

PROSPECTUS

FOR

FLORIDA CLUB, A CONDOMINIUM

THIS PROSPECTUS 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.

ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. REFER TO THIS PROSPECTUS AND ITS EXHIBITS FOR CORRECT REPRESENTATIONS.

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THIS CONDOMINIUM WILL BE CREATED AND UNITS WILL BE SOLD IN FEE SIMPLE INTERESTS.

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

For further information, see Section 9.3 of the Declaration of Condominium attached hereto as Exhibit A.

For further information with respect to the Condominium, see Section 9.3 of the Declaration of Condominium attached hereto as Exhibit A; and with respect to the Common Area (as defined in the Master Covenants) see the Declaration of Master Covenants and Restrictions for Royal St. Augustine (the "Master Covenants") set forth in Part 2 hereof (hereinafter referred to as "Part 2") entitled "Master Association Documents".

THE UNITS MAY BE TRANSFERRED SUBJECT TO A LEASE.

For further information, see the subsection hereof entitled "Leasing of Developer - Owned Units", and Section 17.8 of the Declaration of Condominium attached hereto as Exhibit A.

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

For further information with respect to the Condominium Association, see Section 718.301, Florida Statutes, and Section 4.15 of the By-Laws of the Condominium Association, a copy of which By-Laws is set forth as Exhibit "4" to the Declaration of Condominium attached hereto as Exhibit A. The Declarant also has the right to retain control of the Royal St. Augustine Parcel Owners Association, Inc. (the "Master Association") after a majority of the Units have been sold. With respect to the control of the Master Association, see the Master Covenants.

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

For further information, see Section 17.8 of the Declaration of Condominium attached hereto as Exhibit A.

THERE IS A MASTER ASSOCIATION MEMBERSHIP ASSOCIATED WITH THIS CONDOMINIUM. MEMBERSHIP IN THE MASTER ASSOCIATION IS MANDATORY FOR UNIT OWNERS. THERE IS NO RECREATION LEASE OR LAND LEASE ASSOCIATED WITH THIS CONDOMINIUM; HOWEVER, EACH UNIT WILL BE ASSESSED FOR A SHARE OF THE EXPENSES RELATING TO THE OPERATION, MAINTENANCE, UPKEEP AND REPAIR OF THE COMMON AREA OF THE MASTER ASSOCIATION AND ANY FACILITIES CONSTRUCTED THEREON. THERE IS A LIEN RIGHT AGAINST EACH UNIT TO SECURE THE PAYMENT OF ASSESSMENTS OR OTHER EXACTIONS COMING DUE FOR THE MAINTENANCE, OPERATION, UPKEEP AND REPAIR OF THE MASTER COMMON AREA AND ANY SUCH COMMON FACILITIES. THE UNIT OWNERS' FAILURE TO MAKE THESE PAYMENTS MAY RESULT IN FORECLOSURE OF THE LIEN.

See the Master Covenants. Because the Master Association is an on-going entity operating independently from the Condominium Association, the purchaser is advised that the budget of, and Assessments payable to, such Association may increase (based upon actual operating expenses and projections thereof), both before and after the closing under the purchaser's agreement for sale.

SUMMARY OF CERTAIN ASPECTS OF THE OFFERING

Description of Condominium

The name of the condominium is FLORIDA CLUB, A CONDOMINIUM (the "Condominium"). The Condominium will consist of eleven (11) buildings, ten (10) of which contain Units. The buildings are located at 510, 520, 535, 540, 550, 560, 610, 615 and 625 Florida Club Boulevard, St. Augustine, FL 32084. Florida Apartment Club St. Augustine Limited Partnership, a Delaware limited partnership (the "Developer"), is the owner of the unsold Units in the Condominium which are being offered for sale pursuant to this Prospectus. The Condominium will contain a total of Two Hundred Sixty Four (264) Units. The number of bedrooms and bathrooms in each Unit in the Condominium is set forth below:

<u>Unit Type *</u>	<u>Bedrooms</u>	<u>Bathrooms</u>
A	1	1
B	2	1
C	2	2
D	3	2

*See Exhibit "2" to the Declaration of Condominium for a listing of Units by Unit type.

The Condominium will consist only of the Units described herein, the Common Elements described in the Declaration of Condominium attached hereto as Exhibit "A" and the recreational facilities described in the section hereof entitled "Recreational and Certain Other Commonly Used Facilities Constructed Within the Condominium Property".

The Condominium is being created by conversion of previously existing improvements which were completed approximately in 2001. The property was previously used as a residential apartment complex. All of the Improvements and Units have been previously occupied.

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

Recreational and Certain Other Commonly Used Facilities Within The Condominium Property

The following facilities have been constructed within the Condominium Property and are to be used, except as provided to the contrary herein or in the Declaration, exclusively by all members of the Association, and their guests, tenants and invitees. The facilities include the following (all to be located on designated portions of the Condominium Property):

<u>FACILITY AND ITS LOCATION</u>	<u>APPROXIMATE SIZE</u>	<u>APPROXIMATE CAPACITY</u>
Fitness Center (Clubhouse)	535 sq. ft.	7 persons
Billiards Area and Media Room (Clubhouse)	1065 sq. ft.	71 persons
Business Center (Clubhouse)	323 sq. ft.	4 persons
Copy Room (Clubhouse)	124 sq. ft.	2 persons
Closing Room (Clubhouse)	177 sq. ft.	2 persons
Office (Clubhouse)	144 sq. ft.	2 persons
Office (Clubhouse)	144 sq. ft.	2 persons
Reception Area (Clubhouse)	425 sq. ft.	5 persons
Veranda (Clubhouse)	1246 sq. ft.	83 persons
Covered Outdoor Area (Clubhouse)	188 sq. ft.	12 persons
Unheated Swimming Pool	1430 sq. ft with depth ranging from 3' ft. to 5' ft.	30 persons

Heated Spa	78.5 sq. ft with depth ranging from 3' ft. to 4' ft.	8 persons
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The maximum number of Units located in the Condominium and entitled to utilize the above-described Facilities will not exceed 264. The facilities are presently in operation and the Developer does not intend to expend any additional sums to provide further personal property in and around these facilities.

Recreational and Certain Other Commonly Used Facilities Intended to be Constructed Within the Master Common Area

There are no recreational or other commonly used facilities to be contained within the Common Area.

The Master Association

THERE IS A MASTER ASSOCIATION MEMBERSHIP ASSOCIATED WITH THIS CONDOMINIUM. MEMBERSHIP IN THE MASTER ASSOCIATION IS MANDATORY FOR UNIT OWNERS. THERE IS NO RECREATION LEASE OR LAND LEASE ASSOCIATED WITH THIS CONDOMINIUM; HOWEVER, EACH UNIT WILL BE ASSESSED FOR A SHARE OF THE EXPENSES RELATING TO THE OPERATION, MAINTENANCE, UPKEEP AND REPAIR OF THE COMMON AREA OF THE MASTER ASSOCIATION AND ANY FACILITIES CONSTRUCTED THEREON. THERE IS A LIEN RIGHT AGAINST EACH UNIT TO SECURE THE PAYMENT OF ASSESSMENTS OR OTHER EXACTIONS COMING DUE FOR THE MAINTENANCE, OPERATION, UPKEEP AND REPAIR OF THE MASTER COMMON AREA AND ANY SUCH COMMON FACILITIES. THE UNIT OWNERS' FAILURE TO MAKE THESE PAYMENTS MAY RESULT IN FORECLOSURE OF THE LIEN.

See the Master Covenants.

The Condominium is part of the community known as Royal St. Augustine (as defined in the Master Covenants). Each Unit Owner (as defined in the Declaration) will be a member of the Master Association, as will certain others. The Master Association is responsible for operating and maintaining the Common Area of Royal St. Augustine. The Common Area consists of all of the property described as Common Area in the Master Covenants, all other Common Area which may from time to time be made subject to the Master Covenants and all facilities which may be constructed thereon. The Master Association has the power to assess Unit Owners (and other members of the Master Association) for a share of the expenses of such operation and maintenance, and for management fees, and to impose and foreclose liens in the event such assessments are not paid when due. Reference should be made to the Master Covenants, as well as the Articles of Incorporation and By-Laws of the Master Association set forth in Part 2 of this Prospectus, for a complete explanation of the powers and responsibilities of the Master Association. See also the subsection hereof entitled "Estimated Operating Budgets".

Expansion of Recreational Facilities

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

With respect to the Condominium, see Section 9.3 of the Declaration of Condominium for further details, and with respect to the Common Area, see the Master Covenants.

The Developer reserves the right at any time to provide or expand any of the above-described recreational facilities as the Developer deems appropriate. The consent of the Unit Owners, the Condominium Association or the Master Association shall not be required for any such construction or expansion. The cost of such construction or expansion shall be borne exclusively by the Developer. The Developer is not obligated, however, to so expand the facilities or provide additional facilities.

Leasing of Developer-Owned Units

THE UNITS MAY BE TRANSFERRED SUBJECT TO A LEASE.

See Section 17.8 of the Declaration of Condominium for further details.

While the Developer will primarily focus on the sale of the Units, it shall nonetheless continue the rental of the unsold Units on such terms as Developer, in its sole and absolute discretion, shall approve and as permitted by the Act and the rules promulgated thereunder. In the event any Unit is sold prior to the expiration of the term of a lease (which may occur during an indefinite period), title to such Unit (or Units) will be conveyed subject to the lease (or leases) and purchasers will succeed to the interests of the applicable lessor. If any Unit is sold subject to a lease, a copy of the executed lease will be attached to the Purchase Agreement in accordance with the terms of Florida Statutes, Section 718.503. Some of the Units in the Condominium may have been previously occupied.

Management of the Condominium

There is not presently a contract for the management of the Condominium Property, however, it is anticipated that, prior to the creation of the Condominium, the Association may enter into an agreement with Nationwide Management Services Corp., (or any other management company) to serve the Condominium. In addition to the means of termination set forth in the management agreement, the management agreement may also be canceled by unit owners pursuant to the Condominium Act, Florida Statutes, Section 718.302. Section 718.302, Florida Statutes, provides in relevant part that:

If . . . unit owners other than the developer have assumed control of the association, or if unit owners other than the developer own not less than 75 percent of the units in the condominium, the cancellation shall be by concurrence of the owners of not less than 75 percent of the units other than the units owned by the developer. If a grant, reservation or contract is so canceled and the unit owners other than the developer have not assumed control of the association, the association shall make a new contract or otherwise provide for maintenance, management or operation in lieu of the canceled obligation, at the direction of the owners of not less than a majority of the units in the condominium other than the units owned by the developer.

Any fees which may be payable by the Association to the Manager shall be part of the Common Expenses of the Condominium that are included in the Assessments payable by Unit Owners.

There is not presently an agreement for the management of the Master Association. The Master Association may, however, at any time, and without the consent of Owners, enter into a management contract. The costs of any such contract shall be a common expense of the Master Association and shall be paid by the Owners through assessments.

Currently, except for the maintenance and/or service contracts attached hereto as Composite Exhibit "G", there are no other maintenance or service contracts affecting the Condominium and/or the Common Area having a non-cancelable term in excess of one year. The Association and Master Association are empowered at any time and from time to time, to enter into a management agreement and additional maintenance and/or service contracts for valuable consideration and upon such terms and conditions as their respective Boards of Directors shall approve without the consent of Unit Owners. Any maintenance and/or service contracts entered into by the Condominium Association (but not those entered into by the Master Association) may be subject to cancellation by the Association and by Unit Owners directly in accordance with the aforesaid Section 718.302, Florida Statutes.

Transfer of Control of the Associations

The initial officers and directors of the Condominium Association are or will all be designees of the Developer.

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

See Section 718.301, Florida Statutes, and Section 4.15 of the By-Laws of the Association, a copy of which By-Laws is set forth as Exhibit "4" to the Declaration of Condominium.

The Directors of the Condominium Association designated by the Developer will be replaced by Directors elected by Unit Owners other than the Developer in accordance with the applicable provisions of the Florida Condominium Act, Section 718.301, Florida Statutes, and Section 4.15 of the By-Laws.

The Declarant of the Master Covenants has the right to retain control of the Master Association after a majority of the Units have been sold. See the Master Covenants and the Articles of Incorporation of the Master Association for details.

Restrictions on Use of Units and Common Elements and Alienability. The following is a summary of certain of the restrictions which affect the Units. **The Developer and certain related parties are, among others, exempt from many of the restrictions.**

Occupancy. Each Unit shall be used as a residence only, except as otherwise herein expressly provided, all in accordance with all applicable City, County, State and Federal codes, ordinances and regulations. The provisions of this Subsection shall not be applicable to Units used by the Developer, which it has the authority to do without Unit Owner consent or approval, and without payment of consideration, for model apartments, guest suites, sales, re-sales and/or leasing offices and/or for the provision of management, construction, development and/or financial services.

Children. Children shall be permitted to be occupants of Units, but are restricted in certain activities. See the Rules and Regulations attached to the By-Laws (Exhibit "4" to the Declaration of Condominium) as Schedule A thereto.

Pet Restrictions. Domesticated dogs and/or cats may be maintained in a Unit provided such pets are: (a) permitted to be so kept by applicable laws and regulations, (b) not left unattended on balconies or in lanai areas, (c) generally, not a nuisance to residents of other Units or of neighboring buildings and (d) not a pit bull or other breed considered to be dangerous by the Board of Directors; provided that neither the Board 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, the Association and the Master 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 when outside the Unit or enclosed patio. Any landscaping damage 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 therefor. 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. 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. A violation of the pet regulations shall entitle the Association to all of its rights and remedies, including, the right to fine Unit Owners and/or to require any pet to be permanently removed from the Condominium Property.

Garbage. No Unit Owner shall be permitted to keep any rubbish, refuse and/or trash in places other than those areas specifically provided for within the Common Elements and/or other portions of the Condominium Property.

Alterations. No Unit Owner shall cause or allow improvements or changes to any Unit, limited Common Elements appurtenant thereto, Common Elements or Association Property, including, but not limited to, painting or other decorating of any nature, installing any electrical wiring, television antenna, satellite dishes, electronic devices, transmitting and/or receiving equipment, machinery, or air-conditioning units, which in any manner change the appearance of any portion of the Building, without obtaining the prior written consent of the Association (in the manner specified in the Declaration). 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 1/2 feet by 6 feet, that represent the United States Army, Navy, Air Force, Marine Corps or Coast Guard.

Use of Common Elements and Association Property. The Common Elements and Association Property shall be used only for furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units. In that regard, each Unit Owner agrees that it is the intention of the Developer that the stairwells of the Building are intended for ingress and egress in the event of emergency only, and as such are constructed and left unfinished solely as to be functional for said purpose, without regard to the aesthetic appearance of said stairwells. Similarly, the garage and utility pipes serving the Condominium are intended solely for functional purposes, and as such will be left unfinished without regard to the aesthetic appearance of same. The foregoing is not intended to prohibit the use of the stairwells, garage, and utility pipes for any other purpose.

Nuisances. No nuisances (as defined by the Association) shall be allowed on the Condominium or Association Property, nor shall any use or practice be allowed which is a source of annoyance to occupants of Units or which interferes with the peaceful possession or proper use of the Condominium and/or Association Property by its residents, occupants or members. No activity specifically permitted by the Declaration or the Master Covenants shall be deemed a nuisance. No improper, offensive, hazardous or unlawful use shall be made of the Condominium or Association Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereover shall be observed. See Sections 17.6 and 17.7 of the Declaration and the Rules and Regulations set forth as Schedule A to the By-Laws of the Association.

Leases. Leasing of Units or portions thereof shall be subject to the prior written approval of the Association, and each lease shall be in writing. Every lease shall specifically provide (or, if it does not, shall be automatically deemed to provide) that a material condition of the lease shall be the tenant's full compliance with the covenants, terms, conditions and restrictions of the Declaration (and all Exhibits hereto), the Master Covenants, and with any and all rules and regulations adopted by the Association and/or the Master Association from time to time (before or after the execution of the lease and/or any modifications, renewals or extensions of same). No lease of a Unit shall be for a period of less than six (6) months and a day. The Unit Owner will be jointly and severally liable with the tenant to the Association for any amount which is required by the Association to repair any damage to the Common Elements resulting from acts or omissions of tenants (as determined in the sole discretion of the Association) and to pay any claim for injury or damage to property caused by the negligence of the tenant. All leases shall be subordinate to any lien filed by the Condominium Association, whether prior or subsequent to such lease. The Association may charge a fee in connection with the approval of any lease, sublease, or other transfer of a Unit requiring approval, provided, however that such fee may not exceed \$100 per applicant other than husband/wife or parent/dependent child, which are considered one applicant, and provided further, that if the lease or sublease is a renewal of a lease or sublease with the same lessee or sublessee, no charge shall be made. If so required by the Association, a Unit Owner wishing to lease a Unit shall require a prospective lessee to place in escrow with the Association a reasonable sum, not to exceed the equivalent of one month's rental, which may be used by the Association to repair any damage to the Common Elements and/or Association Property resulting from acts or omissions of tenants (as determined in the sole discretion of the Association). Payment of interest, claims against

the deposit, refunds and disputes regarding the disposition of the deposit shall be handled in the same fashion as provided in Part II of Chapter 83, Florida Statutes. When a Unit is leased, a tenant shall have all use rights in Association Property and those Common Elements otherwise readily available for use generally by Unit Owners, and the Owner of the leased Unit shall not have such rights, except as a guest, unless such rights are waived in writing by the tenant. Nothing herein shall interfere with the access rights of the Unit Owner as a landlord pursuant to Chapter 83, Florida Statutes. The Association shall have the right to adopt rules to prohibit dual usage by a Unit Owner and a tenant of Association Property and Common Elements otherwise readily available for use generally by Owners.

Weight, Sound and Other Restrictions. Unless installed by the Developer, or prior to the creation of the Condominium or meeting the sound insulation specifications set forth in the Declaration (as same may be modified from time to time), hard and/or heavy surface floor coverings, such as tile, marble, wood, and the like will be permitted only in foyers, kitchens and bathrooms. Although prior Board approval is not required, the installation of any hard and/or heavy surface floor coverings must meet the following specifications: the aggregate sound isolation and acoustical treatment shall carry a minimum Sound Transmission Classification (STC) of 48, and the installation of the foregoing insulation materials shall be performed in a manner that provides proper mechanical isolation of the flooring materials from any rigid part of the building structure, whether of the concrete subfloor (vertical transmission) or adjacent walls and fittings (horizontal transmission) and must be installed prior to the Unit being occupied. Notwithstanding the foregoing, the floor coverings (and insulation and adhesive material therefor) installed on any balcony, terrace, patio and/or lanai shall not exceed a thickness that will result in the finish level of the balconies, terraces, patios and/or lanais being above the bottom of the scuppers. Also, the installation of any improvement or heavy object must be submitted to and approved by the Board, and be compatible with the overall structural design of the building. All areas within a Unit other than foyers, kitchens and bathrooms are to receive sound absorbent, less dense floor coverings, such as carpeting or hard surface floor coverings meeting the specifications described above. The Board will have the right to specify the exact material to be used on balconies, terraces, patios and/or lanais. Any use guidelines set forth by the Association shall be consistent with good design practices for the waterproofing and overall structural design of the Building. Owners will be held strictly liable for violations of these restrictions and for all damages resulting therefrom and the Association has the right to require immediate removal of violations. Applicable warranties of the Developer, if any, shall be voided by violations of these restrictions and requirements. 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.

Mitigation of Dampness and Humidity. No Unit Owner shall install, within his or her Unit, or upon the Common Elements or Association Property, non-breathable wall-coverings or low-permeance paints. Additionally, any and all built-in casework, furniture, and or shelving in a Unit must be installed over floor coverings to allow air space and air movement and shall not be installed with backboards flush against any gypsum board wall. Additionally, all Unit Owners, whether or not occupying the Unit, shall periodically run the air conditioning system to maintain the Unit temperature, whether or not occupied, at 78°F, to minimize humidity in the Unit. While the foregoing are intended to minimize the potential development of molds, fungi, mildew and other mycotoxins, each Owner understands and agrees that there is no method for completely eliminating the development of molds or mycotoxins. 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. In furtherance of the rights of the Association as set forth in the Declaration, in the event that the Association reasonably believes that these provisions are not being complied with, then, the Association shall have the right (but not the obligation) to enter the Unit (without requiring the consent of the Owner or any other party) to turn on the air conditioning in an effort to cause the temperature of the Unit to be maintained as required (with all utility consumption costs to be paid and assumed by the Unit Owner). To the extent that electric service is not then available to the Unit, the Association shall have the further right, but not the obligation (without requiring the consent of the Owner or any other party) to connect electric service to the Unit (with the costs thereof to be borne by the Unit Owner, or if advanced by the Association, to be promptly reimbursed by the Owner to the Association, with all such costs to be deemed Charges).

Hurricane Shutters. 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 Common Elements, Limited Common Elements, Units or Association 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 departure by designating a responsible firm or individual to care for the Unit should a hurricane threaten the Unit or should the Unit suffer hurricane damage, and furnishing 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 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.

For these and other restrictions upon the use of Units and Common Elements, reference should be made to all Exhibits contained in this Prospectus (particularly Sections 9 and 17 of the Declaration, the Rules and Regulations attached to the By-Laws as Schedule A and Master Covenants) in addition to the specific references noted.

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

See Section 17.8 of the Declaration for details.

Utilities and Certain Services

Utilities and certain other services will be furnished to the Condominium as follows:

Electricity	Florida Power & Light
Telephone	Bellsouth
Water	St. Johns County Utilities
Sanitary Sewage and Waste Disposal	St. Johns County Utilities
Solid Waste Removal	BFI Waste Management
Storm Drainage	Private system of natural and artificial percolation and run-off

Apportionment of Common Expenses and Ownership of the Common Elements

The Owner(s) of each Unit will own an undivided interest in the Common Elements of the Condominium and Common Surplus of the Condominium Association and shall be obligated for a proportionate share of the Common Expenses. Generally speaking, the Common Elements consist of all parts of the Condominium Property not included in the Units. The Common Expenses include all expenses and assessments properly incurred by the Association for the Condominium which are to be shared by the Unit Owners, including, without limitation, (a) all expenses incurred by the Association for the operation, management, maintenance, repair, replacement or protection of the Common Elements and Association Property, (b) the costs of carrying out the powers and duties of the Association, (c) all reserves required by the Act or otherwise established by the Association, regardless of when reserve funds are expended; (d) the cost of a master antenna television system or cable or satellite television service obtained pursuant to a bulk contract; (e) the cost of any bulk contract for broadband, telecommunications, satellite and/or internet services, if any; (f) if applicable, costs relating to reasonable transportation services, road maintenance and operation expenses, management, administrative, professional and consulting fees and expenses, in-house and/or interactive communications and surveillance systems; (g) the costs of providing insurance for directors and officers; (h) the real property taxes, Assessments and other maintenance expenses attributable to any Units acquired by the Association or any Association Property; (i) all expense of installation, repair, and maintenance of hurricane shutters by the Board (provided, however, that a Unit Owner who has already installed hurricane shutters (or other acceptable hurricane protection) shall receive a credit equal to the pro rata portion of the assessed installation cost assigned to each Unit, but shall not be excused from any portion of expenses related to maintenance, repair, replacement or operation of same); (j) any lease or maintenance agreement payments required under leases or maintenance agreements for mechanical or other equipment, including without limitation, leases for recycling equipment, if same is leased by the Association rather than being owned by it; (k) all expenses related to the installation, repair, maintenance, operation, alteration and/or replacement of Life Safety Systems (as hereinafter defined); (l) any and all payments required under any service, management and/or maintenance agreements for the operation of, or services provided to, the Condominium Property, (m) any unpaid share of Common Expenses or Assessments extinguished by foreclosure of a superior lien or by deed in lieu of foreclosure; (n) costs of fire, windstorm, flood, liability and all other types of insurance including, without limitation, and specifically, insurance for officers and directors of the Association; (o) costs of water and sewer, electricity, gas and other utilities which are not consumed by and metered to individual Units; and (p) costs resulting from damage to the Condominium Property which are necessary to satisfy any deductible and/or to effect necessary repairs which are in excess of insurance proceeds received as a result of such damage. Common Expenses shall not include any separate obligations of individual Unit Owners, any assessments or obligations to the Master Association, or any costs or expenses related to any portions of the Common Elements

or Association Property which are now or hereafter declared Common Area of and under the Master Covenants, to the extent that the costs and expenses are included within the budget of, and incurred by, the Master Association.

In addition to the assessments payable to the Condominium Association, each owner (either directly or indirectly through its membership in the Condominium Association) shall be liable for the assessments payable to the Master Association. The allocation of assessments payable to the Master Association is determined in the manner provided in the Master Covenants.

Fees and Expenses: the Agreement, Escrow Deposits

In connection with the closing, Developer agrees to pay the following closing costs: (i) the documentary stamp taxes required in connection with deed conveying the Unit to purchaser, (ii) the costs of officially recording the deed in the public records of the County, and (iii) with respect to any owner's title insurance policy delivered, or caused to be delivered, by Developer, the title insurance premium for the owner's policy of title insurance.

At closing, the purchaser shall pay, in addition to the purchase price for the Unit, the following closing costs: A working capital contribution to the funds of the Condominium Association in an amount equal to twice the monthly assessment amount in effect on the date of closing (which contribution is not to be credited against regular assessments). This sum shall be deposited in the Association's account for the intended purpose of establishing initial operating funds and working capital and for initial, non-recurring expenses. Notwithstanding the foregoing intent, however, all contributions may be used by the Association for any purpose (including, but not limited to, the reimbursement of the Developer for certain expenses as more particularly described in the subsection hereof entitled "Contracts to be Assigned by Developer", provided, however, that, prior to the Guarantee Expiration Date, the Developer shall not be permitted to use any such working capital contributions payable to the Condominium Association to the extent precluded by law).

Purchasers shall also be required to pay, at closing: (a) a reimbursement to Developer for any utility, cable or interactive communication deposits or hook-up fees which Developer may have advanced prior to closing for the Unit, (b) any charge for any options or upgrading of standard items included, or to be included, in the Unit, (c) a reimbursement for charges incurred in connection with coordinating closing with purchaser or purchaser's lender, (d) reimbursement to Developer for purchaser's prorated portion of any interim services fee charged by the applicable state or county jurisdiction, and (e) late charges, if applicable, all as provided in the Agreement.

Expenses relating to the purchaser's Unit (for example, taxes and governmental assessments and current maintenance assessments due the Condominium Association) will be apportioned between the Developer and the purchaser as of closing. However, payments or credits for tax prorations will not be made until the actual tax bill is received by the purchaser.

If the Developer permits a closing to be rescheduled from the originally scheduled closing date at the request of a purchaser, such purchaser shall pay to the Developer, at the time of rescheduling, a late funding charge as more particularly described in the Agreement. In addition, all closing prorations shall be made as of the originally scheduled closing date. Developer is not obligated to consent to any such delay.

All purchasers obtaining a mortgage also will pay any loan fees, closing costs, escrows, appraisals, credit fees, lender's title insurance premiums, prepayments and all other expenses charged by any lender giving the purchaser a mortgage, if applicable. The amount of all lender's charges is now unknown.

In the event that purchaser elects to seek financing for the purchase of the Unit, and purchaser elects to use Wells Fargo Home Mortgage, Inc., a California corporation (or any other mortgage broker designated by Seller, the "Designated Mortgage Broker"), as the mortgage broker to arrange such financing and allows the title insurance to be provided by Albertelli Title, Inc., a Florida corporation (or any other title company designated by Seller, the "Designated Title Agent"), and if in fact purchaser is approved for a loan and closes on a loan arranged by the Designated Mortgage Broker, then Developer agrees to pay, on behalf of purchaser, a portion of the closing expenses (the "Closing Costs Contribution") required to be paid under the Agreement or in connection with the loan arranged by the Designated Mortgage Broker, said Closing Costs Contribution to be equal to one and one-half percent (1.5%) of the purchase price of the Unit. In such instance, purchaser shall be obligated for payment of any and all closing costs in excess of the Closing Costs Contribution. The Designated Title Agent is affiliated with certain of the principals of Developer. Purchaser acknowledges receipt of the Affiliated Business Arrangement Disclosure Statement which discloses the affiliation of Developer and the Designated Title Agent. Notwithstanding the foregoing, and regardless of whether purchaser elects to utilize the services of the Designated Mortgage Broker, nothing shall be deemed to qualify or otherwise condition purchaser's obligation to close "all cash" on the purchase of the Unit.

The Developer is not obligated to provide a purchaser with a title opinion or an abstract of title. A policy of owner's title insurance, however, will be provided to a purchaser after closing.

The form of Purchase Agreement set forth as Exhibit "C" hereto may be modified in any manner in any particular case or cases without the consent of any other purchaser or Unit Owner. The modification of any such Purchase Agreement or Purchase Agreements shall not vest any purchaser or Unit Owner whose Purchase Agreement was not so modified with any rights of any sort. Deposits under the Purchase Agreement will be held and disbursed in accordance with the Purchase Agreement and the terms of the Escrow Agreement attached hereto as Exhibit "D".

Sales Commissions

The Developer will pay the sales commissions, if any, of the on-premises sales agents employed or otherwise retained by Developer in connection with the sale of the Units. The Purchaser will be responsible for the commission of any other broker or salesperson with whom Purchaser may have dealt, unless Developer otherwise agrees in writing.

Identity of Developer

Florida Apartment Club St. Augustine Limited Partnership, a Delaware limited partnership, is the Developer of the Condominium. Being a relatively newly formed entity, it has no prior experience in the area of condominium or other real estate development. Mr. Luis Lamar is the primary person involved in the marketing and development of the Condominium and has approximately seventeen (17) years of experience in the areas of real estate marketing and development, including involvement with the development and sale of condominiums such as Ocean Grande, located in South Ponte Vedra Beach, St. Johns County, Florida and Andalusia Condominium Residences, located in Coral Gables, Florida.

The information provided above as to Mr. Luis Lamar is given solely for the purpose of complying with Section 718.504(22), Florida Statutes, and is not intended to create personal liability on the part of Mr. Luis Lamar.

Contracts to be Assigned by Developer

Upon or before closing of title to the first Unit, Developer shall assign to the appropriate Association all of Developer's right, title and interest in and to all contracts relating to the provision of utility, insurance and other services to the Condominium, and from and after such date, all benefits and burdens thereunder shall accrue and apply to the applicable Association. The Developer shall be entitled to be reimbursed for all deposits, prepaid premiums, rentals and other consideration paid by the Developer to such insurers, contractors and utility companies, pro-rated as of the date of closing for each Unit, except that utility deposits will be reimbursed by the Association to the Developer in full without proration.

Estimated Operating Budget

Attached hereto as Exhibit "B" is the Estimated Operating Budget for the Condominium Association. Purchaser understands that the Estimated Operating Budget provides only an estimate of what it will cost to run the Association during the period of time stated in the Budget. The Budget is not guaranteed to accurately predict actual expenditures. It is intended that the Developer, as the sole Unit Owner upon the formation of the Condominium, will vote not to provide any reserves for the initial year of the Association and for the second year of the Association, to the extent turnover of the Association has not occurred. Thereafter, on an annual basis, a majority of the Association's non-developer members may vote to continue not to provide any reserves. If an election is in fact made to waive reserves, the assessments per unit will be as set forth in the Estimated Operating Budget as "Assessments per Unit - Without Reserves". If no such election is made, the assessments per Unit will be as set forth in the Estimated Operating Budget as "Assessments per Unit - With Reserves".

The Estimated Operating Budget for the Master Association is also set forth as part of Exhibit "B" hereto. Because the Master Association is, or may be at the time of closing, an on-going entity operating independently from the Condominium Association, the purchaser is advised that the budget of, and assessments payable to, the Master Association may increase (based upon actual operating expenses and projections thereof), both before and after the closing under the purchaser's agreement.

Easements Located or to be Located on the Condominium Property

In addition to the various easements to be provided for in the Declaration of Condominium attached hereto as Exhibit "A", and in the Master Covenants, attached hereto in Part 2 hereof, the Condominium Property may be made subject to easements in favor of various public or private utilities. Any easement in favor of a public or private utility or similar company or authority may be granted by the Developer or the Association on a "blanket" basis or by use of a specific legal description. See the Section hereof entitled "Utilities and Certain Services" for the names of the suppliers of certain utilities to the Condominium.

Additionally, the Condominium Property shall be burdened with an easement permitting golf balls hit from the Golf Course to unintentionally come upon the Condominium Property and for golfers at reasonable times and in a reasonable manner to come upon the exterior portions of the Condominium Property to retrieve errant golf balls, all as more particularly described in the Declaration. Notwithstanding the foregoing, each Purchaser is hereby advised that ownership of any interest in any Unit or any portion of the Property, or membership in the Condominium Association and/or the Master Association, does not give any vested right or easement, prescriptive or otherwise, to use any golf course or golf club facility and does not grant any right to acquire any ownership or membership interest in any golf club, golf course or golf club facility, all of which are separate from the Condominium. Any Owner who would like to acquire the right to any ownership or membership interest in or to use any golf club, golf course or golf club facility, must comply with any and all membership requirements promulgated by the golf club.

For more details, refer to the Declaration of Condominium. The easements provided for in the Declaration of Condominium, the Master Covenants, attached hereto in Part 2 hereof, and the Florida Condominium Act are not summarized here. In addition to the easements provided for in the Declaration of Condominium and those described above, the Master Covenants create certain easements in favor of the Master Association and its members. Some or all of these are "blanket" easements which are not limited to specifically described portions of the Condominium Property. For more details, refer to the Master Covenants.

Disclosures

Under the laws of the State of Florida, each prospective purchaser is hereby advised as follows:

-- RADON GAS: 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 health department. The foregoing notice is provided in order to comply with state law and is for informational purposes only. 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.

-- FLORIDA LAW CONTAINS IMPORTANT REQUIREMENTS YOU MUST FOLLOW BEFORE YOU MAY FILE A LAWSUIT FOR DEFECTIVE CONSTRUCTION AGAINST A CONTRACTOR, SUBCONTRACTOR, SUPPLIER OR DESIGN PROFESSIONAL FOR AN ALLEGED CONSTRUCTION DEFECT IN YOUR UNIT OR CONDOMINIUM. SIXTY DAYS BEFORE YOU FILE YOUR LAWSUIT, YOU MUST DELIVER TO THE CONTRACTOR, SUBCONTRACTOR, SUPPLIER OR DESIGN PROFESSIONAL A WRITTEN NOTICE OF ANY CONSTRUCTION CONDITIONS YOU ALLEGE ARE DEFECTIVE AND PROVIDE YOUR CONTRACTOR AND ANY SUBCONTRACTORS, SUPPLIERS OR DESIGN PROFESSIONALS THE OPPORTUNITY TO INSPECT THE ALLEGED CONSTRUCTION DEFECTS AND MAKE AN OFFER TO REPAIR OR PAY FOR THE ALLEGED CONSTRUCTION DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY THE CONTRACTOR OR ANY SUBCONTRACTORS, SUPPLIERS OR DESIGN PROFESSIONALS. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER FLORIDA LAW.

-- In connection with the Golf Course, Purchaser is hereby advised that each purchaser shall be deemed to assume the risk of noise, personal injury or property damage caused by maintenance and operation of the Golf Course, including, without limitation: (a) noise from maintenance equipment (it being understood and agreed that such maintenance typically takes place around sunrise or sunset), (b) noise caused by golfers, (c) use of pesticides, herbicides and fertilizers, (d) view restrictions caused by placement of and/or maturation of trees and shrubbery, (e) reduction in privacy caused by constant golf traffic on the Golf Course or the removal or pruning of shrubbery or trees on the Golf Course, and (f) design of the Golf Course or setting of the Condominium Property

-- Given the climate and humid conditions in Florida, molds, mildew, toxins and fungi may exist and/or develop within the Unit and/or the Condominium Property. Each purchaser is hereby advised that certain molds, mildew, toxins, and 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

Purchaser 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 liability resulting from same.

Evidence of Ownership

Developer is the fee simple owner of the property which is intended to be developed as the Condominium. Attached as Exhibit "E" to this Prospectus is evidence of the Developer's ownership interest in the Condominium Property.

Nearby Activities

For some time in the future, purchasers may be disturbed by the noise, commotion and other unpleasant effects of nearby construction activity and impeded in using portions of the Condominium Property by that activity. In that regard, purchaser should be aware that there are development sites in very close proximity to the Condominium Property and as such, purchasers should contemplate the development of same and the impacts that that will have on their decision to purchase a Unit and the long term value of their unit. As a result of the foregoing, there is no guarantee of view, security, privacy, location, design, density or any other matter, except as is set forth in this Prospectus.

Conversion

The Condominium has been created by converting a previously existing apartment complex, and, accordingly, the improvements have been previously occupied. In connection with the conversion, please refer to and review the following:

- (i) a copy of a conversion inspection report prepared by Tillery & Associates, Inc., which discloses the condition of the condominium improvements, which report is attached hereto as Exhibit "F";
- (ii) a copy of a termite inspection report prepared by a Florida licensed pest operator, which report is attached to the conversion inspection report;
- (iii) a copy of the Certificates of Occupancy for the improvements on the Condominium Property, which are attached as exhibits to the conversion inspection report; and
- (iv) a copy of letter from the City of St. Augustine regarding the conversion, which is attached to the conversion inspection report.

Notwithstanding that this Condominium is a conversion of previously occupied premises, Developer has elected to warrant the improvements solely to the extent provided in Section 718.618 Florida Statutes. Except only for those warranties provided in Section 718.618, Florida Statutes (and only to the extent applicable and not yet expired), and those of Section 718.203, Florida Statutes (to the extent applicable and not yet expired), 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 Sections 718.618 and 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 recognizes and agrees that the Unit and Condominium are not new construction. 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 as well as the conversion inspection reports included in the Prospectus. Purchaser has not received nor relied on any warranties and/or representations from Developer of any kind, other than as expressly provided herein.

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).

General

The foregoing is not intended to present a complete summary of all of the provisions of the various documents referred to herein, but does contain a fair summary of certain provisions of said documents. Statements made as to the provisions of such documents are qualified in all respects by the content of such documents.

Definitions

The definitions set forth in the Declaration of Condominium and Master Covenants shall be applicable to this Prospectus, unless otherwise specifically stated or unless the context would prohibit.

Effective Date

This Prospectus is effective January, 2004.