

P R O S P E C T U S

SEAWATCH ON-THE-BEACH, A CONDOMINIUM

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CONDOMINIUM DOCUMENTS

(PROSPECTUS)

1. THIS PROSPECTUS (OFFERING CIRCULAR) CONTAINS IMPORTANT MATTERS TO BE CONSIDERED IN ACQUIRING A CONDOMINIUM UNIT.
2. THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO ALL REFERENCES, ALL EXHIBITS HERETO, THE CONTRACT DOCUMENTS AND SALES MATERIALS.
3. ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. REFER TO THIS PROSPECTUS (OFFERING CIRCULAR) AND ITS EXHIBITS FOR CORRECT REPRESENTATIONS.

## SUMMARY

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4. THE CONDOMINIUM IS CREATED AND BEING SOLD ON A FEE SIMPLE BASIS.
5. 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 RECREATIONAL OR COMMONLY USED FACILITIES. THE UNIT OWNER'S FAILURE TO MAKE THESE PAYMENTS MAY RESULT IN FORECLOSURE OF THE LIEN.
6. THERE IS TO BE A CONTRACT FOR THE MANAGEMENT OF THE CONDOMINIUM PROPERTY WITH MARINER PROPERTY MANAGEMENT, INC.
7. THE DEVELOPER HAS THE RIGHT TO RETAIN CONTROL OF THE ASSOCIATION AFTER A MAJORITY OF THE UNITS HAVE BEEN SOLD.
8. RECREATIONAL FACILITIES MAY BE EXPANDED OR ADDED WITHOUT CONSENT OF UNIT OWNERS OR THE ASSOCIATION.
9. TIME SHARE ESTATES AS DEFINED IN SECTION 718.103(19), FLORIDA STATUTES, WILL BE CREATED WITH RESPECT TO UNITS IN THIS CONDOMINIUM.
10. UNITS IN THIS CONDOMINIUM ARE BEING SOLD UNDER A PLAN OF INTERVAL OWNERSHIP. INTERVAL OWNERSHIP IS A CONCEPT WHEREBY UNITS AND THE SHARE OF THE COMMON ELEMENTS ASSIGNED TO THE UNIT ARE CONVEYED FOR A PERIOD OF TIME, THE PURCHASER RECEIVING A STATED TIME PERIOD FOR A PERIOD OF YEARS, TOGETHER WITH A REMAINDER OVER IN FEE SIMPLE AS TENANT IN COMMON WITH ALL OTHER PURCHASERS OF UNIT WEEKS IN EACH SUCH CONDOMINIUM UNIT IN THAT PERCENTAGE INTEREST DETERMINED AND ESTABLISHED BY EXHIBIT NUMBER 6, TO THE DECLARATION OF CONDOMINIUM AT 12:00 NOON ON THE FIRST SATURDAY IN THE YEAR 2021.
11. THE DECLARATION OF CONDOMINIUM AND EXHIBITS THERETO FOR THIS CONDOMINIUM ARE WRITTEN IN SUCH A MANNER AS TO ENABLE THE DEVELOPER TO HAVE THE OPTION OF SELLING UNITS EITHER UNDER INTERVAL OWNERSHIP OR WHOLE OWNERSHIP OR BOTH.

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## DESCRIPTION OF THE CONDOMINIUM

CONDOMINIUM NAME: The name of the herein described Condominium is Seawatch On-The-Beach, a Condominium.

CONDOMINIUM LOCATION: The Condominium is located on Estero Island, Lee County, Florida, on the real property described in Exhibit No. 1, to the Declaration of Condominium, a copy of which is attached to this Prospectus as Exhibit A.

### DESCRIPTION OF CONDOMINIUM PROPERTY:

1. The Condominium consists of a total of forty-two residential Units located in one (1) building. There are fourteen (14) "A" Type Units which contain one (1) bedroom and two (2) bathrooms, fourteen (14) "B" Type Units which contain two (2) bedrooms and two (2) bathrooms and fourteen (14) "C" Type Units which contain two (2) bedrooms and two (2) bathrooms.

2. A site plan and typical floor plan for each Unit Type can be located in Exhibit No. 1, to the Declaration of Condominium.

3. The estimated latest completion date of the Condominium is set forth in paragraph 8 of the Purchase Agreement.

### MAXIMUM NUMBER OF UNITS:

The maximum number of Units that will be contained in Seawatch On-The-Beach, a Condominium, is forty-two (42). The number of Units that will use the facilities of the Condominium will never exceed this maximum.

### FEE SIMPLE TITLE

THE CONDOMINIUM IS CREATED AND IS BEING SOLD ON A FEE SIMPLE TITLE BASIS.

Until all Condominium Units and Unit Weeks in the Condominium are sold, the Developer contemplates a program of renting Units on a transient basis, as well as, selling them. Except in unusual circumstances, the Developer intends to sell all Units in the Condominium. The Developer will submit the fee simple title to the Condominium Property to Condominium Ownership. There will be no leases underlying any of the Condominium Property.

TIME-SHARE ESTATES AS DEFINED IN SECTION 718.103(19), FLORIDA STATUTES, WILL BE CREATED WITH RESPECT TO UNITS IN THIS CONDOMINIUM.

UNITS IN THIS CONDOMINIUM ARE BEING SOLD UNDER A PLAN OF INTERVAL OWNERSHIP. INTERVAL OWNERSHIP IS A CONCEPT WHEREBY UNITS AND THE SHARE OF THE COMMON ELEMENTS ASSIGNED TO THE UNIT ARE CONVEYED FOR A PERIOD OF TIME, THE PURCHASER RECEIVING A STATED TIME PERIOD FOR A PERIOD OF YEARS, TOGETHER WITH A REMAINDER OVER IN FEE SIMPLE AS TENANT IN COMMON WITH ALL OTHER PURCHASERS OF UNIT WEEKS IN EACH SUCH CONDOMINIUM UNIT IN THAT PERCENTAGE INTEREST DETERMINED AND ESTABLISHED BY EXHIBIT NUMBER 6, TO THE DECLARATION OF CONDOMINIUM AT 12:00 NOON ON THE FIRST SATURDAY IN THE YEAR 2021.

THE DECLARATION OF CONDOMINIUM AND EXHIBITS THERETO FOR THIS CONDOMINIUM ARE WRITTEN IN SUCH A MANNER AS TO ENABLE THE DEVELOPER TO HAVE THE OPTION OF SELLING UNITS EITHER UNDER INTERVAL OWNERSHIP OR WHOLE OWNERSHIP OR BOTH.

## RECREATIONAL FACILITIES

The recreational and other commonly used facilities of the Condominium consist of a swimming pool, pool deck, spa, two restrooms, lobby, vending machine area, three (3) offices and a game room, the approximate size and location of which can be found in Exhibit No. 1, to the Declaration of Condominium. The recreational facilities shall be completed at such time as the construction of the Condominium is completed.

The swimming pool can accommodate approximately seventeen (17) persons at any given time. The pool is a maximum of six (6) feet in depth and is heated.

The pool deck can accommodate approximately five hundred eighteen (518) persons at any given time.

The spa can accommodate approximately fourteen (14) persons at any given time.

The men's and women's restrooms can each accommodate four (4) persons at any given time.

The lobby can accommodate approximately one hundred one (101) persons at any given time.

The vending machine area can accommodate approximately ten (10) persons at any given time.

The offices can each accommodate two (2) persons at any given time.

The game room can accommodate approximately twenty-nine (29) persons at any given time.

The Developer has committed a minimum of thirty-thousand (\$30,000.00) dollars to purchase personal property for the Common Elements of the Condominium and sixteen-thousand (\$16,000.00) dollars, per Condominium Unit, to purchase personal property for each Unit committed to Interval Ownership. The Developer will transfer to the Condominium Association, those items of personal property purchased by the Developer for the Condominium and the Units committed to Interval Ownership on December 31, 1984, or upon completion and sale of ninety (90%) percent of the Units or Unit Weeks in Seawatch On-The-Beach, a Condominium, whichever comes first.

There will be no recreational leases or mandatory club memberships associated with the Condominium.

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 RECREATIONAL OR COMMONLY USED FACILITIES. THE UNIT OWNER'S FAILURE TO MAKE THESE PAYMENTS MAY RESULT IN FORECLOSURE OF THE LIEN. (See Article XIV, of the Declaration of Condominium).

### DEVELOPER'S RIGHT TO ADD RECREATIONAL FACILITIES

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

The Developer reserves the right, pursuant to Article XXIII of the Declaration of Condominium, to add additional recreational facilities to the Condominium without the consent of the Unit Owners or the Condominium Association. These additional recreational facilities, if added to the Condominium, will not substantially alter the common expense assessment.

MANAGEMENT OF THE ASSOCIATION AND  
MAINTENANCE AND OPERATION OF  
THE CONDOMINIUM PROPERTY

THERE IS TO BE A CONTRACT FOR THE MANAGEMENT OF THE CONDOMINIUM PROPERTY WITH MARINER PROPERTY MANAGEMENT, INC.

- A. PARTIES TO THE CONTRACT: The parties to the contract will be Seawatch On-The-Beach Condominium Association, Inc., the Condominium Association, and Mariner Property Management, Inc., the Manager.
- B. THE TERM OF THE CONTRACT: The Contract shall terminate on December 31, 1988, and will be automatically renewed for successive two (2) year periods unless terminated as provided therein.
- C. NATURE OF SERVICES INCLUDED: The following are some of the services provided for in the management contract:
1. Hire, pay and supervise personnel.
  2. Enter contracts to maintain and repair Condominium Property.
  3. Cause compliance with laws, statutes, ordinances and rules of all appropriate governmental authority.
  4. Enter contracts for garbage, trash, extermination and other services.
  5. Cause to be placed or kept in effect all insurance required or permitted in the Declaration of Condominium.
  6. Maintain the Association's financial record books, accounts, etc.
  7. Maintain records to describe the services rendered and to identify the source of all funds collected by the Association.
  8. Deposit funds in bank accounts.
  9. Attend meetings of the Association and its Board of Directors.

Several of the above items are subject to the approval of the Board of Directors of the Association.

D. COMPENSATION: The fee for management services shall be seven dollars and twenty cents (\$7.20) per Unit Week, which equals three hundred sixty (\$360.00) dollars per Unit, per year. In the case of a Unit not committed to Interval Ownership, the management fee is fifteen (15%) percent of the common expense assessment. The management fee can be increased by annual renegotiation between Association and Manager.

E. MANAGEMENT CONTRACT: The Officers and Directors of the Association have a fiduciary relationship to the Unit Owners. There can be possible liability on the part of the Officers and Directors to the Unit Owners for a breach of this fiduciary relationship, should the Management Firm not act in the best interest of the Unit Owners. A copy of the management contract is attached to this Prospectus as Exhibit D.

DEVELOPER'S RIGHT TO RETAIN  
CONTROL OF THE ASSOCIATION

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

The laws of the State of Florida require that the Condominium be managed by a Condominium Association, a Corporation not-for-profit. Seawatch On-the-Beach Condominium Association, Inc., has been incorporated to serve as the Association for the Condominium. The Association consists of a Board of Directors, Officers and Unit Owners. The Board of Directors meets periodically in accordance with the requirements of the By-Laws of the Association, a copy of which is attached to this Prospectus as Exhibit C, for purposes of determining how the Condominium should be run.

Pursuant to Article IV, Section 11, of the By-Laws, the Developer shall be entitled to elect or designate all of the Directors of the Condominium Association except that when Unit Owners other than the Developer own 15 percent or more of the Units that will be operated ultimately by the Association, said Unit Owners other than the Developer shall be entitled to elect 1/3 of the members of the Board of Directors. Unit Owners other than the Developer shall be entitled to elect not less than a majority of the members of the Board of Directors of the Association three (3) years after sales by the Developer have been closed on fifty (50%) percent of the Units that may ultimately be operated by the Association or three months after sales have been closed by the Developer on 90 percent of the Units that will be operated ultimately by the Association or when all of the Units that will be operated ultimately by the Association have been completed and some of them have been sold and none of the others have been offered for sale by the Developer in the ordinary course of business, whichever shall first occur. The Developer shall be entitled to elect at least one (1) member of the Board of Directors of the Association as long as it holds for sale in the ordinary course of business, at least five (5%) percent of the Condominium Units in the Condominium.

RESTRICTIONS ON SALE, LEASE OR TRANSFER

There are no restrictions on the transfer, leasing or renting of a Condominium Unit. (See Article XXII-(T), of the Declaration of Condominium).

RESTRICTIONS

The Association is given the right to promulgate certain rules and regulations periodically in order to control the operation and use of the Condominium Property. (See Initial Rules and Regulations attached to this Prospectus as Exhibit I.)

There are no restrictions upon children.

No pets shall be allowed on the Condominium Property or in any Condominium Unit.

Article XVI, of the Declaration of Condominium, places several restrictions on the use of the Units.

## UTILITIES AND SERVICES

Services and utilities for the Condominium have been arranged for by the Developer in the same manner as they have been provided for in other similar projects on Estero Island, Florida. The basic services and utilities are as follows:

- A. Water Service: Water is supplied by Florida Cities Water Association.
- B. Electric Service: Electrical service is supplied by Florida Power and Light.
- C. Sewage: Sewage collection and treatment will be supplied by Lee County Utilities.
- D. Garbage Disposal: Garbage disposal service is supplied by Beach Disposal.
- E. Telephone: Telephone service will be provided by United Telephone System of Florida.
- F. Other Services: Other services found to be required by all Owners individually or the Condominium as a whole, will be contracted for by either the Manager or the Board of Directors.

## DETERMINATION OF COMMON EXPENSES, COMMON SURPLUS AND OWNERSHIP OF COMMON ELEMENTS

Each Owner of a Unit or Unit Week in the Condominium, in accordance with the terms of the Declaration of Condominium, is required to make maintenance payments to the Association. These funds are placed in a separate account by the Association and are used as required in order to pay the expenses of the Condominium.

The percentage of expenses which each Unit Owner must pay to the Association has been determined on a per Unit basis. Reference should be made to Exhibit No. 5, to the Declaration, which specifies each Unit's share of the common expenses, common surplus and Common Elements.

In the case of a Unit committed to Interval Ownership, each Owner of a Unit Week in said Unit will own the equivalent of approximately two (2%) percent of the Common Elements and common surplus attributed to such Unit, as well as, be responsible for the equivalent of approximately two (2%) percent of the common expenses of the Unit. (See Article IX, to the Declaration of Condominium and Exhibit No. 6, thereto.)

## ESTIMATED OPERATING BUDGET

The estimated expenses of the Condominium are set forth on the proposed operating budget attached to this Prospectus as Exhibit E.

The Developer has guaranteed the estimated operating budget until December 31, 1982.

#### ESTIMATED CLOSING EXPENSES

The Purchaser will be responsible for those closing expenses, if any, specified in his Purchase Agreement. Title insurance will be furnished to each Purchaser at the expense of the party specified in the Purchase Agreement. It is the responsibility of each Purchaser to pay maintenance fees as provided for in the Declaration of Condominium and the By-Laws.

#### DESCRIPTION OF THE DEVELOPER

The Developer of Seawatch On-The-Beach, a Condominium is HI-AT Development, Inc., a Florida Corporation. This Corporation was established specifically for the development of Seawatch On-The-Beach, a Condominium and, therefore, does not have any past history.

Allen G. Ten Broek, the President of HI-AT Development, Inc. is directing the creation and sale of the Condominium. Mr. Ten Broek has been involved in real estate development for many years being also the President of Mariner Properties, Inc., which has been involved in the development of many residential and commercial developments in the Lee County area, including interval ownership condominiums.