. No transient use is permitted.

c. Name. The name of this Condominium is PALM POINTE I, A CONDOMINIUM, located at 2275 East Highway 100, Bunnell, Florida 32110.

d. Description of Condominium Property. Phase I of the Condominium contains four (4) two-story buildings. Buildings 1, 3 and 4 each contain fourteen (14) two bedroom/two bathroom Units and two (2) one bedroom/one bathroom Units. Building 2 contains eight (8) two bedroom/two bathroom Units. There are a total of fifty-six (56) Units. The number of bedrooms and bathrooms in each Unit is shown on Schedule "2" attached hereto. Floor plans of the Units are attached as Exhibit "A" to the Declaration of Condominium which is attached as Schedule "1" to this Prospectus. Dimensions set forth in said floor plans, however, are approximations only and subject to modification. The actual plans and specifications of the Condominium are available for inspection at the Developer's office upon request. For a more complete description of the number of Units and a number of bedrooms and bathrooms in each Unit, please refer to Schedule "2" attached to this Prospectus.

Phase II, if developed, shall contain eleven (11) two-story buildings located adjacent to Phase I. Phase II shall contain a total of one hundred forty-four (144) Units.

The total number of Units to be included in Phase I is fifty-six (56). If Phase II is developed and is submitted to a condominium form of ownership, the total number of Units will not exceed two hundred (200).

e. Description of Master Association. The Condominium is also subject to the Declaration of Master Association Covenants and Restrictions (the "Master Covenants"), for Palm Pointe Master Community (the "Master Association"). A copy of the Master Covenants are attached as Schedule "8" to this Prospectus. The Master Association currently includes the Condominium, as well as fifty-six (56) rental apartments. The Condominium consists of the footprint of each of the buildings contained within the Condominium. All common areas, such as parking, landscaping, roadways, recreational facilities, etc., are not part of the Condominium and are managed and maintained by the Master Association. Unit Owners in the Condominium will be required to pay their proportionate share of maintaining the Master Association property.

**UNIT OWNERS ARE REQUIRED TO PAY THEIR SHARE OF THE COSTS AND EXPENSES OF THE MAINTENANCE, MANAGEMENT, UPKEEP, AND REPLACEMENT OF FACILITIES UNDER THE DECLARATION OF CONDOMINIUM OF PALM POINTE I, A CONDOMINIUM AND UNDER THE MASTER COVENANTS.**

**THERE IS A LIEN OR LIEN RIGHT AGAINST EACH UNIT TO SECURE THE PAYMENT OF ASSESSMENTS OR OTHER EXACTIONS COMING DUE FOR THE USE,**

**MAINTENANCE, UPKEEP OR REPAIR OF THE FACILITIES UNDER THE DECLARATION OF CONDOMINIUM OF PALM POINTE I, A CONDOMINIUM AND THE MASTER COVENANTS. THE UNIT OWNER'S FAILURE TO MAKE THESE PAYMENTS MAY RESULT IN FORECLOSURE OF THE LIEN.**

f. Legal Description of Condominium/Survey, Plot Plan and Graphic Description of Improvements. The legal description of the Property to be submitted to a condominium form of ownership is attached as Exhibit "A" to the Declaration of Condominium. The Survey, Plot Plan and Graphic Description of Improvements are also attached as Exhibit "A" to the Declaration of Condominium.

g. Latest Estimated Date of Completion of Construction, Finishing and Equipping. The construction, finishing and equipping of the Units and the Common Elements in Phase I is March 31, 2005. The construction, finishing and equipping of the Units and the Common Elements in Phase II is April 30, 2006.

2. Maximum Number of Units That Will Use Facilities in Common with the Condominium.

The maximum number of Units which will use the facilities in common with the subject Condominium shall be two hundred (200) if both Phases are developed. Nothing herein shall be deemed to require the development of Phase II. In the event the Developer elects not to submit Phase II, the maximum number of Units which will use the facilities in common with the subject Condominium shall remain at two hundred (200) because the occupants of undeclared Units in proposed Phase II will have the right to share the facilities with the Owners of Units in the Condominium.

3. Form of Ownership.

**THIS CONDOMINIUM IS BEING CREATED AND SOLD ON FEE SIMPLE ABSOLUTE INTEREST.**

4. Description of Recreational and Other Commonly Used Facilities.

Unit Owners are required to pay their share of the costs and expenses of maintenance, management, upkeep, and replacement of facilities under the Declaration and the Master Covenants.

Please refer to Article XXI of the Declaration of Condominium attached as Schedule "1" to this Prospectus and Article VI of the Master Declaration attached as Schedule "8" to this Prospectus.

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

Please refer to Article 8.03 of the Declaration of Condominium attached as Schedule "1" of this Prospectus.

As previously indicated, the recreational facilities and other commonly used facilities are part of the Master Association to be used in accordance with the Master Association Rules and Regulations. The following is a description of the recreational and other commonly used facilities that will be used by the Unit Owners of this Condominium property (including the Developer), their tenants, guests and invitees:

- (a) Description: Clubhouse
  - (1) Location: As shown on Survey as set forth on Exhibit "A" of the Declaration of Condominium
  - (2) Approximate size: 3,636 sq. ft.
  - (3) Maximum capacity: people
- (b) Description: Spa
  - (1) Location: As shown on Survey as set forth on Exhibit "A" of the Declaration of Condominium
  - (2) Approximate size: gallons
  - (3) Maximum capacity: people
- (c) Description: Swimming Pool
  - (1) Location: As shown on Survey as set forth on Exhibit "A" of the Declaration of Condominium
  - (2) Approximate size: 860 sq. ft.
  - (3) Approximate depth:
  - (4) Maximum capacity: people
  - (5) The pool is not heated.
- (d) Description: Pool Deck
  - (1) Location: As shown on Survey as set forth on Exhibit "A" of the Declaration of Condominium
  - (2) Approximate size: 3,810 sq. ft.
  - (3) Maximum capacity: people

The Developer will expend a minimum of \$3,000.00 in personal property for the Condominium.

The Developer is not obligated to provide additional facilities not described above.

5. Expansion of Recreational Facilities.

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

Please refer to Article 8.03 of the Declaration of Condominium attached as Schedule "1" of this Prospectus.

6. Leasing by Developer.

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

The Developer may engage in a program of leasing any Units which are unsold as of the date of recordation of the Declaration of Condominium establishing the Condominium. In this regard, the Units subject to the leasing arrangement may include any Units that the Developer has not sold prior to creation of the



Condominium. The terms of such leasing may include such rental terms and conditions as the Developer may designate.

7. Arrangements for Management.

**THERE IS A CONTRACT FOR THE MANAGEMENT OF THE CONDOMINIUM PROPERTY AND THERE IS A CONTRACT FOR THE MASTER ASSOCIATION PROPERTY WITH REGENCY PROFESSIONAL MANAGEMENT, INC.**

A copy of the Management Agreement for the Condominium Property is attached as Schedule "10" to this Prospectus. Such contract shall be subject to the following:

A. Name of Contracting Parties: Palm Pointe I Condominium Association, Inc., a Florida not-for-profit corporation, and Regency Professional Management, Inc., a Florida corporation.

B. Term of Contract: Commencing on October 15, 2004 and shall continue for a term ending one (1) year thereafter and will automatically renew for successive periods of one (1) year, unless, on or before sixty (60) days prior to the expiration of the initial term, or on or before thirty (30) days prior to the expiration of any renewal terms, either party hereto notifies the other in writing that it elects to terminate the Agreement, in which case, the Agreement will be terminated at the end of said period. In no event will the Agreement automatically renew for more than three (3) such annual terms. Notwithstanding the foregoing, the Agreement can be terminated by either party for just cause upon thirty (30) days prior written notice to the other party.

C. Nature of Services Included: All management and maintenance of the common facilities on behalf of the Association.

D. Compensation Stated on a Monthly and Annual Basis: An initial management fee shall commence upon the installation of landscaping material at an initial rate of \$500.00 per month to be paid on the first of each month. Upon the first closing, the management fee will increase to \$600.00 per month. Upon the 25th unit closing, the management fee will decrease to \$550.00 per month. Upon the 50th unit closing, the management fee will increase to \$675.00 per month. The management fees shall increase a maximum of five (5%) percent annually on the anniversary date of the Agreement.

A copy of the Management Agreement for the Master Association Property is attached to the Declaration of Master Association as Exhibit "D" which is attached as Schedule "8" to this Prospectus. Such contract shall be subject to the following:

A. Name of Contracting Parties: Palm Pointe Master Association, Inc., a Florida not-for-profit corporation, and Regency Professional Management, Inc., a Florida corporation.

B. Term of Contract: Commencing on October 15, 2004 and shall continue for a term ending one (1) year thereafter and will automatically renew for successive periods of one (1) year, unless, on or before sixty (60) days prior to the expiration of the initial term, or on or before thirty (30) days prior to the expiration of any renewal terms, either party hereto notifies the other in writing that it elects to terminate the Agreement, in which case, the Agreement will be terminated at the end of said period. In no event will the Agreement automatically renew for more than three (3) such annual terms. Notwithstanding the foregoing, the Agreement can be terminated by either party for just cause upon thirty (30) days prior written notice to the other party.

C. Nature of Services Included: All management and maintenance of the common facilities on behalf of the Association.

D. Compensation Stated on a Monthly and Annual Basis: An initial management fee shall commence upon the 25th closing of any Unit in Palm Point I Condominium Association, Inc. or Palm Pointe II Condominium Association, Inc. (combined) at an initial rate of \$200.00 per month to be paid on the first of each month. Upon the 50th closing, the management fee will increase to \$325.00. Upon the 75th closing, the management fee will increase to \$450.00 per month. Upon the 100th closing, the management fee will increase to \$575.00 per month. Upon the 150th closing, the management fee will increase to \$640.00 for the remainder of the initial contract term. The management fees shall increase a maximum of five (5%) percent annually on the anniversary date of the Agreement.

Other than the Management Agreements referenced herein, there are no other arrangements for management of the Association and maintenance and operation of the Condominium and/or Property that will serve the Unit Owners in the Condominium having a term in excess of one (1) year.

8. Right to Retain Control.

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

When Unit Owners other than the Developer own fifteen (15%) percent or more of the Units in a Condominium that will be operated ultimately by an Association, the Unit Owners other than the Developer shall be entitled to elect no less than one-third (1/3) of the members of the board of administration of the Association. Unit Owners other than the Developer are entitled to elect not less than a majority of the members of the board of administration of an Association:

(a) Three (3) years after fifty (50%) percent of the Units that will be operated ultimately by the Association have been conveyed to Purchasers;

(b) Three (3) months after ninety (90%) percent of the Units that will be operated ultimately by the Association have been conveyed to Purchasers;

(c) When all 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 for sale by the Developer in the ordinary course of business;

(d) 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; or,

(e) Seven (7) years after recordation of the Declaration of Condominium; or, in the case of an association which may ultimately operate more than one condominium, seven (7) years after recordation of the Declaration for the first condominium it operates; or, in the case of an association operating a phase condominium created pursuant to Section 718.403, seven (7) years after recordation of the Declaration creating the initial phase.

Please refer to Article XXIII of the Declaration of Condominium attached as Schedule "1" of this Prospectus and provided for in Florida Statutes.

9. Restriction on Sale, Lease or Transfer.

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

Please refer to Article XV of the Declaration of Condominium attached as Schedule "1" of this Prospectus.

10. Warranties; Disclaimers.

Each Unit shall be delivered in the manner represented in "as is" condition without any express warranties or representations by the Developer, the Association or any broker or agent other than any statutory warranties provided by Section 718.203, Florida Statutes and other applicable provisions.

To the maximum extent lawful, Developer hereby disclaims any and all and each and every express or implied warranties, whether established by statutory, common, case law or otherwise, as to the design, construction, sound and/or odor transmission, existence and/or development of molds, mildew, toxins or fungi, furnishing and equipping of the Condominium Property, including, without limitation, any implied warranties of habitability, fitness for a particular purpose or merchantability, compliance with plans, all warranties imposed by statute (other than those imposed by Section 718.203, Florida Statutes, and then only to the extent applicable and not yet expired) and all other express and implied warranties of any kind or character. Developer has not given and Purchaser has not relied on or bargained for any such warranties. Each Purchaser shall be deemed to represent and warrant to Developer that, in deciding to acquire the Unit, the Unit Owner relied solely on such Unit Owner's independent inspection of the Unit and the Condominium. Purchaser has not received nor relied on any warranties and/or representations from Developer of any kind, other than as expressly provided herein. Without limiting the generality of the foregoing and to the maximum extent permitted by laws, warranties, if any, on appliances and HVAC systems furnished with or serving the Unit are manufacturers warranties only and each Purchaser agrees to be limited to the manufacturer's warranties for any relief pertaining to the breach of any express or implied warranty of merchantability or fitness.

As to any implied warranty which cannot be disclaimed entirely, all secondary, incidental and consequential damages are specifically excluded and disclaimed (claims for such secondary, incidental and consequential damages being clearly unavailable in the case of implied warranties which are disclaimed entirely above).

11. Summary of Use Restrictions To Be Imposed Upon Units Concerning the Use of the Condominium Property.

In addition to the other obligations and duties set forth in the Declaration, every Unit Owner shall:

- a. Promptly pay the Assessments levied by the Association.
- b. Maintain in a clean and sanitary manner and repair his Unit and all interior surfaces within or surrounding his Unit (such as the surfaces of the walls, ceilings, floors, etc.) whether or not a part of the Unit or Common Elements which are a part of the Unit, and maintain and repair the fixtures therein and pay for any utilities which are separately metered to his Unit.

c. Not use or permit the use of his Unit except for residential purposes consistent with the laws of governing authorities having jurisdiction over the property.

d. Not permit or suffer anything to be done or kept in his Unit which would increase the insurance rates on his Unit of the Common Elements, or which will obstruct or interfere with the rights of other members or annoy them with unreasonable noises or otherwise; nor shall a member commit or permit any nuisance, immoral or illegal act in his Unit or on the Common Elements.

e. Conform to and abide by the By-Laws and uniform rules and regulations in regard to the use of the Unit and Common Elements which may be adopted in writing from time to time by the Association, and to see that all persons using the Owner's property, by, through or under him do likewise.

f. Make no alteration, decoration, repair, replacement or change of the Common Elements or to any outside or exterior portion of the building without the prior written consent of the Association.

g. Allow the Board of Administration or the agents and employees of the Association to enter any Unit for the purpose of maintenance, repair or replacement of any Common Elements or for making emergency repairs which are necessary to prevent damage to the Common Elements or to another Unit or Units.

h. Show no sign, advertisement or notice of any type on the Common Elements or his Unit, and erect no exterior antennas and aerials, except as provided in uniform regulations promulgated by the Association.

i. Abide by any regulations regarding children as may be established by the Association, except that no regulations shall prohibit children from residing in or occupying a Unit.

j. Make no repairs to any plumbing or electrical wiring within a Unit, except by plumbers or electricians authorized to do such work by the management of the Association. Plumbing and electrical repairs within a Unit shall be paid for and be the financial obligation of the Owner of the Unit. The Association shall pay for and be responsible for plumbing repairs and electrical wiring within the Common Elements.

k. With respect to repairs or renovations within a Unit that are otherwise permitted hereunder, if a permit is required, the Unit Owner must obtain the permit and provide a copy of the permit to the Association prior to commencing any work. The Unit Owner must also provide proof of insurance to the Association naming the Association as an additional insured in such amount as the Association may reasonably require.

l. Return the "Condominium Parcel" for the purpose of ad valorem taxes to the respective taxing authorities having jurisdiction over them for separate Assessment against his Condominium Parcel. For the purposes of ad valorem taxation, the interest of the Owner of a "Condominium Parcel" in his "Condominium Unit" and in the "Common Elements" shall be considered as a Unit. The value of said Unit shall be equal to the proportion or percentage of the value of the entire Condominium, including land and improvements, as has been assigned to said Unit in Exhibit "B" of the Declaration attached hereto as Schedule "1." The total of all said proportions or percentages equals the value of all of the land and improvements thereon.

m. Use only the parking space or spaces, if any, specifically designated for use by Unit Owners.

n. Not replace and/or remove screens, жалousies or other enclosures on balconies, patios or terraces or on other parts of the building, even though such areas may be Limited Common Elements, except with prior written approval of the Board of Administration.

o. No balconies, patios or terraces shall be extended, enclosed or decorated in any way whatsoever by a Unit Owner without the prior written consent of the Board of Administration.

p. Not divide or subdivide a Unit for purpose of sale or lease, except that a Unit may be combined with a contiguous Unit and occupied as one dwelling Unit.

q. Not hang any laundry, garments or other objects which are visible from outside of the Unit, except for draperies, blinds, shades or other suitable window coverings. Decorative window coverings shall not include any type of reflective film on any glass windows or doors. Notwithstanding the foregoing, any Unit Owner may display one portable, removable United States flag in a respectful way, and on Armed Forces Day, Memorial Day, Flag Day, Independence Day and Veterans Day may display in a respectful way portable, removable official flags, not larger than 4 ½ feet by 6 feet, that represent the United States Army, Navy, Air Force, Marine Corps or Coast Guard.

r. Not allow any rubbish, refuse, garbage or trash to accumulate in places other than the receptacles provided therefor, so that each Unit, the Common Elements and Limited Common Elements shall at all times remain in a clean and sanitary condition.

s. Not make any use of a Unit that violates any laws, ordinances and regulations of any governmental body having jurisdiction thereof.

t. No recreational vehicles, campers, boats, trailers, nonfunctioning vehicles or any commercial vehicle will be allowed in the parking area and/or on the Condominium Property.

u. Children shall be permitted to be occupants of Units, but are restricted in certain activities. Children will be the direct responsibility of their parents or legal guardians, including full supervision of them while within the Condominium Property and including full compliance by them with the Rules and Regulations and all other rules and regulations of the Association. Loud noises will not be tolerated. All children under twelve (12) years of age must be accompanied by a responsible adult when entering and/or utilizing the recreational facilities.

v. No more than two (2) pets (to be limited to domesticated dogs or cats, or one of each) may be kept in a Unit by a Unit Owner at any time. Any pet permitted shall only be allowed to remain in the Unit if such pet is permitted to be so kept by applicable laws and regulations and is not left unattended on balconies and/or any other portions of the Condominium Property. The total weight of all pets belonging to a Unit Owner shall not exceed forty (40) pounds. Neither the Board of Directors nor the Association shall be liable for any personal injury, death or property damage resulting from a violation of the foregoing, and any occupant of a Unit committing such a violation shall fully indemnify and hold harmless the Board of Directors, the Developer, each Unit Owner and the Association in such regard. Unit Owners must pick up all solid wastes of their pets and dispose of such wastes appropriately. All pets (including cats) must be kept on a leash of a length that affords reasonable control over the pet at all times not more than six (6) feet long when outside the Unit. Any landscaping or other damage to the Common Elements caused by a Unit Owner's pet must be promptly repaired by the Unit Owner. The Association retains the right to effect said repairs and charge the Unit Owner therefore. Pets shall only be walked or taken upon those portions of the Common Elements designated by the Association, if any, from time to time for such purposes. In no event shall said pets ever be allowed to be walked or taken on or about any recreational facilities contained within the Condominium. Pets shall only be in the hallways of the building as a means of direct ingress or egress to and from its Owner's Unit and the exterior of the building. In addition to all other rights and remedies of the Association in the Condominium Documents, a violation of the provisions of this subsection shall entitle the Association to all of its rights and remedies, including, but not limited to, the right to fine Unit Owners (as provided in the By-Laws and any applicable rules and regulations) and/or to require any pet to be permanently removed from the Condominium Property. Fish or caged domestic (household type) birds may be kept in the Units subject to the

provisions hereof. In no event shall any pit bulls or doberman pinschers be allowed. The Association has the right to make additional rules and regulations regarding pets.

w. Each Owner agrees that sound transmission in a multi-story building, such as the Condominium, is very difficult to control and that noises from adjoining or nearby Units and or mechanical equipment can often be heard in another Unit. The Developer does not make any representation or warranty as to the level of sound transmission between and among Units and the other portions of the Condominium Property, and each Owner shall be deemed to waive and expressly release any such warranty and claim for loss or damages resulting from sound transmission. The Board of Directors has the authority to adopt rules and regulations regarding sound insulation within the Units, provided, however, such rules shall not apply to any Units owned by the Developer or to any modifications to Units made by the Developer.

x. The Board of Directors shall, from time to time, establish hurricane shutter specifications which comply with the applicable building code and establish permitted colors, styles and materials for hurricane shutters. The Association shall approve the installation or replacement of hurricane shutters conforming with the Board's specifications. The Board may, with the approval of a majority of voting interests in the Condominium, install hurricane shutters and may (without requiring approval of the membership) maintain, repair or replace such approved shutters, whether on or within the Common Elements, the Limited Common Elements, Units or Condominium Property; provided, however, that if laminated glass, in accordance with all applicable building codes and standards, architecturally designed to serve as hurricane protection, is installed, the Board may not install hurricane shutters in accordance with this provision. All shutters shall remain open unless and until a storm watch or storm warning is announced by the National Weather Center or other recognized weather forecaster. A Unit Owner or occupant who plans to be absent during all or any portion of the hurricane season must prepare his or her Unit prior to his or her departure by designating a responsible firm or individual to care for his or her Unit should a hurricane threaten the Unit or should the Unit suffer hurricane damage and furnish the Association with the name(s) of such firm or individual. Such firm or individual shall be subject to the approval of the Association.

To the extent that the Association determines to provide hurricane shutters for any portion of the Condominium Property, the Association shall be solely responsible for the installation of any hurricane shutters from time to time and the costs associated therewith shall be deemed a part of the Common Expenses of the Condominium that are included in the assessments payable by Unit Owners. The obligations of the Association assumed hereby shall include, without limitation, development of appropriate plans to allow for the timely installation of the shutters and all obligations with respect to the repair, replacement and/or upgrade of the shutters. Developer shall have no obligations with respect to the installation of the shutters and/or for the repair, replacement and/or upgrade of the shutters.

y. No Owner shall make any additions, alterations or improvements to the Life Safety Systems and/or to any other portion of the Condominium Property which may alter or impair the Life Safety Systems or access to the Life Safety Systems, without first receiving the prior written approval of the Board. In that regard, no lock, chain or other device or combination thereof shall be installed or maintained at any time on or in connection with any door on which panic hardware or fire exit hardware is required. Stairwell identification and emergency signage shall not be altered or removed whatsoever by any Unit Owner. No barrier, including, but not limited to, personalty, shall impede the free movement of ingress and egress to and from all emergency ingress and egress passageways.

Each Unit Owner, by acceptance of a deed or other conveyance of a Unit, understands and agrees that the applicable governmental authority may require that within a time certain all buildings (including the Condominium), regardless of age, will be required to install a sprinkler and other Life Safety Systems. The cost of any such installation, and subsequent maintenance, repair, replacement and operation of same (including without limitation, the costs of utilities serving same) shall be deemed Common Expenses. Further, an easement is hereby reserved throughout the Condominium Property (and each Unit) for the installation, maintenance, repair,

replacement and operation of any such systems. The Association may, but shall not be obligated to, establish a reserve to cover such future costs.

12. Manner in Which Utilities and Other Services Are To Be Provided.

The manner in which the needs of the utilities and other services will be met, including, but not limited to, sewage and waste disposal, water supply and storm drainage is as follows:

- a. Water and sanitary sewage facilities are supplied by City of Bunnell.
- b. Electrical services shall be supplied to the Condominium by FPL. Electrical services for the individual Units will be separately metered and will be the responsibility of the Unit Owner. Electrical services for the Common Elements is a Common Expense.
- c. Gas shall be supplied to the Condominium by Cunningham Gas and is a Common Expense.
- d. Trash disposal shall be supplied by City of Bunnell and is a Common Expenses.
- e. Telephone service shall be supplied to the Condominium by BellSouth.
- f. Cable television service shall be supplied by Bright House Networks LLC d/b/a Bright House Networks.

13. Explanation of Manner in Which the Common Expenses and Ownership of the Common Elements Has Been Determined.

Both the percentage of Common Elements and the Common Expenses of the Units were apportioned based upon the square footage of the Units. The percentage assigned to each Unit is a fraction, the numerator of which is the square footage of the Unit and the denominator of which is the total square footage of all Units in the Condominium. Units with identical square footage are grouped together in a Unit Type.

For a more complete description of the apportionment of ownership in Common Elements and Common Expenses, please refer to Exhibit "B" attached to the Declaration of Condominium which is attached as Schedule "1" to this Prospectus.

14. Estimated Operating Budget and Guarantee.

Estimated Operating Budgets for the Condominium and for the Master Association are attached to this Offering Circular as Schedule "3." The Budgets constitute a summary of the mandatory financial obligations of Unit Owners payable to each Association as Common Expenses. Expenses of the Master Association are apportioned pro rata to all Units subject to the Master Association in accordance with the square footage. Reference should be made to the Notes to Budgets in reading and understanding the assumptions used in preparing the Budgets. Developer believes that the Budgets are reliable; however, because expenditures may differ from estimated expenditures and because of possible changes in the future expenses of the Condominium and the Master Association, they are not intended nor should they be considered as a representation, guarantee or warranty of any kind whatsoever including, without limitation, that the actual expenses for any period of operation 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 Budgets. Hence, the Budgets do not

constitute any warranty or guarantee as to the magnitude of "Annual Assessments" levied under Article XXI of the Declaration. The Developer has elected to waive reserves for the first year of operation of the Association for both the Estimated Operating Budget for the Condominium and for the Master Association.

The Developer shall be excused from the payment of its share of the Common Expenses and Assessments related to those Units it owns for a period of time commencing from the date of recordation of the Declaration and terminating December 31, 2005. However, the Developer must pay the portion of Common Expenses incurred during that period which exceeds the amount assessed against other Unit Owners. As the Declaration will be recorded during the 2005 calendar year, the Budget and the guarantee shall apply on a pro rata basis from the date of recording of the Declaration through the end of the year. Pursuant to Section 718.116(9)(a)(2), Florida Statutes, the Developer has the right to extend the guarantee for up to five (5) additional one year periods at the same level. The dollar amount for each Unit Type during the guarantee period is as follows:

UNIT TYPE	MONTHLY	ANNUAL
Typical Corner Unit (1st Floor)	\$245.19	\$2,942.00
Typical Corner Unit (2nd Floor)	\$266.84	\$3,202.00
Typical First Floor Unit	\$250.34	\$3,004.00
Typical Second Floor Unit	\$270.71	\$3,249.00
Typical One Bedroom Unit	\$201.36	\$2,416.00

The Developer shall be excused from the payment of its share of the Common Expenses and Assessments related to the Master Association for a period of time commencing from the date of recordation of the Declaration and terminating December 31, 2005. However, the Developer must pay the portion of Common Expenses incurred during that period which exceeds the amount assessed against other Unit Owners. As the Declaration will be recorded during the 2005 calendar year, the Budget and the guarantee shall apply on a pro rata basis from the date of recording of the Declaration through the end of the year. Pursuant to Section 718.116(9)(a)(2), Florida Statutes, the Developer has the right to extend the guarantee for up to five (5) additional one year periods at the same level. The dollar amount for each Unit pursuant to the Master Association Budget is as follows:

UNIT TYPE	MONTHLY	ANNUAL
Typical Corner Unit (1st Floor)	\$245.19	\$2,942.00
Typical Corner Unit (2nd Floor)	\$266.84	\$3,202.00
Typical First Floor Unit	\$250.34	\$3,004.00
Typical Second Floor Unit	\$270.71	\$3,249.00
Typical One Bedroom Unit	\$201.36	\$2,416.00

The Budgets are not intended nor should they 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 Unit ownership. For example, the Budgets do not include real estate taxes on the Units, Unit Owners' insurance, telephone, or other utility services which are billed directly to the Unit Owner and not through the Association.

15. Schedule of Closing Expenses; Special Assessment.

The Purchaser is required under the terms of the Purchase Agreement executed by the Purchaser to pay the following expenses in connection with the closing of this transaction:

- a. A prorated charge for monthly maintenance assessments as set forth in the Estimated Operating Budget for the Association attached as Schedule "3" to this Prospectus.



b. The initial working capital contribution equal to twice the monthly assessment for the Unit being sold as set forth in the Purchase Agreement.

c. Real property taxes from the date of closing to the end of the calendar year in which said closing took place.

d. Mortgage closing charges (if the transaction is to be financed) which may include, but are not limited to, the following expenses, the extent of which must be ascertained from the lender by Purchaser.

- (1) Abstract charges
- (2) Documentary Stamps on the Mortgage
- (3) Intangible taxes on the Mortgage
- (4) Fee for recordation of the Mortgage
- (5) Prepaid interest
- (6) Credit report
- (7) Appraisal fee
- (8) Mortgagee's closing costs (commonly called points)
- (9) Mortgagee's attorney's fees
- (10) Payments into any escrow account which may be required by the lender.
- (11) Premium for Mortgagee policy of title insurance.

e. In addition to the foregoing, title search and title examination fees in the amount of \$175.00 and \$75.00, respectively, and a closing fee equal to one and three-quarters (1.75%) percent of the purchase price shall be charged to cover, in part, but not limited to, payment of the following items:

- (1) Recordation of Warranty Deed
- (2) Florida Documentary Stamps on Warranty Deed
- (3) Owner's Policy of Title Insurance to be furnished by the Developer
- (4) Document preparation
- (5) Seller's attorneys' fees
- (6) Developer's administrative fee

f. The cost of recording the partial release of any mortgage encumbering the Unit and the partial termination, as to the Unit, of the Notice of Commencement placed on the Condominium by Seller.

g. Any interim service fee, impact fees (including but not limited to school impact fees, traffic fees, utility contributions), etc.

h. Any utility meter setting charges, security deposits or other utility charges which may have been advanced by Seller.

16. Identity of Developer.

The Developer pursuant to this Offering is CONSOLIDATED CAPITAL FUNDING LLC, a New York limited liability company. This is the sole condominium development undertaken by CONSOLIDATED CAPITAL FUNDING LLC. Mr. Mark A. Zborowski is the primary person involved in the marketing and development of the Condominium. Mr. Zborowski has extensive experience in commercial real estate in Florida and New York. He has been involved in multiple condominium projects in New York.

17. Contracts and Leases.

As of the date of this Prospectus, the Association has not entered into any contracts or leases having a term in excess of one (1) year for the purpose of maintenance and operation of the Condominium property and of other property that will serve the Unit Owners of the Condominium Property, except for a bulk cable television service and easement agreement with Bright House Networks LLC d/b/a Bright House Networks, a copy of which is attached to this Prospectus as Schedule "11".

18. Existing and Intended Easements.

There are no existing and intended easements located or to be located on the Condominium Property other than those described in the Declaration and the following:

a. Easements in favor of BellSouth Telecommunications, Inc. recorded in Official Records Book 717, Page 1743, and Official Records Book 723, Page 607, both of the Public Records of Flagler County, Florida, and Subordination of Utility Interests recorded in Official Records Book 961, at Page 535, of the Public Records of Flagler County, Florida.

b. Easement in favor of Florida Power & Light Company, recorded in Official Records Book 718, Page 1887, of the Public Records of Flagler County, Florida.

c. Encroachment of wood fence upon the subject property at the Easterly property line (0.24 feet on the Southerly end of said fence).

d. Encroachment of shed onto the subject property at the Southerly property line (1.00 foot on the Westerly side and 1.09 feet on the Easterly side of said shed).

19. Parking.

All surface parking spaces are included within the Master Association property. However, the parking spaces will be treated as if they were Limited Common Elements under the Declaration, and the Developer will assign one parking space to each Unit. All other parking spaces are guest parking.

The particular parking space assigned will be chosen by the Developer in its sole discretion and will be assigned at no cost to the Purchaser. However, if the Purchaser desires a parking space different than the parking space chosen by the Developer, the Developer may assign a different parking space and may charge a fee to the Purchaser for such assignment. Only one parking space will be assigned to each Unit.

20. Disclosures Regarding Radon and Mold

Under the laws of the State of Florida, each prospective Purchaser is hereby advised that **radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit. The foregoing notice is provided in order to comply with state law and is for informational purposes only. The Developer does not conduct radon testing**

with respect to the Condominium and specifically disclaims any and all representations or warranties as to the absence of radon gas or radon producing conditions in connection with the Condominium.

Further, given the climate and humid conditions in South Florida, molds, mildew, toxins and fungi may exist and/or develop within the Unit and/or Condominium Property. Each Purchaser is hereby advised that certain molds, mildew, toxins and/or fungi may be, or if allowed to remain for a sufficient period may become, toxic and potentially pose a health risk. By acquiring title to a Unit, each Owner shall be deemed to have assumed the risks associated with molds, mildew, toxins and/or fungi and to have released the Developer from any and all liability resulting from same.

The Developer does not make any representations or warranties regarding the existence or development of molds or mycotoxins and each Owner shall be deemed to waive and expressly release any such warranty and claim for loss or damages resulting from the existence and/or development of same.

21. Developer's Plan of Phase Development.

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

(a) The land which may become part of the Condominium and the land upon which each Phase is to be built is as described on Exhibit "E" of the Declaration of Condominium attached as Schedule "1" of this Prospectus.

(b) All recreational areas and facilities are as shown on Exhibit "A" to the Declaration of Condominium attached as Schedule "1" of this Prospectus. The proposed recreational facilities are described herein at paragraph 4 hereof. All recreational facilities are part of the Master Association and not part of the Condominium

(c) If Phase II is not submitted to a condominium form of ownership, the Units in Phase I shall be entitled to one hundred (100%) percent ownership of all Common Elements.

(d) The Developer shall be entitled to submit no more than two (2) Phases. Phase I shall consist of fifty-six (56) Units, and Phase II shall consist of one hundred forty-four (144) Units. In any event, the total number of Units which may be a part of this Condominium shall not exceed two hundred (200).

(e) The number and general size of Units to be included in each Phase is as described in Exhibit "G" to the Declaration of Condominium attached as Schedule "1" of this Prospectus.

(f) Each Unit's percentage ownership in the Common Elements as each Phase is added in is described on Exhibit "H" to the Declaration of Condominium attached as Schedule "1" of this Prospectus.

(g) Each Unit in each Phase shall be entitled to one (1) vote and one (1) membership in the Association.

For a more detailed explanation of the method of phasing and further submission to condominium ownership of each Phase, prospective purchasers should refer to Article XXV of the Declaration of Condominium attached as Schedule "1" of this Prospectus.

22. Copies of Documents Included as Schedules.

Copies of the following are included as Schedules to this Prospectus:

- a. Schedule "1" - Declaration of Condominium
- b. Schedule "2" - Building Number, Unit Number, Unit Type, Number Of Bedrooms/Bathrooms And Undivided Interest
- c. Schedule "3" - Estimated Operating Budgets for the Condominium Property and the Master Association
- d. Schedule "4" - Form of Purchase Agreement Utilized in the Sale of Condominium Units
- e. Schedule "5" - Escrow Agreement Establishing Escrow Account Between Developer and Escrow Agent
- f. Schedule "6" - Form of Receipt for Condominium Documents Utilized in the Sale of Condominium Units
- g. Schedule "7" - Initial Rules and Regulations
- h. Schedule "8" - Master Covenants
- i. Schedule "9" - Copy of Warranty Deed
- j. Schedule "10" - Management Agreement
- k. Schedule "11" - Contracts and/or Leases in Excess of One (1) Year
- l. Schedule "12" - Frequently Asked Questions and Answers Sheet
- m. Schedule "13" - Form of Amendment to the Declaration of Condominium Adding Phase II

SCHEDULE "1"

**PALM POINTE I, A CONDOMINIUM**

DECLARATION OF CONDOMINIUM ESTABLISHING  
PALM POINTE I, A CONDOMINIUM