

PROSPECTUS
FOR
SOUTHPORT SPRINGS

1. THIS PROSPECTUS CONTAINS VERY IMPORTANT INFORMATION REGARDING YOUR LEGAL RIGHTS AND YOUR FINANCIAL OBLIGATIONS IN LEASING A MOBILE HOME LOT. MAKE SURE YOU READ THE ENTIRE DOCUMENT AND SEEK LEGAL ADVICE IF YOU HAVE QUESTIONS.
2. THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE LESSEE SHOULD REFER TO ALL REFERENCES, ALL EXHIBITS HERETO, THE CONTRACT DOCUMENTS, AND SALES MATERIALS.
3. ORAL REPRESENTATIONS SHOULD NOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE PARK OWNER OR OPERATOR. REFER TO THIS PROSPECTUS (OFFERING CIRCULAR) AND ITS EXHIBITS FOR CORRECT REPRESENTATIONS.
4. UPON DELIVERY OF THE PROSPECTUS TO A PERSPECTIVE LESSEE, THE RENTAL AGREEMENT IS VOIDABLE BY THE LESSEE FOR A PERIOD OF 15 DAYS.

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Lease Agreement - Exhibit B

Park Rules and Regulations - Exhibit C

I. Name and Address of Park

The name and address of the mobile home park is:

Southport Springs
3737 Southport Springs Parkway
Zephyrhills, Florida 33541

II. Receipt of Notices and Demands

The name address of the person authorized to receive notices and demands on the park owners behalf is:

David Eastman, Esquire
Lutz, Bobo, Telfair, Eastman & Lee
2155 Delta Blvd., #210B
Tallahassee, Florida 32303

III. Park Property Description

The following is a description of the mobile home park property. The lot layout is attached as Exhibit A. This is an approximate location of the lots.

- A. Number of Lots: The park is intended to have a total of 994 lots. As of the filing date 554 lots are completed.
- B. Approximate Size of Each Lot: The approximate size of each lot ranges from approximately 4,000 square feet to approximately 5,100 square feet. Certain lots are larger or may vary in size because of configuration or location in park.
- C. Setback requirement and minimum separation distance between mobile homes as currently required by law: between homes: 10 feet; set back from street: 15 feet; set back from rear lot lines: 5 feet. Park standards may exceed these specifications.
- D. The park owner reserves the right to expand Southport Springs by developing additional mobile home lots within the mobile home park or adjacent or nearby property, in which event those additional mobile home lots would be entitled to use the shared or common facilities of the Park. The park's facilities could be shared by a maximum of 2,000 lots.

IV. Definitions

A "homeowner", "home owner" or "resident" is defined as a person who owns a mobile home and rents or leases a lot within a mobile home park for residential use.

Notwithstanding anything to the contrary in the prospectus, including the rental agreement, rules and regulations or any other exhibits to the prospectus, the homeowner's proportionate share of pass-through charges shall be defined as:

"Proportionate share" for calculating pass-through charges is the amount calculated by dividing equally among all affected developed lots in the park the total costs for the necessary and actual direct costs and impact or hookup fees incurred for governmentally mandated capital improvements serving the recreational and common areas and all affected developed lots in the park.

V. Recreational and Common Facilities

- A. Clubhouse. The park has one clubhouse which is located in the center of the park. The size of the building is approximately 8,000 square feet with an approximate capacity of 300 people. As of the filing date of this prospectus the building has the following room: Exercise room, bar and snack bar, recreation room, ladies room, men's room, park offices. The park owner reserves the right to change the size of the building, the number of rooms, or the activities that take place in any of the rooms, at its sole discretion.
- B. Swimming Pool. The park has one swimming pool located adjacent to the clubhouse, in the center of the park. The pool is approximately 30' x 65' and varies in depth from approximately four feet to approximately nine feet. The pool can accommodate approximately 40 persons. The area around the pool consists of a pool deck of approximately 2,760 square feet and a capacity of approximately 230 people standing, or 110 people seated. The swimming pool will be heated, from time to time, at the park owner's discretion.
- C. Whirlpool Spas. The park has two whirlpool spas, which are located adjacent to the swimming pool. The depth of each spa, at the center, is approximately four feet. Each spa can accommodate approximately 12 people. The whirlpool spas will be heated, from time to time, at the park owner's discretion.
- D. Tennis Courts. The park has two tennis courts located adjacent to the clubhouse .
- E. Shuffleboard Courts. The park has four shuffleboard courts located adjacent to the clubhouse .
- F. Golf Course. There is a golf course located adjacent to the park. Although the golf course is not a part of the park property, residents may deal directly with the golf club to make arrangements to use the course.
- G. Personal Property. The personal property intended for the shared use of the residents (and their guests) includes pool furniture and clubhouse furniture. Management may,

from time to time, increase, reduce or change the personal property available for the residents' use.

- H. Hours of Operation. The facilities will generally be available for the use of the residents daily from 9 AM until sunset. The days and hours of use may be modified at the sole discretion of management. In case of emergency or repairs the facilities may be closed.
- I. Completion Dates. As of the filing date of this prospectus, all of the facilities are completed.

VI. Park Management and Maintenance

Management of the park and maintenance and operation of the park property (with the exception of occupied lots) is the responsibility of the park manager. All questions and comments concerning park operations should be directed to the park manager.

VII. Mobile Home Owner Required Improvements

Improvements, whether temporary or permanent, which are required to be installed by the mobile home owner as a condition of his occupancy in the park include: Homes to be set and anchored, concrete driveway, carport, utility shed, skirting, fully sodded and landscaped yard and concrete steps. All improvements must meet the specifications as established by the park owner. Current specifications are available at the park manager's office.

In general and except as expressly provided to the contrary in this Prospectus, each resident in the park is responsible for the maintenance and repair of his mobile home, lot, and all improvements, including irrigation, landscaping and trees thereon. Dead trees, or trees and shrubs damaged by high winds, or any other act of God, must be removed by Home Owner, at Home Owner's expense, within seven (7) days of occurrence of death or damage of the affected tree or shrub.

VIII. Utilities and Other Services

The manner in which utility and other services will be provided and the person or entity furnishing those services is as follows:

- A. Water and Sewer. Service is provided by Pasco County Utilities. The Resident's charge for this service is included in the lot rental amount as a separate charge and is not included in the base rent. Residents are billed separately by the park for water and sewer, based on usage, at the same rates as charged by the provider, including a reasonable administrative fee. It is park management's intention to have the provider bill the resident directly for water and sewer usage, and if this occurs the residents will deal directly with the provider, and park will discontinue billing the residents separately.

- B. Waste Disposal. (garbage and trash pickup and disposal) is provided by means of street pickup by ACH of Zephyrhills, or another outside contractor approved by the Park Owner. The Resident's charge for this service is included in the lot rental amount as a separate charge including a reasonable administrative fee, and is not included in the base rent. It is park management's intention to have the provider bill the resident directly for garbage and trash pick up and disposal, and if this occurs the residents will deal directly with the provider, and park will discontinue billing the residents separately.
- C. Cable TV is provided by Multiband Subscriber Services, or another outside contractor approved by the park owner. It is the resident's responsibility to deal directly with the cable company. The service will be billed directly by the provider and is not included in the lot rental amount.
- D. Storm Drainage within the park is provided and maintained by the park owner and is included in the base rent.
- E. Electricity is provided by Withlacoochee River Electric Cooperative. It is the responsibility of the resident to deal directly with the utility company. The service is billed separately by the provider and is not included in the lot rental amount.

The Park Owner reserves the right, upon 90 days prior written notice, to change any utility or other service provided, the manner of providing that utility or service, or the manner in which that utility or service is charged.

IX. Lot Rental Amount

- A. The monthly base rent for this lot is \$ _____.
- B. Special Use Fees: Special use fees that the homeowner is responsible for are:

Late Fees: Lot rental amount payments are due in advance on the first day of the month. Late fees are \$ _____ per day starting on the sixth day of the month retroactive to the first day of the month.

Tree Removal and Tree Trimming Fee: \$ _____ or the actual costs of tree removal and/or tree trimming.

Returned Check Charge: \$ _____

Application Fee: \$ _____

Lawn, Yard and Home Maintenance: is the resident's responsibility. In the event he fails to do so the Park Owner currently charges \$ _____ per man hour. The fee is subject to change at the Park Owner's sole discretion.

- C. **Pass-Through Charges:** The mobile home park owner reserves the right to charge directly to the resident, on a proportionate share basis, pass-through charges, as defined in Section 723.003, Florida Statutes, for mandated capital improvements and any costs or fees associated with those requirements.
- D. **Government and Utility Charges:** If the park owner incurs any costs due to actions by a governmental agency or utility company, the park owner reserves the right to charge the resident his equitable share of those costs, based upon usage, pro-rata among developed lots, or other equitable means, including a reasonable administrative cost to the homeowner.
- E. **Increase in Lot Rental Amount.** During the lifetime of the resident, the monthly Base Rent will be increased annually. The increase shall be 5%, or the percentage increase in the Consumer Price Index for a 12-month period preceding the notice of lot rental amount increase, whichever is greater, plus the real estate and other taxes and assessments by a state, or local government, to the Park Owner. Such increases in real estate and other taxes and assessments shall be charged pro rata among all developed lots.

The Consumer Price Index is defined as the United States Department of Labor Consumer Price Index, U.S. City Average, All Urban Consumer, 1982-84 = 100, as amended from time to time. Should such Index be discontinued another index that measures the cost of living shall be used.

The mobile home owner shall be notified of an increase in lot rental amount at least 90 days prior to the increase.

- A. This lifetime rental agreement is for the lifetime of the resident as long as he resides on the premises or until the death of a surviving spouse or sale or conveyance of the mobile home, at which time the lifetime rental agreement is terminated. A purchaser of the mobile home is required to sign a new lifetime lease agreement and failure to sign the lifetime lease may result in denial of residency in the park.

X. User Fees

User Fees means those amounts charged in addition to the lot rental amount for nonessential optional services provided by or through the park owner to the mobile home owner under a separate written agreement between the mobile home owner and the person furnishing the optional service or services. The current user fees are:

1. Storage spaces are not currently available. Should they become available, the park owner will bill for them per space per month, at a fee to be determined by the park owner. The park owner may, from time to time, upon a 10-day notice, change the fee charged for the storage spaces. Such changes will be at the park owner's sole discretion, based upon market, economic or cost factors.

XI. Park Rules and Regulations

The park rules and regulations are attached as Exhibit C and are incorporated herein by reference. Park rules or regulations shall be set, changed, or promulgated in the following manner. Current park rules or regulations in effect governing home owners behavior and other rules are as set forth in the Exhibit attached to the Prospectus. Rule or regulation changes and adoption of the new park rules or regulations will be made in accordance with Florida Statutes, Chapter 723.

XII. Zoning Classification

The zoning classification of the park is "R-MH [Residential] Mobile Home District" and the permitted uses are: mobile homes, single-family detached modular, or factory-built dwellings; noncommercial boat slips, piers, or private residential docking facilities with the approval of various state and/or local agencies where appropriate; and public schools. The name of the zoning authority which has jurisdiction over the land comprising the park is: Pasco County, Florida. The Park Owner has no definite future plans to seek a change in the use of the land comprising the park.

XIII. Exhibits

Exhibits to this Prospectus include:

- A. A copy of the mobile home park layout.
- B. A copy of the Lease Agreement.
- C. A copy of the Rules and Regulations.

XIV. Approved Prospectus

This Prospectus was deemed by the Division of Florida Land Sales, Condominiums and Mobile Homes to be adequate to meet the requirements of Chapter 723, Florida Statutes. The identification number assigned by the Division of PRMZ003537-P2. The lot number to which the Prospectus applies is _____. This prospectus was deemed to be adequate on July 20, 2006.

EXHIBIT B

SOUTHPORT SPRINGS

LIFETIME LEASE AGREEMENT

THIS LIFETIME AGREEMENT entered into this _____ day of _____, 20____, between Southport Springs, hereinafter referred to as the Park Owner, and _____, hereinafter referred to as Resident.

PARK OWNER hereby leases to Resident the certain property described as Lot _____ to be occupied solely as a private dwelling only by the Resident. The Resident is also entitled to the use of all the park amenities and services as described in the prospectus, including but not limited to the clubhouse, swimming pool, tennis court, shuffleboard courts and storm drainage.

THIS LEASE AGREEMENT shall commence on the _____ day of _____, 20____, and shall be in full force and effect for the lifetime of the Resident as long as Resident or a surviving spouse resides on the premises or until sale or conveyance of the mobile home.

BASE RENT: \$ _____ per month, payable in advance on or before the first day of the month. All payments are payable to Southport Springs.

WATER AND SEWER: If not billed directly by the provider, the park will bill the resident separately for usage based on the same rates as charged by the provider (Pasco County Utilities), including a reasonable administrative fee.

WASTE DISPOSAL: (Garbage and Trash pick up and disposal): If not billed directly by the provider, the park will bill the resident separately for Garbage and Trash pick up and disposal, including a reasonable administrative fee.

LEASE RENEWAL: This lease will automatically renew on January 1, 2____, and on each January 1st thereafter.

CANCELLATION: The resident may, at any time, by vacating the premises, cancel this agreement and be under no future financial obligations to the Park Owner. The Resident shall give the Park Owner at least 90 days advance written notice of his intention to vacate, and shall be current in his financial obligations to the Park Owner as of the cancellation date.

INCREASE IN LOT RENTAL AMOUNT: For calendar year 20____ and subsequent years the monthly base rent will be increased annually. The increase shall be 5%, or the percentage increase in the Consumer Price Index for a 12 month period preceding the notice of lot rental amount increase, whichever is greater, and real estate and other taxes and assessments by a state, or local government, to the Park Owner. Such increases in real estate and other taxes and assessments shall be charged pro rata among all developed lots.

SPECIAL USE FEES: In addition to the base rent the Resident agrees to pay the following:

Late Fees: Lot rental amount payments are due in advance on the first day of the month. Late fees are \$ _____ per day starting on the sixth day of the month retroactive to the first day of the month.

Lawn and Home Maintenance: is the resident's responsibility. In the event he fails to do so the Park Owner currently charges \$ _____ per man hour.

Tree Removal and Tree Trimming Fee: \$ _____ or the actual costs of tree removal and/or tree trimming.

Returned Check Charge: \$ _____

Application Fee: \$ _____

The special use fees may be increased in accordance with Chapter 723, Florida Statutes, based on increased costs or prevailing economic conditions.

"Pass Through Charges" as defined in Florida Statute 723.

"Government and Utility Charges" as defined in the prospectus.

THE RESIDENT further agrees to the following:

1. That he has had an opportunity to read and will abide by the Rules and Regulations of the Park.
2. This lease and the privileges contained herein are not assignable and said lease is only valid as long as those executing this lease reside upon the premises set forth in this lease.

We have read this Agreement and agree to the terms set herein.

Resident

By: _____
Southport Springs

Resident

Witness

Witness

EXHIBIT "C"

SOUTHPORT SPRINGS

RULES AND REGULATIONS

For your convenience, security and the pleasant atmosphere associated with Southport Springs, the following rules and regulations are enforced.

1. Maintenance and cleanliness of mobile homes and mobile home sites are the responsibility of the resident. The resident shall keep his home and homesite in an attractive and clean condition so as to maintain the high standards of the community. If a resident fails to maintain his home and lot, including landscaping and trees, management reserves the right to do the necessary work so the home and lot will meet the standards of the park. The cost will be charged to the resident at prevailing rates. Tree maintenance which is to be performed at resident's expense includes tree or limb removal, limb trimming, fertilizing, root trimming or removal, leaf raking and removal, and repair or treatment of damage, disease or infestation. Dead trees, or trees and shrubs damaged by high winds, or any other act of God, must be removed by Home Owner, at Home Owner's expense, within seven (7) days of occurrence of death or damage of the affected tree or shrub.
2. Residents shall conduct themselves so as not to interfere with the peaceful enjoyment of other residents. Residents are responsible for the conduct of their guests while in the Park.
3. Residents who have pets must keep them indoors at all times, except when they are being walked, at which time they must be accompanied by the resident and must be on a leash. Residents shall clean up after their pets.
4. Parking is permitted in driveways only. Street parking or parking on the grass is not permitted. Residents are permitted to wash their cars in the park, however, no major repairs or overhauls are permitted. Golf carts must be approved by the park manager. Commercial vehicles, campers, travel trailers, boats, etc., may not be kept on the residents' lots.
5. No hanging clothes or laundry is permitted outside the home.
6. No fences are permitted on any lot.
7. No one other than those executing the lease agreement shall be permitted to reside upon the premises set forth in the lease agreement without the prior written consent of management. The purchase of your home by persons who have not executed the lease agreement or obtained management's written consent shall not constitute permission or rights for such purchaser to reside in the park. All prospective residents must be approved by management and must execute a lease agreement.

8. A resident selling his home may display one "For Sale" sign on his home, no larger than 12" X 12". A Resident intending to make a bona fide sale of his Manufactured Home or any interest in it shall give to the Community Owner notice of such intention. Once a prospective purchaser has been identified, the name and address of the proposed purchaser and such other information concerning the proposed purchaser as the Community Owner may require must be submitted to Community Owner by the selling resident.

9. Southport Springs has been developed as a community for active seniors. The facilities and services have been designed with this in mind. Children are welcome to visit but are not permitted to reside in the park. It is management's intent to provide housing to people whose households include at least one person 55 years of age or older. However, management may, at its discretion, rent to people under 55 but not less than 22 years of age.

10. No exterior additions or changes may be installed or constructed by a resident without the written approval of management.

11. For cause as set forth in Florida Statutes, Chapter 723, a home owner, resident or occupant may be evicted by Management.

12. The Park Owner reserves the right, as permitted and in accordance with Florida Statutes, Chapter 723, to change delete, amend or add to these Rules and Regulations.

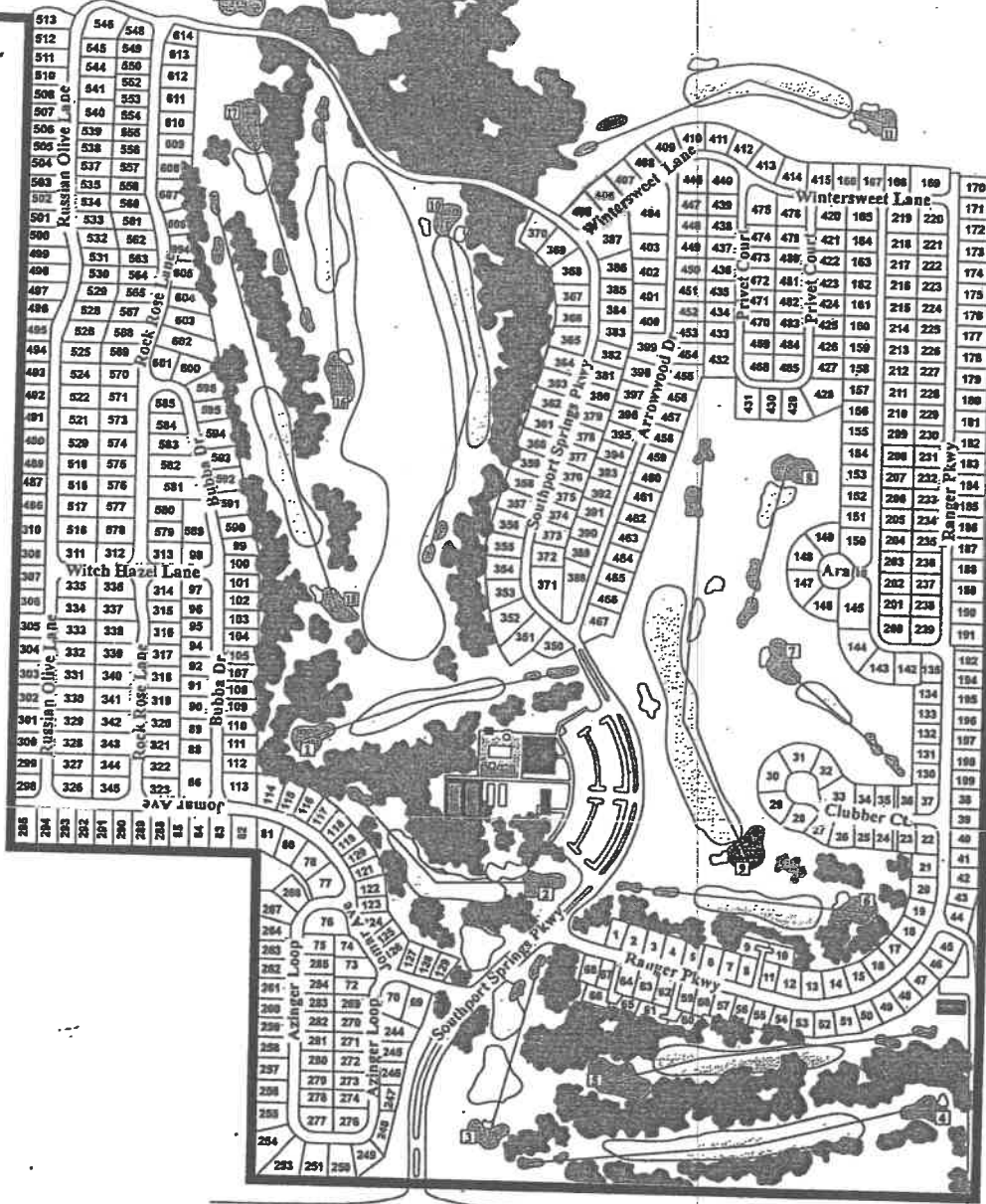
_____ / / _____
Resident

_____ / / _____
Resident

_____ / / _____
Southport Springs

FUTURE DEVELOPMENT

FUTURE DEVELOPMENT



Southport Springs