

**PROSPECTUS  
FOR  
WALDEN SHORES**

1. THIS PROSPECTUS CONTAINS VERY IMPORTANT INFORMATION REGARDING YOUR LEGAL RIGHTS AND YOUR FINANCIAL OBLIGATIONS IN LEASING A MOBILE HOME LOT. MAKE SURE THAT YOU READ THE ENTIRE DOCUMENT AND SEEK LEGAL ADVICE IF YOU HAVE ANY QUESTIONS REGARDING THE INFORMATION SET FORTH IN THIS DOCUMENT.
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 PROSPECTIVE LESSEE, THE RENTAL AGREEMENT IS VOIDABLE BY THE LESSEE FOR A PERIOD OF 15 DAYS.

PRMZ003235-P2  
Original Prospectus Approval Date 10-11-2001  
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**Exhibits:**

- Exhibit A - Layout of the Park
- Exhibit B - Rules and Regulations
- Exhibit C - Lease Agreement
- Exhibit D - User Fee Agreement

**I. PARK NAME AND ADDRESS**

The name and address of the Park are as follows:

Walden Shores  
2204 Thoreau Drive  
Lake Wales, FL 33898

**II. NOTICES AND DEMANDS**

The name and address of the person authorized to receive notices and demands on the Park Owners' behalf are as follows:

Terry West  
2204 Thoreau Drive  
Lake Wales, FL 33898

**III. DESCRIPTION OF THE PARK PROPERTY**

A. **Number of Lots:** The Park may be developed in one or more phases. There are 130 lots in Phase I, 29 lots in Phase II and 63 lots in Phase III for a total of 222 lots in the park.

B. **Size of Lots:** The approximate size of the lots of the Park are as follows:

PHASE I

Lot Number

2,22, 23, 26, 27, 28, 35, 36, 37, 38, 39,  
40 – 44, 47, 57-70, 86-89,  
90-99, 111-115, 123-128  
104 –108 130-133  
22, 26, 89

Dimension (in feet)

approximately 4,500 sq. ft.

1, 3-21, 24, 25, 29-34, 45, 46, 48-56, 71,  
73- 85, 100, 103, 109-110, 116-122,  
129, 134-136

Irregularly shaped. See Exhibit "A"  
approximately 4,500+ sq. ft.

PHASE II

2-8, 10-13, 16-20, 22-26, 28  
1, 9, 14, 15, 27, 29  
9, 21

approximately 4,500 sq. ft.  
approximately 5,200 sq. ft.  
approximately 6,400 sq. ft.

PHASE III

1, 2, 5-33, 35-63	approximately 5,040 sq. ft.
3	approximately 8,500 sq. ft.
4	approximately 7,795 sq. ft.
34	approximately 4,775 sq. ft.

The Park Owner reserves the right to change the size, dimension, configurations, use and number of lots in the Park, subject, however, to the maximum stated in Paragraph D. of this Article III; and convert, from time to time, lots used or intended to be used by manufactured homes to recreational vehicle, park model, condominium or apartment use, or vice versa ("Exhibit A") shows the layout of the Park and includes the site plans for Phase I, Phase II and Phase III. The Park Owner reserves the right to, to change the size, dimensions, configuration, use and number of these lots, and to develop lots (for mobile home, recreational vehicle or park model use), condominiums or apartments on any adjacent land now or hereafter owned by the Park Owner.

C. **Setback and Separation Requirements:** As of the filing date, the Polk County, Florida, minimum setback and separation requirements applicable to the Park are as follows:

Minimum separation distance:	10 ft.
Setback from front, exterior side and exterior rear lot lines:	15 ft.
Setback from interior side lot line:	5 ft.
Setback from interior rear lot line:	10 ft.

The setback distances refer to how far each home (roof line), and its supporting facilities (i.e. carport, utility building), must be set back from its lot lines. The minimum separation distance refers to the minimum distance that must be maintained between each home, including its supporting facilities, and other homes, supporting facilities, and structures in the Park.

In addition to the requirements established by Polk County, the State of Florida has established minimum separation and setback requirements for homes. The states's requirements are established by the State Fire Marshall, and they are currently set forth in Rule 4A-42.005 of the Florida Administrative Code.

The requirements set forth or referenced above of the various governing agencies having jurisdiction in these matters may overlap or be inconsistent with one another. In addition, these requirements may be amended, expanded by the adoption of additional requirements, or repealed, subsequent to the filing date of this prospectus. No representation is made as to the continuing applicability of such requirements after the filing date and no continuing obligation is undertaken by the Park Owner to advise any Park resident or tenant of any subsequent modification, future adoption of additional requirements by any governmental body, or future repeal of these provisions. The requirements stated above may not be applicable to the Park, in whole or in part, due

to the placement of homes in the Park prior to the enactment of those requirements, vested rights established under earlier ordinances, statutes or laws; or due to subsequent judicial decisions interpreting these or other laws. No representation is made as to the interpretation of the setback and separation requirements set forth or referenced above.

The prospective tenant is advised to make his own independent inquiry with the above referenced authorities with respect to these matters and obtain further information regarding installation of homes in the Park from the appropriate permitting authority.

D. **Maximum Use of Shared Facilities:** As of the filing date, the number of lots that will share the use of the Shared Facilities of the Park is 222. "Shared Facilities" as used in this Prospectus shall mean and refer only to the recreational and other common facilities of the Park as set forth in Article IV, Paragraph A, of this Prospectus.

The Park Owner reserves the right in the future to develop and add additional lots to the Park. The Park Owner reserves the right to develop condominium or apartment units on Park property or adjacent property, and allow the condominium unit or apartment residents to share the use of the Shared Facilities of the Park. The Park Owner reserves the right to install and place prefabricated or modular homes on any of the lots or proposed lots to be added to the Park or any adjacent land owned by the Park Owner, and residents of these homes may, at the Park Owner's discretion, be entitled to use the Shared Facilities of the Park. However, the maximum number of lots, condominium units and apartments that will use the Shared Facilities of the Park shall not exceed 800.

#### **IV. DESCRIPTION OF RECREATIONAL AND OTHER COMMON FACILITIES**

A. **Shared Facilities:** The Park's recreational and other common facilities are available for the shared use by the residents, unless otherwise indicated. These facilities are described as follows:

1. Clubhouse: The Park has a clubhouse located at the south end of Walden Shores Boulevard near the lake (see "Exhibit A"). The clubhouse, including the porch, has an approximate floor area of 8,394 square feet, and an approximate capacity of 510 persons. The clubhouse is a multi purpose building and it has the following rooms:

a. Multi-purpose/meeting room, with a stage area. This room may have a folding partition that can be used to separate it into two rooms. This room is a multipurpose room and its intended use is for meetings, social gatherings, recreational, social and educational activities, and other purposes.

b. Library for the storage of books, magazines and other reading material, and for a reading area.

- c. Kitchen for food preparation.
- d. Game room for the playing of cards, bingo, billiards and other games.
- e. Fitness room for exercising, nutrition workshops, and other health activities.
- f. Men's and ladies' restrooms for restroom purposes.
- g. Storage and mechanical/electrical rooms. These rooms are intended for the storage of equipment, supplies and other items, and for maintenance purposes. These rooms are for use by the Park management and are not available for use by the residents.
- h. Covered porch on two sides of the clubhouse for lounging, sitting, reading and conversation, and outside receptions and other functions.

2. **Swimming Pool:** The Park has a swimming pool located adjacent to the clubhouse. The pool's surface area is approximately 2,250 square feet and its approximate depth is from three feet to six feet. The approximate size of the deck surrounding the pool is 2,301 square feet. The approximate capacity of the pool is sixty persons. The pool contains equipment to heat the pool water; however, the Park Owner reserves the right to determine from time to time whether the pool will be heated or the temperature to which the water will be heated.

3. **Whirlpool Spa:** The Park has a whirlpool spa located next to the pool. The whirlpool spa is approximately nine feet in diameter and has an approximate depth of three feet. It shares the deck with the swimming pool and has an approximate capacity of eight persons. The spa contains equipment to heat the spa water; however, the Park Owner reserves the right to determine from time to time whether the spa will be heated or the temperature to which the water will be heated.

4. **Pool House;** The Park has a pool house located next to the pool. The pool house has an approximate floor area of 299 square feet and an approximate capacity of eight persons. The pool house contains a men's and ladies' restrooms, a dressing area, and a room to house the pool equipment and supplies. The room housing the pool equipment and supplies is not available for use by the residents.

5. **Other Facilities and Permanent Improvements:** Other facilities and permanent improvements which may be available for use by the residents are as follows:

- a. Four shuffleboard courts located near the clubhouse.
- b. One tennis court.

c. Horseshoe pits.

d. A pier and launching ramp. The Park Owner reserves the right to charge a user fee for use of the launching ramp by residents and other users and the privilege to use the launching ramp is not included in the payment of the lot rental amount.

e. Storage area for the storage of recreational vehicles and boats. The Park Owner reserves the right to charge a user fee for use of the storage area and the privilege to use the storage area is not included in the payment of the lot rental amount. The storage area will contain a maintenance and equipment shed which is not available for use by the residents.

f. Sales Office. The Park Owner may have a sales office in the Park which will not be available for use by the residents.

g. The Park may also contain several service improvements, such as, for example, roadways, security gates, and water, sewer, and other utility facilities.

The Park Owner reserves the right to add and construct additional shuffleboard courts, tennis courts, and other facilities, or to relocate or delete any facility, within the Park Owner's sole discretion.

B. **Personal Property:** The items of personal property available for the shared use by the residents may include the following: (1) pool deck furniture; (2) table, chairs, and kitchen equipment located in the clubhouse and intended for use by the residents; and (3) various recreational equipment that may, from time to time and in the manner required by management, be used by the residents. However, the foregoing shall not be construed to create any obligation on the part of the Park Owner to maintain or replace any of the above described items.

C. **Days and Hours of Operation:** The following is a general description of the days and hours the Shared Facilities will be available for use by the residents, as of the filing date:

1. The clubhouse will be open seven days a week during the hours from 9:00 a.m. to dusk. The Park manager may open the clubhouse during other hours within his sole discretion.

2. The pool, whirlpool spa, shuffleboard courts, horseshoe pits and tennis court will be open seven days a week during the hours from 9:00 a.m. to dusk. The Park manager may keep any of these facilities open after dusk within his sole discretion.

Any person wishing to use the clubhouse or other facilities during hours other than those specified above must secure approval from the Park manager; which permission may be given at the Park manager's sole discretion. The Park Owner reserves the right to lease the clubhouse and

other facilities for special functions at the Park Owner's sole discretion. The Park manager reserves the right to close the clubhouse or any other facility to the residents generally during special functions held in the clubhouse or such other facility and approved by the Park manager. In case of emergency, cleaning, or repairs, the facility may be closed.

The Park Owner expressly reserves the right to alter the days and hours of operation of the recreational and other common facilities upon ninety (90) days prior written notice to each affected home owner and the board of directors of the homeowners association, if one has been formed.

D. **Completion of Improvements:** The construction of the improvements described in Paragraph A above are complete.

E. **Changes To or Additional Improvements:** The Park Owner expressly reserves the right to alter, change, modify, substitute, or terminate, either temporarily or permanently, from time to time, any of the facilities or property described above by the removal, relocation or alteration of existing facilities and property or the construction of new facilities. The Park Owner reserves the right to alter or terminate the existing use of any building described above and make such other use of the building as the Park Owner shall deem appropriate in his sole discretion. No assurance is given that any of the foregoing facilities or property will remain available for the residents' use for any specified period after the filing date. The Park Owner expressly reserves the right to add and construct, from time to time, any additional recreational and other common facility not described above, or other improvement, upon such part of the common area of the Park, as the Park Owner shall determine in his sole and absolute discretion.

## V. **PARK MANAGEMENT AND MAINTENANCE**

The management of the Park is the responsibility of the Park manager. The manager shall be authorized to receive complaints and rent payments on behalf of the Park Owner. The manager will oversee the maintenance and operation of the Park property. All questions and problems which arise concerning Park property or operations should be directed to the manager. The Park Owner or manager may, from time to time, employ such additional personnel as the Park Owner or manager may deem necessary or appropriate to properly manage and maintain the Park.

Each home owner in the Park is responsible for the maintenance and repair of his or her home, lot, and all improvements thereon (including landscaping). Lawn mowing, trimming (including edging) and blowing of the lot is performed by the Park Owner. Also, each home owner is responsible for compliance with the Park Rules and Regulations, and for the timely performance of his or her obligations under the lease agreement.

## VI. **IMPROVEMENTS REQUIRED TO EACH HOME**



As a condition of each home owner's occupancy in the Park, the following improvements must be installed on the lot at the home owner's expense; however, the Park Owner reserves the right in his sole discretion to grant exceptions to any of the following required improvements:

A. Carport attached to the home and covered by an aluminum roof, such carport having the following minimum dimensions: 11 feet wide and extending the full length of the home, or such other size as the Park Owner shall notify the home owner in writing at or before the delivery date of this prospectus to the home owner.

B. Brick underpinning to the home.

C. Concrete pad under the carport.

D. Concrete driveway, such driveway having a minimum width of 10.5 feet and extending from the concrete pad under the carport to the street.

E. Horizontal lap aluminum or vinyl siding of a color approved by the Park Owner.

F. Concrete or brick skirting around the full perimeter of the home and any additions thereto, from the ground level to the home.

G. Utility meters.

H. Fully sodded lawn (front, sides, and rear).

I. An automatic in-ground sprinkler/irrigation system with timers having a seven day setting. The home owner shall be responsible for maintaining the irrigation system.

J. Landscaping.

K. Concrete or brick steps (except for ramps) to all entrances of the home.

L. Asphalt or fiberglass shingled roof of a color approved by the Park Owner.

M. All homes must be tied down and anchored in accordance with applicable codes.

N. All homes must have the hitch removed when located on the lot.

O. Identification plaque, such plaque being uniform with the other identification plaques in the Park.

P. Post lamps at the end of the drive, such post lamps being uniform with the other post lamps in the Park. The home owner shall be responsible for payment of the electricity used by the lamp, which shall be connected to the electrical meter for the home owner's lot, and shall maintain

the lamp. The Park Owner shall determine the wattage of the bulb for such lamps. The home owner shall be required to keep the lamp lit each night, every night of the year.

Q. Touch-tone telephone service is required in each home.

R. All improvements required to comply with all applicable laws, ordinances and regulations of the state, county, city or other governmental agency, as from time to time amended.

Each of the required improvements must be designed and installed in accordance with the requirements of the Park Rules and Regulations and in accordance with plans that have been approved in advance by the Park manager. All required improvements to the home and lot, as set forth above, must be completed within forty five days after the home has been set in place on the lot.

Tenants assuming the remaining portion of a rental agreement as prescribed by Section 723.059(3), Florida Statutes, may be required to upgrade the home they are purchasing from the original tenant. The assuming tenant will be required to install improvements subject to the same terms and conditions of the Prospectus as delivered to the initial tenant.

The home owner may also be required to bear, in the form of increases in the lot rental amount, the costs incurred by the Park Owner in installing capital improvements or performing major repairs in the Park.

## VII. UTILITIES AND OTHER SERVICES

A. **Water:** Water service to the Park is presently provided by Gold Coast Utility Co., by means of underground water lines. Water service must be contracted and arranged for directly between the home owner and Gold Coast Utility Co. Each lot has a separate water meter. Water service is not included in the lot rental amount and Gold Coast Utility Co. will separately and directly bill each home owner for this service. Gold Coast Utility Co. is responsible for the maintenance of the water lines in the Park to and including the water meter located on each lot. The home owner is responsible for maintenance of the water lines from the water meter serving the lot to and within the home.

B. **Sewage:** Sewer service to the Park is presently provided by Gold Coast Utility Co., by means of a central sewage treatment plant. Sewer service must be contracted and arranged for directly between the home owner and Gold Coast Utility Co. Sewer service is not included in the lot rental amount and Gold Coast Utility Co. will separately and directly bill each home owner for this service. Gold Coast Utility Co. is responsible for the maintenance of the sewer lines in the Park up to the in-ground connection of the main sewer line to the home sewer line. The home owner is responsible for maintenance of the in-ground connection and sewer lines from the in-ground connection to and within the home.

C. **Waste Disposal:** Waste disposal (garbage and trash collection) service to the Park is presently provided by means of individual pickup. Charges for waste disposal services will be

billed by the waste disposal company to the Park in a lump sum. As of the filing date, waste disposal service is included in the lot rental amount, as a special use fee.

D. **Cable Television:** Cable television is presently provided by cable to the Park by Bright House. Cable television service must be contracted and arranged for directly between the home owner and the cable television company. As of the filing date, cable television is not included in the lot rental amount and the cable television company will separately and directly bill the home owner or resident for the cable television service. The Park Owner reserves the right to enter into a contract with the cable television company to purchase basic cable television service in bulk. In this event, basic cable television service will be included in the lot rental amount, as a special use fee. Cable television service (other than the service provided in the bulk-rate contract to the Park) will not be included in the lot rental amount and will be billed directly to the home owner or resident by the cable television company. The cable television company is responsible for maintenance and service of the cable television lines and connections. Any problems with the cable television service must be discussed with and repaired by the cable television company.

E. **Storm Drainage:** Storm drainage within the Park is provided by the Park through natural percolation, natural runoff, and a drainage system which includes crowned roads, swells, culverts, ditches, and retention areas. Storm drainage is included in the lot rental amount as part of the base rent.

F. **Electricity:** Electric service to the Park is presently provided by Peace River Electric Cooperative ("Peace River Electric"). Electric service to each lot is separately metered and billed directly to each home owner by Peace River Electric. Electric service must be contracted and arranged for directly between the home owner and Peace River Electric. Electric service is not included in the lot rental amount. Electric power for the common facilities in the Park is separately metered and billed to the Park. Peace River Electric is responsible for the maintenance of the electric lines to and including the electric meter serving each lot. The home owner is responsible for the maintenance of the pedestal, breaker box and the electric lines from the electric meter to, within, and outside the home, including utility shed connections and outdoor receptacles. Any electrical problem must be discussed with and repaired by Peace River Electric or a licensed electrician.

G. **Telephone:** Telephone service is provided to the Park and maintained by Verizon Telephone Company. Telephone service must be contracted and arranged for directly between the home owner and the telephone company. Telephone service is not included in the lot rental amount and the telephone company will separately and directly bill the home owner for this service. Telephone service is the home owner's responsibility. Any telephone problems must be discussed with and repaired by the telephone company.

H. **Lawn Mowing.** Lawn mowing is provided by the Community and a charge for this service is included in the lot rental amount. Lawns are generally mowed as required, depending upon the rate of grass growth, to maintain the general appearance of the Community, but not more frequently than once a week. The Community reserves the right, at its option, to hire independent contractors to provide this service, the costs of which shall be borne by the Community residents on a pro rata basis. The Community is not responsible for tree trimming, weeding, flower boxes,

or planting areas but does provide trimming (including edging) and blowing of the lot.

I. **Change to Utilities and Other Services:** The description of the utilities and other services set forth above reflects the manner in which such services are provided and charged, and the parties responsible for the maintenance of the facilities necessary to provided such services, as of the filing date. The Park Owner reserves the right, with respect to any utility or other service provided or maintained by the Park as of the filing date, upon ninety (90) days prior written notice to each affected home owner in the Park and the board of directors of the homeowners' association, if one has been formed, to:

1. Discontinue, reduce, increase, or modify, the provision of any such service by the Park and, in the event of discontinuation, such service will be provided directly to the home owner by the public or private company providing such service, at the home owner's expense, and the home owner will be required to directly contract and arrange with the service provider for the provision of the service and the service provider will separately and directly charge and bill the home owner for the service, based upon an equitable apportionment of the total cost of such service to the Park or upon rates prevailing in the area for such service; or

2. Discontinue the maintenance of any utility or other service facility that is presently maintained by the Park, in which event, the home owner may become responsible for the maintenance of such facility or portion thereof that is the responsibility of the Park as of the filing date; or

3. Charge and bill each home owner separately for any such service, based upon an equitable apportionment of the total cost incurred by the Park Owner for such service or based on rates prevailing in the area for such service.

#### VIII. **LOT RENTAL AMOUNT**

A. **Lot Rental Amount:** The home owner will be responsible, as a condition of occupancy in the Park, for payment of base rent, special use fees, pass through charges, ad valorem taxes and utility charges, assessments and other financial obligations, as follows:

1. **Base Rent.** As of the delivery date, the base rent for lot number \_\_\_\_\_ is \$ \_\_\_\_\_ per month. This rate will be in effect to \_\_\_\_\_ 20\_\_\_\_.

2. **Special Use Fees:** The home owner is also responsible for payment of the following fees, charges or assessments. All fees, charges or assessments shall be deemed additional rent. Unless otherwise stated herein, the following fees, charges or assessments shall be due and payable either with the monthly payment of the base rent if the fee is of a continuing nature such as, for example, the guest fee, or on or before the 30th day after the home owner receives notice that the fee, charge or assessment has been imposed if the fee is of a sporadic nature such as, for example, the late fee or service charge. The home owner shall be notified of any increase in the below fees at least ninety days prior to the effective

date of such increase.

a. Late Fee: Any payment required by this Prospectus, the Park Rules and Regulations, or the Lease Agreement shall be considered delinquent if not received within five (5) days after its due date. If any payment is delinquent, a late charge of \$ \_\_\_\_\_ plus \$ \_\_\_\_\_ per each day the payment is delinquent will be imposed on the payment.

b. Return Check Fee: A fee shall be imposed for each dishonored check equal to the greater of \$ \_\_\_\_\_ or the charges to the Park Owner from any bank as a result of the dishonored check. A late fee will also be imposed on such payment.

c. Lot Maintenance Charge: If any home owner fails to weed, or maintain his lot in a neat and attractive appearance, the Park Owner, after giving the home owner five days written notice, reserves the right to take over its care and impose a fee for the services as follows: \$ \_\_\_\_\_ per service, plus \$ \_\_\_\_\_ per hour per man.

d. Service Charge: A service charge shall be imposed for each repair, maintenance or service performed by the Park Owner or at his direction as a result of any of the following situations. The charge shall be equal to the actual costs incurred by the Park Owner as a result of such situation, plus the greater of \$ \_\_\_\_\_ per hour per man for the time expended by the Park Owner as a result of such situation or \$ \_\_\_\_\_ per each repair, maintenance or service. The situations for which a charge will be imposed are as follows:

(1) Repairs, maintenance or services necessary because of the residents disposal of sanitary napkins, paper towels, diapers, and items made of rubber, cloth, plastic, etc., in the home or Park toilets, or grease down the drains.

(2) Repairs, maintenance or services necessary as a result of the residents failure to promptly repair water leaks, or to maintain or repair any water or sewer lines for which the resident is responsible and fails to maintain or repair.

(3) Repairs, maintenance or services necessary because of the resident's failure to comply with any condition or covenant of this Prospectus, the Park Rules and Regulations, or the Lease Agreement.

e. Additional Occupant/Guest Fee: The base rental amount is based upon the occupancy of the premises by not more than \_\_\_\_\_ persons. There will be an additional charge of \$ \_\_\_\_\_ per \_\_\_\_\_ for each extra person who occupies the premises for more than fifteen (15) consecutive days or thirty (30) total days per year.

f. Cable Television Fee: There shall be a cable television service fee of \$\_\_\_\_\_ per month.

g. Waste Disposal Fee: There shall be a waste disposal fee of \$\_\_\_\_\_ per month.

h. Utilities Connection/Impact Fee: There shall be an utility connection/impact fee of \$\_\_\_\_\_ payable to the Park Owner, which shall be an one time fee and shall be due prior to placement of the home in the Park.

i. Recreational Facility Use Fee: A charge of \$\_\_\_\_\_ and a deposit of \$\_\_\_\_\_ shall be imposed on any resident or guest for each special use (such as, for example, a private party or meeting) of the clubhouse or any other common facility.

j. Sales Taxes: If the rent and/or other charges payable by the home owner are ever subject to sales, excise, tourist or other tax (except income tax) imposed by the State of Florida or other governmental authority, then the home owner shall pay the amount of such taxes at the time of the payment of the rent or other charge which is subject to such tax.

k. Attorney's Fees and Other Costs: In the event the Park Owner employs an attorney because of the home owner's violation of any term, covenant or condition of the Prospectus, Rules and Regulations or the Lease Agreement, and the Park Owner is the prevailing party, a fee shall be imposed in the amount of the reasonable attorney's fee and applicable court costs, including appellate proceedings, incurred by the Park Owner. If the home owner is the prevailing party, the home owner shall be entitled to a reasonable attorney's fee.

l. New Resident Application Fee: The Park Owner reserves the right to charge prospective residents a fee of \$\_\_\_\_\_ for the purpose of reimbursing the Park Owner for its reasonable costs of reviewing applications of prospective residents, obtaining credit reports, screening and interviewing prospective residents, and determining if the prospective resident qualifies to be a resident of the Park. If this fee is determined to be an entrance fee prohibited by Section 723.041, Florida Statutes, it will be refunded.

m. Fire Tax Fee: There shall be a fire tax fee in the amount of \$\_\_\_\_\_ per month.

n. Lawn Mowing Charge. There shall be a charge of \$\_\_\_\_\_ per month for lawn mowing, trimming (including edging) and blowing of the lot.

3. Pass Through Charges: The home owner shall also be responsible for payment of pass through charges, as defined in Paragraph C of this Article, which may be

assessed to the home owner at any time during the term of the lot rental agreement. These charges may be assessed more often than annually, will be assessed to the home owner on a pro rata basis, and shall be payable over a reasonable period of time to be established by the Park Owner. In the event payments are required of the home owner under this paragraph, the Park Owner, upon written request, will provide the home owner evidence demonstrating that the pro rata costs or increase in costs have actually been incurred by the Park Owner. As of the delivery date, the charges pursuant to this paragraph total \$ \_\_\_\_\_ per month.

4. **Ad Valorem Taxes and Utility Charges:** The Park Owner may also pass on to the home owner, at any time during the term of the lot rental agreement, ad valorem property taxes and utility charges, or increases of either, subject to the requirements of Chapter 723 of the Florida Statutes, as amended. The ad valorem property taxes and utility charges will not be otherwise collected in the remainder of the lot rental amount. The charges may be assessed more often than annually, will be assessed to the home owner on a pro rata basis, and shall be payable over a reasonable period of time to be established by the Park Owner. The pro rata share per lot will be determined by dividing the amount of the charge by the total number of leased lots in the Park subject to the charge. As of the delivery date, the charges pursuant to this paragraph total \$ \_\_\_\_\_ per month.

B. **Tangible Personal Property Taxes:** In addition to the payment of the lot rental amount, home owners will be responsible for payment to Polk County of any tangible personal property taxes assessed by Polk County for the value of improvements and attachments to the home, including, but not limited to, Florida rooms, screened-in rooms, patio rooms, open porches, carports, utility rooms or sheds, central air conditioning, and skirting. These taxes are assessed and due annually.

C. **Definitions:** As used in this Prospectus:

1. "Lot rental amount" means all financial obligations, except user fees, which are required as a condition of the tenancy.

2. "Special use fees" mean those separately itemized amounts for specific services or privileges which are charged in addition to base rent, including, but not limited to, such charges as guest fees and late fees.

3. "Pass through charge" means the home owner's proportionate share of the necessary and actual direct costs and impact or hookup fees for a governmentally mandated capital improvement, which may include the necessary and actual direct costs and impact or hookup fees incurred for capital improvements required for public or private regulated utilities. A homeowner's proportionate share for calculating pass-through charges is the amount calculated by dividing equally among the 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.

**D. Generally:**

1. The costs of all other services required by the resident are solely the resident's responsibility.
2. The dollar amounts set forth above represent only the amounts charged for each category on the delivery date. As disclosed in this Prospectus, such amounts are subject to increase.
3. Wherever "0" appears above a blank for the amount charged for any category described above, it means that charges for that category are not imposed by the Park Owner on the delivery date. As disclosed in this Prospectus, the Park Owner may, from time to time, commence the imposition of charges for such category and, once such charges have been imposed, such charges shall be subject to increase, as described in this Prospectus.
4. Nothing in this Prospectus shall be deemed a waiver of the Park Owner's right to collect from the home owner any damages that the Park Owner may sustain as a result of or in connection with a tortious act, neglect or breach of lease, by the home owner or anyone permitted to be on Park property by the home owner.
5. The Park Owner reserves the right to charge different rental rates for lots within the Park depending on lot size, lot location, prevailing market rent at the time the lot is first occupied, marketing incentives, and other reasonable factors.

**IX. INCREASES IN LOT RENTAL AMOUNT**

A. **General:** The lot rental amount is subject to periodic increases by the Park Owner. The lot rental amount will not be increased more frequently than annually, except for pass through charges and ad valorem taxes and utility charges and except for initial tenancies which commence after the beginning of the annual rental term.

B. **Notice of Increase:** The Park Owner shall give written notice of an increase in the lot rental amount, or any component thereof, to each affected home owner and the board of directors of the homeowners' association, if one has been formed, at least ninety (90) days prior to the effective date of the increase.

C. **Amount of Increase:** Increases in the lot rental amount, or any component thereof, will be determined as follows. An increase in one or more of the factors may result in an increase in the lot rental amount.

1. **Increases in Base Rent:** The amount of each increase in the Base Rent may be up or equal to the existing Base Rent times the "applicable increase rate". The "applicable increase rate" is a minimum of five (5%) percent per year and a maximum of ten (10%) percent per year; measured from the effective date of the last effective increase in the Base Rent to the effective date of the current increase in the Base Rent. Or, if greater, the



"applicable increase rate" is the percentage increase in the Consumer Price Index over the "measuring period". The measuring period shall begin with the first day after the measuring period for the last effective increase in the Base Rent and shall end with the last day of the latest calendar month for which the Park Owner has information regarding the index and which precedes the giving of the notice of increase for the current increase in the Base Rent. The Consumer Price Index is defined as the United States Department of Labor, Consumer Price Index, U.S. City Average - All Urban Consumers, 1982-1984 = 100; or, in the event of the discontinuation of publication of the Consumer Price Index, then an alternate index that measures the cost of living and which has been reasonably related to the Consumer Price Index in evaluating economic conditions, and which has been or can reasonably be expected to be, generally accepted as a replacement index for the Consumer Price Index.

2. Increases in Special Use Fees: Increases in any of the special use fees shall be based on one or more of the following factors:

a. Prevailing Market Fee: This factor refers to similar fees imposed in other parks or by similar providers, or the fees paid from time to time by new residents of this Park. The Park Owner shall have the right to increase each fee up or equal to the prevailing market fee for such fee.

b. Costs Incurred by Park Owner: The Park Owner shall have the right to increase each fee equal to an amount sufficient to cover the costs incurred by the Park Owner in providing the service or privilege and the costs incurred or experienced by the Park Owner as a result of the event that makes the fee applicable, plus a reasonable rate of return to the Park Owner.

c. Consumer Price Index: The Park Owner shall have the right to increase each fee to an amount equal to the existing amount of the fee, plus the existing amount of such fee times the percentage increase in the Consumer Price Index, as defined above, over the measuring period. The measuring period shall begin with the first day after the measuring period for the last effective increase in such fee and shall end with the last day of the latest calendar month for which the Park Owner has information regarding the index and which precedes the giving of the notice of increase for the current increase in such fee.

d. Prevailing Economic Conditions: Prevailing economic conditions refers to those factors which bear on the economic viability of providing the service or privilege and which would be considered by a prudent businessman in establishing the fee.

3. Increases in Pass-through Charges and Utility Charges: Increases in pass-through charges and ad valorem taxes and utility charges shall be limited to the increased costs or charges paid, experienced or incurred by the Park Owner and maintenance and administrative costs.

4. Capital Improvements: The home owner may also be required to bear, in the form of increases in the Base Rent, the costs incurred by the Park Owner in installing capital improvements or performing major repairs in the Park. Any increase in the Base Rent as a result of capital improvements or major repairs is in addition to the increases in the Base Rent allowed under subparagraph 1 above.

D. Purchasers Assuming a Rental Agreement: Purchasers of a home who assume the remaining term of the rental agreement then in effect between the Park Owner and the seller of the home, are hereby notified that the Park Owner reserves the right to increase the lot rental amount to be paid by the purchasers upon the expiration of the assumed rental agreement in an amount deemed appropriate by the Park Owner and up or equal to the prevailing market rate, as hereinafter defined. Any rent guarantee given to the seller of the home shall expire and shall not be transferable to the purchaser of the home.

Prevailing market rate refers to the lot rental amount imposed in comparable parks or the lot rental amount willingly paid from time to time by new residents of this Park. A park will be deemed comparable if it is located in the same general vicinity as this Park, offers similar densities, amenities, and services, or if the park can be adjusted to a reasonable degree of comparability.

The seller of a home within the Park is required to inform any potential purchaser of the existence of this potential increase and to advise the Park Owner of the imminent sale of the home, and the purchaser's name and address upon a sale. Prior to occupancy, the purchaser must agree to the increase in the lot rental amount in writing, or inform the Park Owner that the purchaser will remove the home from the Park.

## X. USER FEES

The Home Owner may be offered services by the Park Owner for which user fees will be charged. A "user fee" is a charge "in addition to the lot rental amount for nonessential optional services provided by or through the Park Owner to the manufactured home owner under a separate written agreement between the manufactured home owner and the person furnishing the optional service or services". A user fee will only be charged to those Home Owners who desire to use the services provided. A user fee is not related to the lot rental amount. A user fee is currently charged by the Park Owner for:

Storage Area \$ \_\_\_\_\_

User fees may be increased to reflect increased costs in providing or maintaining the ability to provide the relevant service, or prevailing market or economic conditions in the manner discussed above regarding lot rental amount, or an increased utilization level by home owners. An increase in one or more of these factors may result in an increase in the Park's user fees.

Thirty days notice of any increase in user fees shall be given to all affected homeowners. Notice of increase will be given by posting a notice at the facility, by personal delivery, or by U.S.

Mail delivery. Notice by U.S. Mail will be considered made upon the mailing of notice to the Home Owner's last known address.

## **XI. PARK RULES AND REGULATIONS.**

A. **Current Park Rules and Regulations:** The Park Rules and Regulations currently in effect are attached to this Prospectus as Exhibit B. A copy of the current Park Rules and Regulations shall be posted in the clubhouse.

B. **Changes in Rules and Regulations:** The Park Owner may, from time to time, amend the Park Rules and Regulations by modifying or changing any existing rule or regulation or adopting any new rule or regulation; provided, however, the Park Owner shall give at least ninety (90) days prior written notice of such amendment to each affected home owner and the board of directors of the homeowners' association, if one has been formed, and provided, further, that no new rule or regulation, except rules adopted as a result of restrictions imposed by governmental entities and required to protect the public health, safety, and welfare shall be enforced by the Park Owner prior to the expiration of the ninety (90) day period.

C. **Failure to Enforce Rules:** The failure of the Park Owner to enforce any rule or regulation of the Park shall not impose any liability against the Park Owner in favor of any resident, home owner, or any other person; nor shall the failure to enforce be deemed a waiver of the Park Owner's right to require compliance with or bar the enforcement of any such rule or regulation in the future.

## **XII. ZONING CLASSIFICATION**

As of the filing date, the nature and type of zoning under which the Park operates, the permitted uses under such zoning classification and the name of the zoning authority which has jurisdiction over the land comprising the Park, are as follows:

A. The existing zoning classification of the Park is .R-4 for most of the Park and MHP for the portion of the Park adjacent to East Leisure Lane.

B. The permitted uses under the above zoning classifications are as follows:

1. The R-4 zoning classification permits all types of residential construction; foster homes; parks and playgrounds; mobile home rental parks; ground floor commercial and office uses in multistory construction with residential units on the upper floors; Class I and II agricultural uses; Class I and IT essential services; home occupations in accordance with Article Section 3.12 of Polk County Ordinance No. 83-2; and other conditional uses.

2. The MHP zoning classification permits mobile home parks and customary accessory structures, such as a park office, maintenance or laundry facilities; recreational vehicles; Class I and Class II agricultural uses; Class II, and III essential services; noncommercial recreational facilities; and outdoor storage areas.

C. The applicable zoning authority having jurisdiction over the Park is the Polk County Zoning Board, serving in an advisory capacity to the Board of County Commissioners for Polk County, Florida.

As of the filing date, the Park Owner has no definite future plans for changes in the use of the land comprising the Park; but reserves the right to change the use of the land comprising the Park in a manner not inconsistent with Chapter 723 of the Florida Statutes and applicable zoning laws.

### **XIII. MISCELLANEOUS DEFINITIONS**

A. **“Home”**: As used in this Prospectus, the term "home" shall mean and refer to a manufactured home or mobile home as defined in Chapter 723 of the Florida Statutes. The term "manufactured home" is used synonymously with the term "mobile home".

B. **“Home Owner”**: As used in this Prospectus, the term "home owner" shall mean and refer to a person or entity which owns a manufactured home or mobile home and rents or leases a lot within the Park.

C. **“Filing Date”**: As used in this Prospectus, the term "filing date" means and refers to the date this Prospectus was filed with the Division of Florida Land Sales, Condominiums, and Mobile Homes, of the Department of Business and Professional Regulation ("Division").

D. **“Delivery Date”**: As used in this Prospectus, the term "delivery date" means and refers to the date this Prospectus was delivered to the home owner.

### **XIV. AMENDMENT OF PROSPECTUS**

The Park Owner reserves the right to amend this Prospectus or any exhibit thereto, from time to time, to the extent permitted by law.

### **XV. DETERMINATION BY DIVISION**

A. The Division determined on October 11, 2001, that this Prospectus is adequate to meet the requirements of Chapter 723 of the Florida Statutes.

B. The Prospectus identification number assigned by the Division is PRMZ003235-P23149.

C. This Prospectus applies to lot Type text here.

PHASE I



