

PROSPECTUS

CRYSTAL LAKE MOBILE HOME PARK

1. THIS PROSPECTUS (OFFERING CIRCULAR) CONTAINS IMPORTANT MATTERS TO BE CONSIDERED IN LEASING A MOBILE HOME LOT.
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.

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I. NAME AND ADDRESS OF PARK

The name and address or location of the mobile home park is Crystal Lake Mobile Home Park, 533 East Crystal Drive, Avon Park, Florida 33825.

II. RECEIPT OF NOTICES AND DEMANDS

The name and address of the person authorized to receive notice and demands on the park owner's behalf is:

Lori Englert
421 Penbrooke Drive, Suite 12B
Penfield, N.Y. 14526

III. PARK PROPERTY DESCRIPTION

The following is a description of the mobile home park property:

See Attached Exhibit "A"

- a. Number of lots in each phase: Phase I - 270
Phase II - 329
- b. Approximate size of each lot: 4,000 square feet (singlewide); 4,500 square feet (double wide)
- c. Setback requirements and minimum separation distance between mobile homes as currently required by law: 10' between homes: set back 10' from the street, 5' from rear lot line.
- d. Maximum number of lots that will use shared facilities of the park: up to 650 projected based on further development of the mobile home park.

IV. RECREATIONAL AND COMMON FACILITIES

A description of the recreational and other common facilities, if any, that will be used by the mobile home owners follows:

The number of buildings: One

Building (name): Clubhouse

- a. Each room thereof: Great room, kitchen, manager's office, pool table room, laundry room, library, supplies, and restrooms.
- b. Intended purposes: Activity and meeting center for residents and management.
- c. Location: North section of the park
- d. Approximate floor area: 5,900 square feet
- e. Capacity (number of people): 350
- f. Days & hours of operation: 8:00 AM to 10:00 PM, and at other hours upon special request and manager approval.

The mobile home park has one swimming pool and one spa:

Swimming Pool

- a. Swimming Pool Location: the pool is at the side of the clubhouse
- b. Approximate size: 20' x 50'
- c. Depth: 3 ft. up to 6 ft.
- d. Approximate deck size: 4 ft. deck surrounding pool
- e. Capacity: 18 persons
- f. Pool is heated only at the discretion of management

- g. Days and hours of operation: dawn till dusk

Spa

- a. Spa location: the spa is at the side of the clubhouse
- b. Approximate size: 6 feet in diameter
- c. Depth: approximately 3 feet
- d. Approximate deck size: 4-ft. deck
- e. Capacity: 4-6 people
- f. Spa is heated at the discretion of management
- g. Days & hours of operation: dawn till dusk

Permanent improvements which will serve the mobile home owners are: 4 shuffleboard courts and 2 tennis courts located at side of clubhouse; an 18 hole executive golf course (only 9 holes will be completed with Phase 1). The golf course will be operated and maintained in the sole discretion of the owner and management of the park. Use of the golf course is optional with the homeowner. Prices for green fees and membership fees will be calculated on the basis of the cost of building and maintaining the golf course and factors listed in Section VIII (G) of this Prospectus and charged in accordance with Section IX, User Fees, set out in this Prospectus. The park also has access to a sewer treatment plant on the property which provides sewage treatment to the mobile home park. Other facilities available to the mobile home owners include: Limited boat slips are available at the charge set out herein on the first come, first serve basis; limited RV storage is available on a first come, first serve basis within the space available. Maintenance and improvements to boat slips and RV storage facilities will be provided in the sole discretion of the management.

Items of personal property available for use by the mobile home owners are two pool tables and kitchen appliances. Management has no obligation to maintain or replace these items.

Days and hours that facilities, other than buildings and pools, will be available for use are: shuffleboard courts are lighted until 10:00 PM; play beyond 10:00 PM must have management approval.

Improvements anticipated to be completed by spring, 1987; 9 hole golf course anticipated to be completed by fall, 1987.

V. PARK MANAGEMENT AND MAINTENANCE

Management of the park and maintenance and operation of the park property and of other property that will serve the mobile home owners is as follows: The park will be managed by a Park Manager whose office is located in the clubhouse. The Park Manager's office will have posted days and hours of operation. All questions and problems concerning park operations should be directed to the Park Manager.

VI. 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: brick skirting, attached utility shed, carport, concrete driveway, concrete patio, irrigation, fully sodded lawn, concrete steps, all of which are to be consistent with current improvements in the park. Each mobile home owner is required to maintain those improvements in good and clean condition. No tenancies were in existence as of June 4, 1984.

VII. UTILITIES AND OTHER SERVICES

Utilities, sewage and waste disposal, cable television, water supply, storm drainage, and the person or entity furnishing each will be provided as follows: Water and Sewage - Each mobile home is individually metered and will be paid by the mobile home owner. Water and sewage are provided by the City of Avon Park. Responsibility for sewage in the park up to the lot line only is the responsibility of the City. The in-ground connection and the lines for water and sewage to and including the mobile home lines inside the mobile home owner's lot line are the mobile homeowner's responsibility. In the event the park is required to connect with water and/or sewage system, the mobile home owner will be responsible for any tap-in, connection, or impact fees, together with the monthly payment for water and/or sewage.

Waste Disposal - Waste disposal will be provided by a separate waste disposal company, and is the responsibility of the individual mobile home owner. The fee for such waste disposal is a matter of contract between the mobile home park owner and the garbage disposal company (any increases in waste disposal fee will be as a result of that company raising its rates and will be the responsibility of the mobile home owner).

Cable Television, Antennas - Cable TV will be provided by a separate company, and will be the responsibility of the individual mobile home owner. The fee for such service is a matter of contract between the mobile home owner and the cable TV company (any increases in cable TV fees will be as a result of that company raising its rates and will be the responsibility of the mobile home owner). No exterior antennas are permitted.

Storm Drainage - Storm drainage is provided and maintained by the mobile home park through a system of natural run-off. Storm drainage is included within the base rent.

Electricity - Electric power is provided by Progress Energy. Electric usage is billed directly to the mobile home owner and is the owner's sole responsibility. Progress Energy is responsible for the electric lines to the meter, including the meter. Electrical lines to the mobile home from the meter or any other connection outside the mobile home, including utility shed connections and outside receptacles, are the mobile home owner's responsibility.

**VIII. BASE RENT, LOT RENTAL AMOUNT, PASS-
THROUGH CHARGES AND OTHER FEES**

A. Definitions

1. The term "base rent" is defined as part of the lot rental amount, but excludes user fees, pass-ons, pass-throughs, and other fees and charges as set out herein.
2. The term "lot rental amount" means all financial obligations except user fees which are required as a condition of the tenancy.
3. The term "pass-through charge" means the mobile 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.
4. The term "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.

B. Base Rent

The base rent for your lot beginning at the time stated in the attached Lease is \$000.00 per month and as set out in the attached lease.

C. Increases in Base Rent

Annual monthly rental increases for calendar years subsequent to the initial year will be based on no more than the greater of \$5.00 or the increases in the Consumer Price Index as determined by the U.S. government at the nearest reporting period prior to the end of each calendar year. The Consumer Price Index is defined as the United States Department of Labor Consumer Price Index, U.S. City Average, All Urban Consumers, 1967 equals 100, or should such Consumer Price Index be discontinued by the U.S. Department of Labor, such other index that measures the cost of living and is reasonably related to this Consumer Price Index ("CPI"). Base rent will also be increased in calendar years subsequent to the initial year by any increase in real estate or other taxes and assessments by a state or local government above the percentage increase in the CPI. Such increase above the CPI increase will be charged prorata among all lots (divided equally among all lots) to the residents in the January 1st billing. Lease renewals will become effective the first day of January of each year thereafter in accordance with the lease. The mobile home owner shall be notified of the increase in rent at least ninety (90) days prior to the increase.

D. Different Rental Rates

Different rental rates for lots within the park can be charged in the sole discretion of the mobile home park owner.

E. Resale, Assumption

The mobile home park owner may increase the base rent to be paid by a resale buyer of a mobile home in the park upon the expiration of the assumed rental agreement (December 31) without regard to other lot rental amounts in an amount deemed appropriate by the mobile home park owner so long as such increase is disclosed to the purchaser prior to his occupancy, and the purchaser agrees to the increase in writing. If the purchaser does not agree, the purchaser will not be permitted to purchase the home and reside in the park. The park owner intends on using the factors as set out in VIII (G) in arriving at the base rent rate for a purchaser for January 1st after the purchase. Thereafter, until a new sale is made, base rent will be increased as set out in VIII (C) above. The mobile home owner shall be notified of the increase in rent at least ninety (90) days prior to the increase.

F. Other Fees Charged to Home Owner

Other fees, charges or assessments that the resident is responsible for are:

(1) Lot and lawn maintenance is the responsibility of the individual mobile home owner. Waterfront lots shall be maintained to the waterfront by the mobile home owner. In the event that lawn maintenance is not performed by the individual mobile home owner, the mobile home park owner may maintain such lot and the mobile home owner shall be responsible for the cost to the mobile home park of maintaining the lot and lawn. The cost is currently \$30.00 per cutting.

(2) Water and sewage are the responsibility of the individual mobile home owner. Each mobile home is individually metered. Water and sewage will be paid by the mobile home owner based on a fee that is set by the City of Avon Park.

(3) Late fees of \$1.50 per day will accrue beginning with the sixth day of the month on rent and any other charge to the mobile home

owner that is not paid by the fifth day of each month. That \$1.50 per day will be retroactive to the first day of the month and will continue every day thereafter until such time as the rent or other charge is paid. A \$30.00 service fee, plus late charges, will be made for bad checks.

(4) The mobile home owner shall pay a extra resident fee of \$10.00 per person per month for guests visiting beyond fifteen (15) consecutive days or more than 30 days per year.

G. Factors Used to Increase Lot Rental Amount Excluding Base Rent

Fees, charges and other costs to the mobile home owner will be charged or increased, as the case may be, as a result of increased costs to the mobile home park owner attributable to increases in utility rates and utility usage, tap-in-fee requirement (s) into a utility system, property taxes, fluctuation in property value, governmental assessments, cost of living increases (cost of living increases are defined as the increases in the Consumer Price Index as defined in Section VIII-C allocated to services provided by or on behalf of the park owner, repair, maintenance, management and capital or other type of improvements, whether replacement or new construction, and future market and economic conditions. (Base rent set out in Paragraph B will be increased in accordance with Paragraph C.

Prevailing “market conditions” are intended to refer to those comparable parks, rents, or charges willingly paid from time to time by new residents of this park. For this purpose, a park will be deemed comparable if it is located in Polk County, Florida, and offers similar densities, amenities, and services.

Prevailing “economic conditions” are intended to refer to cost of operation and to those other factors which bear on the economic viability of a real estate investment and which would be considered by a prudent businessman in establishing the base rental and other charges or increases in amounts thereof.

These factors include:

- A. The costs attendant to the replacement of his park in the economic environment existing at the time of any rental increase, including land acquisition costs, construction costs, and losses associated with the operation of the park prior to full capacity and the level at which the lot rental must be established in order that the park owner will realize a reasonable (‘reasonable’ is defined as not being capricious, arbitrary, and inconsistent with Chapter 723, Florida Statutes) rate on the cost referred to in this clause;
- B. The levels of interest rates and other financing charges associated with construction, interim, and permanent financing;
- C. The availability of alternative forms of real estate investments which, absent the rental increase in question, might reasonably be expected to yield a greater rate on an investment capital;
- D. The levels of the U.S. Department of Labor Consumer Price Index measuring the value of the U.S. dollar (defined as the United States Department of Labor Consumer Price Index, U.S. City Average, All Urban Consumers, 1967 equals 100, or should such Consumer Price Index be discontinued by the U.S. Department of Labor, such other index that measures the cost of living and is reasonably related to this Consumer Price Index); and
- E. A reasonable rate on the market value of the property.

An increase in one or more of the above factors may result in an increase in fees, charges, and other costs to the mobile home owner.

H. Pass - Through Charges

There is currently a pass-through fee of \$1175.00 for impact, connection, and/or tap-in fees to sewer and water services. Although there are currently no other pass-throughs for which the resident is responsible, the mobile home park owner reserves the right to charge directly to the resident, in addition to the base rent, the mobile 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 improvement required for public or private regulated utilities.

I. Pass- On Charges

No charge may be collected that results in payment of money for sums previously collected as part of the lot rental amount. The provisions here of notwithstanding, the mobile home park owner reserves the right to pass on, at any time during the term of the lot rental agreement, advalorem property taxes and the utility charges are not otherwise being collected in the remainder of the lot rental amount, and provided further that the passing on of such advalorem taxes or utility charges, or increases of either, was disclosed prior to tenancy, was being passed on as a matter of custom between the mobile home park owner and the mobile home owner, or such passing on was authorized by law. Such advalorem taxes and utility charges shall be part of the lot rental amount as defined herein.

IX. USER FEES

The homeowner is responsible for the payment of user fees if the homeowner agrees to the provision of services for such fees by the park owner. "User-fees" are defined as those amounts charged in addition to the lot rental amount for non-essential 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.

User fees will be increased based upon the factors which are considered for increases in fees, charges, and other costs set out in Section VIII (G) of this Prospectus. Notice of an increase or change in user fees will be provided to the homeowner five (5) days prior to the increase. Notice of increase will be given by posting a notice at the clubhouse, or in the resident manager's office, or the clubhouse facility, or by personal delivery, or by U.S. mail. Notice by U.S. mail shall be deemed effective upon delivery to the post office.

The current user fees are as follows:

- (1) Boat slips to the extent available will be billed in accordance with the current rate. That rate is now \$225.00 per boat slip space per year.
- (2) RV storage to the extent available will be billed in accordance with the current rate. That rate is now \$225.00 per RV space per year.
- (3) The mobile home owner shall pay green fees of \$26.00 winter, \$17.00 summer and membership fees of \$1267.95 (2 person) and \$1016.50 (1 person) for use of the golf course.
- (4) The cost of all other services required by the resident are solely the resident's responsibility. Any new services not presently provided which might in the future be provided to residents shall be the subject of a user fee and a separate agreement.

X. PARK RULES AND REGULATIONS

The park rules and regulations are set out in Exhibit 3 and are incorporated herein by reference. The park owner can refuse to accept a prospective home buyer who does not meet the qualifications for residency required by the park management in the Rules & Regulations. If a purchaser of a mobile home in the park fails to qualify and to obtain approval to become a tenant in accordance with the Rules & Regulations, that shall be a ground for eviction.

Park rules or regulations shall be set, charged or promulgated in the following manner:

a. Current park rules or regulations in effect governing mobile home owners' behavior, guest procedures, times for using recreational and other facilities, and any other rules are as set forth in the Exhibit attached to this Prospectus.

b. Rule and regulation changes and adoption of new park rules or regulations will be made in accordance with Florida Statutes, Chapter 723.

XI. ZONING CLASSIFICATION

Existing zoning classifications of the park property and permitted uses under such classification are: rental mobile home park; no industrial uses are allowed.

XII. ZONING

The nature and type of zoning under which the mobile home park operates and the name of the zoning authority which has jurisdiction over the land comprising the mobile home park are: rental mobile home park; Highlands County. If applicable, definite future plans which the park owner has for changes in the use of the land comprising the mobile home park are; none.

XIII. EXHIBITS

Exhibits to this Prospectus include:

- a. A copy of the mobile home park lot layout showing the location of the recreational areas and other common areas.
- b. All covenants and restrictions and zoning which will affect the use of the property and which are not contained in the foregoing. (not applicable)
- c. A copy of the lease agreement to be offered for rental of mobile home lots.
- d. A copy of the Rules & Regulations of the park.
- e. A copy of the Guaranteed Lifetime Rent Certificate.
- f. A copy of the User Fee Agreement.

XIV RULE (11) STATEMENT

This Prospectus was deemed by the Division of Florida Land Sales, Condominiums & Mobile Homes to be adequate to meet the requirements of Chapter 723, Florida Statutes. The identification number assigned by the division is 2802734P, now known as PRMZ000872-P12734. The lot number to which this prospectus applies is # _____

This prospectus was deemed to be adequate on April 30, 1987

Latest amendment approved by the Department of Business and Professional Regulation was on September 28, 2001.