

"P2" PROSPECTUS

FOR

TERRA MAR VILLAGE

PRMZ000925

Initial DBPR Approval: Nov. 17, 1994

All Amendments Integrated As Of: July 19, 2006

TERRA MAR VILLAGE MOBILE HOME COMMUNITY

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 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 FIFTEEN (15) DAYS.

PROSPECTUS FOR TERRA MAR VILLAGE

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PROSPECTUS

INTRODUCTION

This Prospectus has been prepared in accordance with Chapter 723, Florida Statutes. The intent of the Prospectus is to provide all pertinent information and disclosure required by Chapter 723. Each prospective Resident of the Community is urged to read this Prospectus and the Exhibits attached hereto carefully and completely.

DEFINITIONS

All terms within this Prospectus are defined in accordance with Chapter 723, Florida Statutes, and with the rules of the Department of Business and Professional Regulation, or are used according to their plain meaning. Additionally, the following terms as used herein are defined as follows:

"Delivery Date" - means the date that a copy of this Prospectus was first delivered by the Community Owner to the Resident as reflected in the business records of the Community.

"Filing Date" - means the date on which this Prospectus was filed for review with the State of Florida Department of Business and Professional Regulation, Division of Land Sales, Condominiums, and Mobile Homes.

"Guest" - - means an individual who is not entitled to reside on the mobile home lot and who has visited the Community for a period of time no longer than 15 consecutive days or 30 days within a calendar year.

"Home Owner" - - means a person who owns a mobile home and rents or leases a lot within the mobile home Community for residential use. It shall also include any person who owns his or her mobile home and mobile home subdivision lot within the Community.

"Occupant" means a person who is not entitled to reside on the mobile home lot and who has visited the Community for a period of time longer than 15 consecutive days or longer than 30 days within a calendar year.

"Proportionate Share" - - means an amount calculated by dividing equally among the affected developed lots in the Community 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 Community.

"Pro Rata" - means that percentage derived by dividing the number of mobile home spaces leased by a Home Owner by the total number of occupied mobile home spaces in the Community.

"Community Owner" - means Terra Mar Village, LLC, and Community Management.

"Resident" - - means a person approved by Community Management who is entitled: (i) under a lot rental agreement; (ii) by ownership of a lot; or (iii) by lease with an

individual lot owner; to the use and occupancy of a residential lot to the exclusion of others. The term includes both Tenants and Home Owners.

"Tenant" - - means a person approved by Community Management who is entitled to occupy a lot, under a lot rental agreement with the Community Owner (as an approved lessee or sub-lessee) or under a lease with an individual lot owner, and who does not own the manufactured home occupying the lot.

I. NAME AND LOCATION OF COMMUNITY

The name of the Manufactured Home Community is Terra Mar Village, and its location is 4383 South U.S. 1, Edgewater, Florida 32141.

II. PERSON AUTHORIZED TO RECEIVE NOTICES

The name and address of the person authorized and designated by the Community Owner as the person to receive notices and demands on the Community Owner's behalf is:

Karl Warner
P.O. Box 291538
Port Orange, FL 32129

III. DESCRIPTION OF COMMUNITY AND COMMUNITY PROPERTY

The Community is subject to a forty-one (41) year ground lease executed on June 3, 2005 between Terra Mar Village, LLC (Lessee) and Land Trust Service Corporation, A Florida Corporation, as Trustee of a Florida Land Trust Known As #4383 dated May 25, 2005 (Lessor). See Exhibit "F" attached hereto.

The lot sizes used herein are only approximations. The Community has not been surveyed and some spaces may be larger or smaller than as described herein. Any exceptions to these sizes exist as the result of engineering and/or construction errors without complaint of the Resident or governing authorities.

Spaces have been allocated in such a manner as to provide Residents adequate outside living space. The Community Owner has no evidence to indicate that setback and separation requirements in existence at the time of allocation were not satisfied.

Number of Lots. There are currently 319 lots within the Community, and an additional 181 lots are contemplated for future development. All lots are contained within one of five sections which comprises the entire Community.

Size of Lots. All diagonal lots are approximately 57 feet x 114 feet, and the rectangular lots are approximately 50 feet x 100 feet. The corner lots and cul de sac lots vary in dimension but have a minimum square footage of approximately 4800 square feet+/-.

Setback Requirements and Minimum Separation Distance Required By Law. There are several requirements of law with respect to how far each mobile home within the Community must be set back from the borders of it's lot and the distance that must be maintained from each mobile home in the Community and it's supporting facilities (such as,

for example, a carport) to other mobile homes, supporting facilities, and structures in the Community.

Pursuant to Rules 69A-42.005 and 69A-3.012, Florida Administrative Code, the State Fire Marshal has adopted NFPA 501A (2003) for manufactured housing communities. This code sets forth minimum separation requirements between Manufactured Homes as follows:

Fire Safety Separation Requirements:

6.2.1.1. No portion of a manufactured home, excluding the tongue, shall be located closer than 3 m (10 ft) side to side, 2.4 m (8 ft) end to side, or 1.8 m (6 ft) end to end horizontally from any other Manufactured Home or Community building unless the exposed composite walls and roof of either structure are without openings and constructed of materials that will provide a 1-hour fire resistance rating or the structures are separated by a 1-hour fire-rated barrier.

Accessory Building or Structure Fire Safety Requirements:

6.4.1.1. Accessory buildings or structures shall be permitted to be located immediately adjacent to a site line when constructed entirely of materials that do not support combustion and provided that such buildings or structures are not less than 0.9 m (3 ft) from an accessory building or structure on an adjacent site.

6.4.1.2. An accessory building or structure constructed of combustible materials shall be located no closer than 1.5 m (5 ft) from the site line of an adjoining site.

In addition to the requirements of the State Fire Marshall, the County of Volusia, Florida, has enacted certain zoning regulations controlling the setback and separation of mobile homes within the Community. The portions of such zoning regulations that set forth the setback and separation requirements applicable to the Community and existing Deed Restrictions are attached to this prospectus as Composite Exhibit "C".

The above-referenced requirements concern only the set back and separation requirements applicable to the Community on the delivery date of this Prospectus, and any one or more of such requirements may be subsequently modified or repealed. No continuing obligation is undertaken by the Community Owner to advise any Residents of any subsequent modification, future adoption of additional requirements by any governmental body, or future repeal of these provisions. The above-referenced requirements may not be applicable to the Community, due to the placement of mobile homes in the Community 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. The prospective Resident is advised to obtain further information regarding the installation of mobile homes in the Community from the appropriate permitting authority.

Maximum Number of Mobile Home Lots Using Shared Facilities. The maximum number of lots which will use the Shared Facilities (as that term is defined in this Prospectus) of the Community is 500 lots. The Community Owner reserves the right to use the Shared Facilities in conjunction with the Residents of the Community.

IV. DESCRIPTION OF RECREATIONAL AND COMMON FACILITIES

The following is a description of the Recreational and Common Facilities which shall be used only by Residents of the Community and their family members and guests, and by the Community Owner. The Community's recreational and other common area facilities are

available for the shared use of the Residents. These facilities will not be used in common with any other Community or any other persons. All improvements to the Community are complete as of the date of filing this Prospectus. Monthly financial obligations are payable regardless of use or non-use by Home Owners, Residents, Tenants, and their approved guests. Seasonal Residents must also pay their financial obligations regardless of the amount of time they spend in the Community.

Clubhouse. The Community has one clubhouse building which building is located on the river at the end of Indian River Drive and contains approximately 2,070 square feet and has a capacity of approximately 85 persons. The clubhouse contains the following facilities:

Men's and Women's Restrooms. The clubhouse contains a men's and a women's restroom. The men's restroom contains approximately 80 square feet and has a capacity of approximately four persons. The ladies' restroom contains approximately 90 square feet and has a capacity of approximately four persons.

Kitchen. The clubhouse contains a kitchen of approximately 390 square feet with a capacity of approximately 7 persons. The room is used for food preparation.

Dance Area. The clubhouse contains a dance area of approximately 510 square feet with a capacity of approximately 24 persons. The dance area is used for social gatherings and meetings.

Lounge Area. The clubhouse contains a lounge area of approximately 1000 square feet with a capacity of approximately 46 persons. The lounge area is used for social gatherings, meetings, reading, and conversation.

Swimming Pools. The Community has two swimming pools, one located next to the clubhouse at the end of Indian River Drive, and the other next to the Community office at U.S. 1 and River Park Boulevard. The pool next to the clubhouse is approximately 48 feet by 26 feet in size and varies from approximately 3 feet to approximately 8 feet in depth. The deck around the pool consists of approximately 1600 square feet and has a capacity of 106 people. The pool next to the office is approximately 49 feet by 27 feet in size and varies from approximately 3 feet to approximately 8 feet in depth. The deck around the pool consists of approximately 1329 square feet and has a capacity of 88 people. Neither pool is heated.

Other Facilities. In addition to the clubhouse and swimming pools, the Community has the following facilities that are available for use by Community residents:

- a. an R.V. and boat storage lot of approximately 1 acre;
- b. one laundry facility with an approximate area of 260 square feet that contains washer(s) and dryer(s);
- c. five shuffleboard courts;
- d. a fishing pier and boat dock approximately 300 feet long with approximately ten boat slips;
- e. a boat ramp for launching and loading small boats.

Personal Property. The items of personal property available for use by Community residents include all shuffleboard equipment and all personal property located in the clubhouse that is intended for the shared use of all residents such as the kitchen facility (but not including the personal property intended solely for use in the management of the Community such as the items located in the manager's office and items in the maintenance yard).

Days and Hours of Operation. Except for special occasions designated by Community management, all recreation and common facilities are generally open for resident use during daylight hours seven days a week. Hours may vary from facility to facility based on maintenance requirements, seasonal variations, artificial lighting, etc.

All facilities described in this Section IV have been completed as of the Filing Date. Terra Mar Village reserves the right to increase or decrease the size or modify the use of any of the planned or existing shared facilities to serve the changing needs of the Community, as determined by the Community Owner, and may, in its sole discretion, replace or elect not to replace any items of personal property determined by the Community Owner to be unsuitable for continued use. No assurance is given that any of the foregoing facilities will remain available for the residents' use for any specified period after the Filing Date.

V. MANAGEMENT, OPERATION, AND MAINTENANCE OF THE COMMUNITY

The management, operation, and maintenance of the Community Property and the Shared Facilities shall be provided for by the Community Owner. The Community Manager will oversee the maintenance and operation of the Community; however, the Community Owner may from time to time employ such additional maintenance personnel as are deemed necessary and appropriate by the Community Owner to properly maintain the Community. Day-to-day management of the Community is the responsibility of the manager. The manager's office is located in the office at the entrance of the Community. The services provided by the Community as of the filing date include maintenance of the common areas and recreational facilities, the servicing of resident inquiries and request, and the enforcement of Community rules and regulations. The Community Owner reserves the right, upon 90 days' prior written notice to each owner of a mobile home located in the Community, to increase, reduce, eliminate, or modify from time to time any or all of the services that are provided by the Community.

In general and except as expressly provided to the contrary in this prospectus, each Resident of a mobile home in the Community is responsible for the maintenance of his individual lot and all improvements thereto, including, but not limited to, lawn maintenance, maintenance of utility connections, and maintenance and repair of his mobile home.

VI. IMPROVEMENTS TO BE INSTALLED BY HOME OWNERS

In no event shall Residents whose lot rental agreements were in existence on June 4, 1984, or who assumed a lot rental agreement in existence on June 4, 1984, be required to install any improvements of any type for the duration of the Resident's tenancy in the Community. To the extent any such Resident has not complied with any lawfully authorized requirement, the same remains effective enforceable and applicable.

As a condition of tenancy in the Community, each Resident is responsible for providing for the following improvements to his mobile home:

- a. a carport;
- b. a concrete driveway to the street;
- c. an outside utility building;
- d. vinyl or similar skirting around the mobile home upon approval of Community Management;
- e. a fully sodded lawn and landscaping;
- f. a yard light;
- g. street number affixed to mobile home;
- h. postmaster-approved mailbox

Additionally for homes brought into the Community after November 17, 1994, the following improvements must be made at the expense of the Resident:

- i. concrete slab;
- j. patio;
- k. central air conditioning;
- l. concrete or brick steps, or other material approved by Community Management, at the front and street entrances of the mobile home;
- m. utility connections;
- n. All new mobile homes entering the Community must have removable hitches which shall be removed upon anchoring. Older mobile homes purchased in the Community which do not have removable hitches shall either be removed or enclosed by extending the skirting to the extent necessary to hide the hitch.
- o. Axles and wheels much be removed.

Each of the specified improvements must be designed and installed in accordance with the requirements set forth in the Community's Rules and Regulations, and in accordance with plans which have been approved in advance by the resident manager.

VII. UTILITIES AND OTHER SERVICES

All utilities and services to the Community and the Residents are supplied by the following entities as specified below:

Telephone. Telephone service is provided by underground wires and is billed directly to each Residents by Bell South and is not included in the lot rental amount. Each Residents is responsible for the payment of all fees and charges associated with provision of such service to his lot. The Residents' charge for this service is not included in the lot rental amount. The Community Owner assumes no maintenance obligations with regard to such services.

Electricity. Electric power is provided by overhead wires and is billed directly to each Resident by Florida Power and Light and is not included in the lot rental amount. All electricity consumed on the mobile home lots within the Community, including for the required yard light, is separately metered and billed directly to each mobile Resident. Electric power for the street lights and common facilities in the Community is separately metered and billed to the Community and is included in lot rental amount. Florida Power and Light is responsible for the maintenance of the electric lines to the meter pedestal. The Resident is responsible for the maintenance of the pedestal, the electrical lines from the pedestal to the mobile home, the yard light, and for any other connections outside the mobile home, including utility shed connections and outdoor receptacles.

Water and Sewer. Potable water service and sewer service are supplied by City of Edgewater through a system of underground pipes. The Residents' charge for these services is billed separately to each mobile home owner and is not included in base rent. The rates are regulated by the Florida Public Service Commission. The City of Edgewater is responsible for all lines up to and including the meter at your lot line. The Resident is responsible for all lines installed on his lot as well as for his mobile home. The Community Owner assumes no maintenance obligations with regard to such services.

Solid Waste Disposal. Solid waste disposal service (garbage and trash collection) is provided by Waste Management. The Residents' charge for this service is included in the lot rental amount as a separate charge in addition to the Base Rent. For purposes of this prospectus, garbage collection is considered a utility.

Cable Television. Cable television services are provided to the Community by Brighthouse and is billed separately to each mobile Resident and not included in the lot rental amount. The Community is not responsible for the maintenance of any cable television lines within the Community or for the connections for cable television to the individual mobile homes.

Storm Drainage. Storm drainage in the Community is provided via a network of drains within the Community which feed into the Terra Mar internal storm water retention system. The Residents' charge for this service is included in the lot rental amount as a separate charge in addition to Base rent.

Changes 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 provide such services, as of the Filing Date. The Community Owner reserves the right, upon prior written notice as required by Chapter 723, Florida Statutes, to each owner of a mobile home in the Community, to discontinue the provision or maintenance of any utility or other service described above that is presently provided and/or maintained by the Community, so long as such discontinued service or utility is replaced by a comparable service or utility. In the event of such discontinuation and replacement, the Residents within the Community may be billed separately for utilities or services that are billed to the Community as of the Filing Date, and/or may become responsible for the maintenance of utility facilities that are the responsibility of the Community as of the filing date.

VIII. LOT RENTAL AMOUNT

The following is a description of the base rent and other fees and charges applicable to your lot.

Computation of Lot Rental Amount. The lot rental amount for each lot will be comprised of four (4) components as set forth below:

Base Rent. The lump sum amount paid by the Resident for the use and occupancy of the lot and use of related Community facilities, if any. Base Rent shall not include Special Use Fees and Governmental and Utility Charges, or Pass-Through Charges.

Special Use Fees. Those separately itemized charges in addition to the Base Rent for specific services or privileges.

Governmental and Utility Charges. Those amounts, other than special use fees, which represent the Resident's share of costs charged to the Community Owner by any federal, state, regional or local government or utility authority.

Pass-Through Charges. The Resident'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.

Lot Rental Amount.

Base Rent: The base rent is subject to annual increases after notice from the Community Owner of such increase as required by Chapter 723, Florida Statutes.

Special Use Fees:

a. Returned Check Charge - \$_____. All checks not accepted and honored by the Banking Institutions on the first deposit will be charged a returned check fee.

b. Late Payment Fee - \$_____ plus \$_____/per day that the rental amount remains past due. (Applicable only in the event Resident is delinquent with a monthly rental payment. All rental payments shall be due on the first day of each month and shall be deemed to be past due if not paid by the fifth day of each month).

c. Garbage Disposal Charge - A garbage disposal charge of \$_____ per month.

d. Sewage - Sewage Charges shall consist of the following:

(1) Basic Charge: A Basic Sewage Charge of \$_____ per month.

(2) Metered Charge: A metered sewage charge of \$____/____gallons per month.

e. Water - Water Charges shall consist of the following:

(1) Basic Charge: A basic water charge of \$_____ per month

(2) Metered Charge: A metered sewage charge of \$____/____gallons per month.

f. Use of Common Facility Fee - \$_____per special use (such as a private party) of any common facility.

g. Storm Drainage Charge - A storm drainage charge of \$_____per month.

h. Additional Resident Fee - Additional resident and/or "visitor" and/or "guest" charge of \$ _____ per guest residing in the house for more than 15 consecutive days or a total of thirty days per calendar year.

i. Lot Clean-Up Charge - \$_____(per man hour). In case of fire, wind, or water damage to Resident's property, or in the event that Home Owner's lot is not kept clean and free of trash or debris, Resident shall be responsible for any cost of repairs, removal of debris, and clean up of lot.

j. Lawn Maintenance Fee, including mowing, edging, and trimming, in the amount of \$_____ for each required maintenance performed by the Community Owner due to the fact that Resident fails and/or refuses to do so. Additionally, the Resident is responsible for the actual cost and expense incurred for materials, labor, and equipment needed for any other required maintenance, as described in the Community rule entitled "Lot Care," which maintenance is performed by the Community Owner due to the Resident's failure or refusal to do so.

k. Grass Mowing Charge - \$_____ per season.

l. Garbage Containment Fee - If it becomes necessary for the Community Owner to place the Resident's garbage in proper containers because Resident fails to do so, there will be an additional charge of \$_____assessed to the Resident for each occurrence.

m. Application Fee - A new Resident application fee of \$_____per application. This fee will be charged by the Community owner as allowed by law, in qualifying a prospective Resident by the Community. If this fee is determined to be an entrance fee prohibited by Section 723.041, Florida Statutes, it will be refunded.

n. Pet Fee - A pet fee of \$_____per pet per month.

o. Pest Control Fee - A pest control fee of \$_____per month.

p. Skirting and/or Mobile Home Cleanup Fee - A skirting area cleanup fee of \$_____if Resident fails and/or refuses to keep the skirting area clean and free of debris or to keep the exterior of the mobile home clean.

q. Special Service Fee - A special service fee of \$_____per hour, but not less than \$_____per service call, for any repair, maintenance, or service (other than those specifically and separately mentioned herein)that is performed by the Community, but which is the responsibility of the Resident.

r. Entrance Fee - \$_____An entrance fee is applicable to any mobile home placed in the Community. (This fee does not apply to the purchaser of a mobile home situated in the Community.)

s. Attorney's Fee - \$_____(as determined by the courts) Resident shall pay for all reasonable attorney's fees incurred by the Community as the result of any action

taken by the Community against the Resident to collect delinquent rent, enforce the rental agreement or the rules and regulations, whether suit is brought or not, and whether such fees are incurred before or at trial or on appeal. As to any such action brought to enforce the provisions of Chapter 723, Florida Statutes, in which action the Resident is the prevailing party, the Community Owner is entitled to a reasonable attorneys' fee to be paid by the Resident.

t. Large Item Trash Removal Charge - a minimum of \$_____A garbage and/or trash "removal" fee for items which are not collected as part of the normal garbage or waste removal services provided in the Community (i.e. refrigerators, large appliances, etc.)if the Resident fails and/or refuses to remove same.

u. Abandoned Property Storage Fee - \$_____

v. Mail Box Fee - \$_____

w. Speeding Fee - \$_____

x. Water Fee - \$_____per incident of excess watering.

y. Damage to Property Fee - \$_____Residents will be held financially responsible for damage to private or Community property caused by their family or guests.

z. Security Deposit - \$_____

aa. Recycling Fee - \$_____

bb. Damaged Home Removal Fee - \$_____

Governmental and Utility Charges. These charges will be charged to Resident (s) on a pro rata basis, or if the government agency or the utility provides for the billing of such charges on a per lot, metered, or other than pro rata basis, then such charges shall be charged to the Resident in that fashion. The governmental and utility charges which may currently be charged to Resident (s) are as follows:

a. Water charges or increases in same for usage of water in common areas;

b. Sewer charges or increases in same for usage of sewer service in common areas;

c. Waste disposal charges or increases in same;

d. "Taxes", which term includes ad valorem taxes and special or non-ad valorem assessments levied upon or assessed against the Community by any unit of government. If the method of property taxation prevailing as of the delivery date is changed so that taxes now levied or assessed on Community property are replaced partially or completely by a tax levied or assessed upon the Community Owner as a capital levy or otherwise or on or measured by lot rental amounts received by the Community Owner from the Community, or by any assessment other than any ad valorem tax, then such new or altered taxes shall be deemed included within the definition of "taxes";

e. "Pass-through charges" including the necessary and actual direct costs and impact or hook up fees for a governmentally mandated capital improvement, which may

include the necessary and actual direct costs and impact or hook up fees incurred for capital improvements required for public or private regulated utilities. Pass-through charges shall be charged to Residents according to each Resident's proportionate share.

f. Expenses created and charged to the Community Owner by any federal, state, regional, or local governmental entity or utility company, including annual filing fee(s) and the Prospectus filing fee(s) as is required by Chapter 723, Florida Statutes, and any other non ad valorem assessments;

g. Special Assessments or charges by any federal, state, regional, or local government or utility company;

h. Replacement utility charges charged to the Community Owner or to the Resident's lot by any federal, state, regional or local governmental entity or utility company for service of a type or nature not available on the delivery date in replacement or substitution, in whole or in part, of any utility or other service that is provided or is available to Community Residents on the delivery date;

i. New utility charges charged the Community Owner by any federal, state regional or local governmental entity or utility company that become available for the beneficial use and enjoyment of the Community residents after the delivery date;

j. Any presently unknown governmental or utility charges, as defined above, which are charged to the Community Owner in the future by any federal, state, regional or local government or utility company may be charged to Resident(s) in accordance with law.

k. non-ad valorem assessments.

l. Costs (including interest based on Community Owner's then cost of borrowing)incurred by the Community Owner as a result of actions taken by federal, state, regional or local governmental entities or utility companies but not directly billed to the Community Owner by said federal, state, regional or local governmental entity or utility company. The Community Owner may recapture these types of costs by charging a lump sum assessment to the Residents, at the end of the term of the Community's yearly Lot Rental Agreement (Lease). These types of charges shall be charged to Resident(s) after providing advanced written notice as required by Chapter 723, Florida Statutes, to the Resident(s) on a pro rata basis as defined above and shall be limited to the amount of the increased costs or charges incurred by the Community Owner and any maintenance and administrative costs as permitted by Section 723.045, Florida Statutes, if applicable.

Certain of the above-mentioned government and utility charges and costs which are billed by either the federal, state, regional or local governmental entities or utility companies may be charged to the Residents after providing notice as required by Chapter 723, Florida Statutes, at any time during the lease term. The amount of an increase in these charges shall be limited to the increased costs or charges billed to the Community Owner by the federal, state, regional or local governmental agency or utility company plus any maintenance and administrative costs relating to same as is permitted by Section 723.045, Florida Statutes. For purposes of this prospectus, garbage collection is considered a utility.

The dollar amounts set out above represent only the amount charged for each rental category on the Delivery Date. As disclosed in this Prospectus, such amounts are subject to increase. Wherever "0" appears above a blank for the amount charged for any rental

category described above, it means that charges for that rental category are not imposed by the Community Owner on the Delivery Date. The amount of those charges may be increases as described in this Prospectus. In addition, nothing in this Prospectus shall be deemed a waiver of the Community Owner's right to collect from the Resident any damages that the Community Owner may sustain as a result of or in connection with a tortious act, neglect or breach of lease by the Resident or anyone permitted to be on Community property by the Home Owner.

The Community Owner reserves the right to increase the lot rental amount in an amount established by the Community Owner and in the manner as set out in the Community's Prospectus after providing advanced written notice to all affected Residents of such increase(s) as required by Chapter 723, Florida Statutes.

Increases in Lot Rental Amount

1. The lot rental amount includes all financial obligations, except user fees, which are required as a condition of Resident's tenancy. Each of the categories of charges currently or hereafter comprising a part of the lot rental amount, as set forth above, are subject to periodic increases by the Community Owner. However, except for increases resulting from the imposition of certain government and utility charges and from pass-through charges, the lot rental amount will not be increased more frequently than annually.

2. Factors influencing the level of increase in base rent and special use fees include increased operational costs, and the prevailing market and economic conditions at the time notice of such increase is furnished by the Community Owner and also the cost incurred as a result of actions by any governmental utility or utility companies. An increase in one or more of these factors, to the exclusion of any other factors, based exclusively on the Community Owner's business judgment.

a. Any increases in the cost of operations including costs, charges, and expenses of every kind and nature paid or incurred by the Community Owner in operating, managing, repairing, maintaining, and administering the Community including the following:

(1) The cost of all insurance carried by the Community Owner with respect to the Community, including all fire and extended coverage and liability policies, car and theft coverage, fidelity bonds and any other insurance.

(2) The cost for repairs, maintenance, and replacements;

(3) Office expenses including but not limited to telephone, office supplies, salaries, and other compensation, accounting and auditing fees.

(4) The cost of janitorial, security, cleaning, and pest control services;

(5) The cost of redecoration, renovating, and landscaping the common areas in the Community, and of striping, patching, and repaving any roadways, vehicular parking areas or storage areas in the Community;

(6) All costs, fees and expense associated with the Community Owner staying current and in compliance with all applicable federal, state, or local laws, ordinances' or regulations, including but not limited to attorneys' fees, legal fees, courts costs, investigating costs and the like;

(7) the cost of all utilities (including, without limitation, water, sewer, and electricity) used or consumed in the Community, unless otherwise charged directly to Resident as provided in this prospectus, and except any of such utilities that are separately metered or billed to the Resident;

(8) The cost of providing heating, ventilating, and air conditioning services to any recreational building or other common area or facility in the Community;

(9) Salaries and other remuneration and compensation paid to persons of firms engaging in operating, managing, repairing, maintaining, or administering the Community, including but not limited to automobile and truck expenses;

(10) Management fees and expenses paid in connection with the operation and management of the Community, including any such fees paid to the Community Owner or any affiliate of the Community Owner, travel expenses, dues and fees for any industry organization, subscriptions, and advertising, educational fees, seminars, tuition, travel and lodging;

(11) If not otherwise collected as a Governmental and Utility Charge, the cost of capital improvements and repairs made in order to conform to the requirements of any law, ordinance or other government requirement applicable to the Community, the cost of any such capital improvement or repair shall include interest based on Community Owner's then cost of borrowing;

(12) All attorneys fees, court costs, investigation costs and other costs and expenses including supplies not otherwise expressly excluded hereunder, attributable to the operation, management, repair, maintenance, or administration of the Community;

(13) All costs, fees and charges including interest associated with borrowing money to pay any of the fees, costs, expenses and charges described in this prospectus section entitled "Lot Rental Amount".

b. Prevailing market conditions are established based on those base rents and other charges imposed in comparable communities, or base rents and other charges willingly paid by new Residents of this Community. For this purpose, a Community will be deemed comparable if it is located in the general competitive region of this Community, and offers similar densities, amenities and services.

c. Prevailing Economic Conditions refer to those factors which bear on the economic viability of a real estate investment and which would be considered by a prudent business person in establishing the base rent and other charges for any increase in the amount thereof. These factors include:

(1) the cost attendant to the replacement of this Community in the economic environment existing at the time of any rental increase, including land and acquisition costs, construction costs, and losses associated with the operation of a Community prior to full occupancy, and the level at which the lot rental must be established in order that the Community Owner will realize a reasonable return on the costs referred to in this clause (1);

(2) the levels or interest rates and other financing charges associated with construction, interim and permanent;

(3) the availability of alternative forms of real estate investments which, absent the rental increase in question, might reasonably be expected to yield a greater return on investment capital;

(4) the levels of the Consumer Price Index, 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 alternative index which has been reasonably related to the Consumer Price Index in evaluation economic conditions, and which has been, or can reasonably be expected to be, generally accepted as a replacement index for the Consumer Price Index;

(5) the level at which the lot rental amount must be established in order that the Community Owner will realize a reasonable return on the "owners equity"; for this purpose the "owners equity" refers to the fair market value of the Community from time to time, less existing mortgage indebtedness;

(6) other economic factors which might reasonable be expected to affect either the value of the Community, the rate of return available to the Community Owner at the existing level of lot rental amount, the present value of the real estate investment and the rate of return of that investment in the current economic conditions, and which would be required in the Community in order to realize a rate of return similar to other as risk real estate ventures from the then current value of the Community.

3. Factors Affecting Governmental and Utility Charges. That portion of the lot rental amount which is composed of Governmental and Utility Charges, if any, shall be affected by changes in the rates charged for the provision of such services and taxes by any federal, state, regional or local government or utility authority. An increase in such rates may result in an increase in Governmental and Utility Charges. The costs charged to the Community Owner by a federal, state, regional or local government or utility authority for such services and taxes, if any, shall be allocated on a pro rata basis among the occupied lots or by such other means as are established by the acts of government. The amount of increase in Governmental and Utility Charges shall be limited to the new or increased cost charged to the Community Owner.

4. Factors Affecting Pass-Through Charges. The Resident will be responsible for payment of those pass-through charges assessed to the Community Owner by federal, state, regional or local government or utility companies. The charges may be assessed more often than annually and will be assessed according to the Resident's proportionate share. Those items defined as pass-through charges may be passed on to the Resident more often than annually; however, the Community Owner reserves the right to recoup those costs in the form of future increases in rent or other charges, rather than as pass-through charges.

Additional Considerations

In the event a resident elects not to sign a written lot rental agreement, that resident shall nonetheless be subject to all of the terms and conditions set forth in those written rental agreements otherwise offered to residents by management except that the base rent charged to that resident shall be the base rent for the homesite as established by management, said rate to be effective for a period not to exceed 12 months, commencing with the resident's occupancy of the homesite, unless otherwise agreed upon.

Nothing contained herein prevents management from discussing with any resident or resident's association an alternative manner of adjusting rents, or from offering or entering into rental agreements, mutually agreeable to management and a resident, on terms differing from those described herein.

Each lease term under this prospectus is independent of any other such lease term. Failure of the Community Owner to implement the full amount of an increase in lot rental amount as allowed by law and this prospectus during any lease term shall not preclude the Community Owner from increasing the lot rental amount at a later time to recoup the difference.

Residents assuming the remaining portion of the unexpired term of the seller's lease, as authorized pursuant to Section 723.059(3), Florida Statutes, are hereby notified that upon the expiration of the unexpired term of the seller's lease, the Community Owner expressly reserves the right to increase the lot rental amount applicable to the new Resident as permitted by law.

IX. USER FEES

The Resident may at some time in the future be offered services by the Community 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 Community owner to the Resident under a separate written agreement between the Resident and the person furnishing the optional service or services". The user fees will only be charged to those Residents who desire to use the services provided. The user fees and charges are not related to the rental amount. User fees are currently charged by the Community Owner for:

- a. Boat Slips at \$_____per day
- b. Boat Storage at \$_____per month
- c. RV Storage at \$_____per month
- d. Automobile/Machinery Storage at \$_____per month

User fees will be increased in accordance with the prevailing market upon 30 days written notice.

X. COMMUNITY RULES AND REGULATIONS

Community Rules and Regulations currently in effect governing the Residents' behavior, guest procedures, etc. are contained in "Exhibit D" attached hereto and incorporated herein by reference.

Changes in Rules and Regulations. The Rules and Regulations may be changed, or new Rules and Regulations may be adopted, at the discretion of the Community Owner. The Community Owner will make such changes in the Rules and Regulations as the Community Owner deems to be in the best interest of the safety, security, and aesthetic quality of the Community and the residents. Notwithstanding the foregoing, the Community Owner shall give all Residents prior written notice, as required by Chapter 723, Florida Statutes, of any change in the Rules and Regulations or adoption of new Rules and Regulations.

XI. ZONING AND LAND USE OF THE COMMUNITY

Current Zoning Classification. As of the filing date, part of the Community is zoned M.H.5, which is mobile home subdivision. The balance of the property is M.H.1, which is mobile home rental Community.

Zoning Authority. The governmental authority having jurisdiction over the Community Property with regard to zoning is Volusia County, Florida.

Community Owner's Future Plans Regarding Development of the Community. The Community Owner has no definite future plans for changes in the use of the land comprising the Community. The Community Owner reserves the right to do so, however, subject to the provisions of Chapter 723, Florida Statutes.

XII. AMENDMENTS

The Community Owner reserves the right to amend this Prospectus or any Exhibit thereto from time to time to the extent permitted by law to conform with changes in relevant statutory provisions or changes in relevant rules of the Department of Business and Professional Regulation, or any other agency having jurisdiction over the operation of this mobile home Community.

This prospectus was determined adequate to meet the requirements of Chapter 723, Florida Statutes, by the Florida Department of Business and Professional Regulation, Division of Florida Land Sales, Condominiums and Mobile Homes on this 17 day of November, 1994.

Prospectus #PRMZ000925-P2

The lot to which this prospectus applies is lot #_____.

As subsequently amended and approved by the Florida Department of Business and Professional Regulation, Division of Florida Land Sales, Condominiums and Mobile Homes on July 19, 2006.

EXHIBIT "A"
COMMUNITY SITE PLAN

EXHIBIT "B"
LOT RENTAL AGREEMENT

EXHIBIT "B"

**TERRA MAR VILLAGE
LOT RENTAL AGREEMENT**

This Lot Rental Agreement between Terra Mar Village (the "Community Owner") and _____ (the "Home Owner") shall be effective on _____, 20____, and shall remain in effect until December 31, 20____, unless terminated earlier as provided in this Agreement.

The purpose of this Agreement is to describe the unique relationship that exists between two property owners: the Community Owner, the entity which owns the real estate and common area improvements at Terra Mar Village, and the Home Owner, who owns a home located in the Community. This Lot Rental Agreement allows the Home Owner to use the space known as _____ for the placement of his or her home and allows the Home Owner the use of common area facilities at Terra Mar Village subject to lawfully established rules and regulations. Nothing in this Agreement gives the Home Owner a property interest in any part of the Community Owner's real estate; nothing in this Agreement gives the Community Owner any property interest in the Home Owner's home.

A. OCCUPANCY: The following individuals shall be the "initial residents" for the purposes of this Lot Rental Agreement and may occupy the above-specified space. It shall be considered a material default of this Lot Rental Agreement if, without written approval of Community Management, occupancy of the space exceeds 15 consecutive days or 30 total days per year, without written approval of Community Management, by any person(s) other than those listed immediately below:

No other persons may occupy Resident's home without written permission from Community management.

B. LOT RENTAL AMOUNT: Lot Rental Amount shall include Base Rent, as well as other fees and charges consisting of Special Use Fees, Governmental and Utility Charges and Pass Through Charges as set forth in Section VIII of this Prospectus.

1. **BASE RENT.** In consideration for the use of common area facilities and for the use of a place to locate a home, the Home Owner shall pay to the Community Owner in advance on the first day of every month a base rent of \$_____without any deduction or offset. Home Owner must pay by check, cashier's check, or money order. Community Owner reserves the right to refuse a personal check.

2. **OTHER FEES AND CHARGES:** Home Owner may also be billed separately, in addition to Base Rent, for the following fees and charges:

Special Use Fees:

a. Returned Check Charge - \$_____. All checks not accepted and honored by the Banking Institutions on the first deposit will be charged a returned check fee.

b. Late Payment Fee - \$_____ plus \$_____/per day that the rental amount remains past due. (Applicable only in the event Resident is delinquent with a monthly rental payment. All rental payments shall be due on the first day of each month and shall be deemed to be past due if not paid by the fifth day of each month.) Time is of the essence for each monthly payment of lot rental amount.

c. Garbage Disposal Charge - A garbage disposal charge of \$_____ per month.

d. Sewage - Sewage Charges shall consist of the following:

(1) Basic Charge: A basic sewage charge of \$_____ per month.

(2) Metered Charge: A metered sewage charge of \$_____/_____ gallons per month.

e. Water - Water Charges shall consist of the following:

(1) Basis Charge: A basic water charge of \$_____ per month.

(2) Metered Charge: A metered sewage charge of \$_____/_____ gallons per month.

f. Use of Common Facility Fee - \$_____ per special use (such as private party) of any common facility.

g. Storm Drainage Charge - A storm drainage charge of \$_____ per month.

h. Additional Resident Fee - Additional resident and/or "visitor" and/or "guest" charge of \$ _____ per guest residing in the house for more than 15 consecutive days or a total of thirty days per calendar year.

i. Lot Clean-Up Charge - \$_____ (per man hour). In case of fire, wind, or water damage to Home Owner's property, or in the event that Home Owner's lot is not kept clean and free of trash or debris, Home Owner shall be responsible for any cost of repairs, removal of debris, and clean up of lot.

j. Lawn Maintenance Fee, including mowing, edging, and trimming, in the amount of \$_____ for each required maintenance performed by the Community Owner due to the fact that Home Owner fails and/or refuses to do so. Additionally, the Community Home Owner is responsible for the actual cost and expense incurred for materials, labor, and equipment needed for any other required maintenance, as described in the Community rule entitled "Lot Care," which maintenance is performed by the Community Owner due to the Home Owner's failure or refusal to do so.

k. Grass Mowing Charge - \$_____ per season.

l. Garbage Containment Fee - If it becomes necessary for the Community Owner to place the Home Owner's garbage in proper containers because Home Owner fails to do so, there will be an additional charge of \$_____ assessed to the Home Owner for each occurrence.

m. Application Fee - A new Home Owner application fee of \$_____per application. This fee will be charged by the Community Owner as allowed by law, in qualifying a prospective Home Owner by the Community. If this fee is determined to be an entrance fee prohibited by Section 723.041, Florida Statutes, it will be refunded.

n. Pet Fee - A pet fee of \$_____per pet per month.

o. Pest Control Fee - A pest control fee of \$_____per month.

p. Skirting and/or Mobile Home Cleanup Fee - A skirting area cleanup fee of \$_____ if Home Owner fails and/or refuses to keep the skirting area clean and free of debris or to keep the exterior of the mobile home clean.

q. Special Service Fee - A special service fee of \$_____per hour, but not less than \$_____per service call, for any repair, maintenance, or service (other than those specifically and separately mentioned herein)that is performed by the Community, but which is the responsibility of the Home Owner.

r. Entrance Fee - \$_____. An entrance fee is applicable to any mobile home placed in the Community. (This fee does not apply to the purchaser of a mobile home situated in the Community.)

s. Attorney's Fees - \$_____ (as determined by the courts). Home Owner shall pay for all reasonable attorney's fees incurred by the Community as the result of any action taken by the Community against the Home Owner to collect delinquent rent, enforce the rental agreement or the rules and regulations, whether suit is brought or not, and whether such fees are incurred before or at trial or on appeal. As to any such action brought to enforce the provision of Chapter 723, Florida Statutes, in which action the Home Owner is the prevailing party, the Home Owner shall be entitled to a reasonable attorney's fee to be paid by the Home Owner.

t. Large Item Trash Removal Charge - a minimum of \$_____. A garbage and/or trash "removal" fee for items which are not collected as part of the normal garbage or waste removal services provided in the Community (i.e. refrigerators, large appliances, etc.) if the Home Owner fails and/or refuses to remove same.

u. Abandoned Property Storage Fee - \$_____.

v. Mail Box Fee - \$_____.

w. Speeding Fee - \$_____.

x. Water Fee - \$_____per incident of excess watering.

y. Damage to Property Fee - \$_____. Residents will be held financially responsible for damage to private or Community property caused by their family or guests.

z. Security Deposit - \$_____.

aa. Recycling Fee - \$_____.

bb. Damaged Home Removal Fee - \$_____.

Governmental and Utility Charges. These charges will be charged to the Home Owner (s) on a pro rata basis or on such other bases as may be implemented by the governmental authority imposing such charges. ("Pro rata basis" means that percentage derived by dividing the number of mobile home spaces leased by a resident by the total number of occupied mobile home spaces in the Community.) The governmental and utility charges which may currently be charged to the Home Owner (s) are as follows:

- a. Water charges or increases in same for usage of water in common areas;
- b. Sewer charges or increases in same for usage of sewer service in common areas;
- c. Waste disposal charges or increases in same;
- d. "Taxes", which term includes ad valorem taxes and special or non-ad valorem assessments levied upon or assessed against the Community by any unit of government. If the method of property taxation prevailing on the delivery date of this Prospectus is changed so that taxes now levied or assessed on Community property are replaced partially or completely by a tax levied or assessed upon the Community Owner as a capital levy or otherwise or on or measured by lot rental amounts received by the Community Owner from the Community, or by any assessment other than any ad valorem tax, then such new or altered taxes shall be deemed included within the definition of "taxes";
- e. "Pass-through charges" including the necessary and actual direct costs and impact or hook up fees for a governmentally mandated capital improvement, which may include the necessary and actual direct costs and impact or hook up fees incurred for capital improvements require for public or private regulated utilities. Pass-through charges shall be charged to Home Owners' according to each owner's proportionate share.
- f. Expenses created and charged to the Community Owner by any federal, state, regional or local governmental entity or utility company, including annual filing fee(s) and the Prospectus filing fee(s) as is required by Chapter 723, Florida Statutes, and any other non ad valorem assessments;
- g. Special assessments or charges by any federal, state, regional or local government entity or utility company, including but not limited to filing fees and annual fees charged by the Division of Florida Land Sales, Condominiums, and Mobile Homes;
- h. Replacement utility charges charged to the Community Owner or to the Home Owner's lot by any federal, state, regional or local governmental entity or utility company for service of a type or nature not available on the delivery date of this Prospectus in replacement or substitution, in whole or in part, of any utility or other service that is provided or is available to Community Home Owners on the delivery date;
- i. New utility charges charged to the Community Owner by any federal, state, regional or local governmental entity or utility company that become available for the beneficial use and enjoyment of the Community residents after the delivery date of this Prospectus;
- j. Any presently unknown governmental or utility charges, as defined above, which are charged to the Community Owner in the future by any federal, state, regional or

local government or utility company may be charged to Home Owner (s) in accordance with law.

k. Non-ad valorem assessments;

l. Costs (including interest based on Community Owner's then cost of borrowing) incurred by the Community Owner as a result of actions taken by federal, state, regional or local governmental entities or utility companies but not directly billed to the Community Owner by said federal, state, regional or local governmental entity or utility company. The Community Owner may recapture these types of costs by charging a lump sum assessment to the Home Owners, at the end of the term of the Community's yearly Lot Rental Agreement (Lease). These types of charges shall be charged to Home Owner (s) after providing notice as required by Chapter 723, Florida Statutes, to the Home Owner (s) on a pro rata basis as defined above and shall be limited to the amount of the increased costs or charges incurred by the Community Owner and any maintenance and administrative costs as permitted by Section 723.045, Florida Statutes, if applicable.

Certain of the above-mentioned government and utility charges and costs which are billed by either the federal, state, regional or local governmental entities or utility companies may be charged to the Home Owner(s) after providing notice as required by Chapter 723, Florida Statutes, at any time during the lease term. The amount of an increase in these charges shall be limited to the increased costs or charges billed to the Community Owner by the federal, state, regional or local governmental agency or utility company plus any maintenance and administrative costs relating to same as permitted by Section 723.045, Florida Statutes. For purposes of this prospectus, garbage collection is considered a utility.

The provision of this Paragraph B shall apply to all renewals of the Lot Rental Agreement pursuant to the Provisions of Paragraph C hereof.

C. RENEWAL. Upon the expiration of the annual term of this Lot Rental Agreement, Home Owner shall be offered a new Lot Rental Agreement for a term not to exceed 12 months and subject to increases in lot rental amount or other charges based on the market rate, or based on increases otherwise determined as set forth in the prospectus delivered to Home Owner, provided that Home Owner has not breached any of the terms, covenants, or conditions of this Lot Rental Agreement, the prospectus, the Rules and Regulations or Chapter 723, Florida Statutes. The Community Owner may also offer Home Owner other lot rental agreements with terms and conditions different than those set forth above.

D. SERVICE PROVIDED BY THE COMMUNITY OWNER. At the time of execution of this Lot Rental Agreement, the following services are provided by the Community Owner as part of the lot rental amount: maintenance of the Community's common areas and use of the Community facilities; water, sewer and electric power for the Community street lights and common facilities (but not to each individual mobile home in the Community) and storm drainage. Waste disposal is provided by Volusia County through Waste Management. Water and Sewer services are provided by City of Edgewater. These services will be billed separately and not included in Lot Rental Amount.

E. TERMINATION. Community Owner may terminate this Agreement upon the Home Owner's failure to comply with this Agreement or the Rules and Regulations, subject to the termination provisions of Chapter 723, Florida Statutes. This Agreement may be terminated only as permitted by applicable Florida law. Removal of a mobile home from the

Community without prior notification of the Community owner, as required by the Community's rules and regulations, and prior to the end of the current rental term shall be a breach of this lot rental agreement. All lot rental amount owed hereunder for the balance of the lease term shall be accelerated and shall be due in full as of the date of removal of the home from the Community. All such payments shall thereafter be due and payable immediately.

F. CONDEMNATION. Condemnation of the space which is the subject of this Agreement or of all or a substantial portion of Terra Mar Village shall be sufficient grounds for the unilateral termination of this Agreement by Community Owner; however, in such event, Community Owner shall notify the Home Owner in writing as required by law. No award for any partial or entire condemnation of the Community shall be apportioned, and the Home Owner hereby renounces any interest in any award resulting from a condemnation of all or part of the real property, improvements and business at Terra Mar Village. Community Owner renounces any interest in any relocation award or personal property compensation made to the Home Owner in connection with the condemnation or forced relocation of the Home Owner's home and its appurtenances by a government body, unless the Home Owner makes a claim against Community Owner for a relocation award or property compensation in connection with the displacement.

G. RULES AND REGULATIONS. The Home Owner agrees to abide by and conform to all applicable Rules and Regulations adopted by Community Owner and implemented in compliance with state law. THE HOME OWNER ACKNOWLEDGES THAT HE HAS READ, UNDERSTANDS, AND AGREES TO ABIDE BY THE RULES AND REGULATIONS PRIOR TO SIGNING THIS AGREEMENT. Community Owner may, at its discretion and in conformity with the law, amend the Rules and Regulations from time to time but shall specify the date of implementation of each such amendment, which date shall not be less than ninety (90) days after written notice to all affected residents in Terra Mar Village and to the board of directors of the Home Owners' association, if one has been formed, or such shorter period as may be allowed by law.

H. HOME OWNER CONDUCT AND OTHER GENERAL OBLIGATIONS. Home Owner agrees that he and all occupants of his mobile home shall at all times conduct themselves with due regard for the personal and property rights of the other home owners of the Community and will refrain from doing or causing to be done any act or thing that would create a nuisance, which term shall include obstruction or interference with the person and property rights of other occupants of the Community or with the orderly and efficient operation of the Community. Home Owner further agrees that the occupants of his mobile home will keep and maintain the demised premises in good repair, comply with all municipal, county, state or federal laws, regulations or ordinances now or hereafter applicable, and upon termination of this Lot Rental agreement, surrender the demised premises to the Community Owner in good order and condition.

I. DAMAGE OF HOME. If the Home Owner's home or other improvement is destroyed or so damaged by fire or other cause as to be wholly or partially unfit for occupancy or use, the Home Owner shall continue to make all payments called for by the terms of this Agreement. However, the Home Owner shall make the home or other improvement fit for occupancy or use and make it conform to the Rules and Regulations, or replace it, within sixty days of such destruction or damage. If the home or other improvement is destroyed or irreparably damaged, then it shall be removed promptly by the Home Owner at his or her own expense. If the Home Owner fails to so remove it, Community Owner may, with notice, remove it and charge the Home Owner for the cost, which sum shall be due and payable immediately.

J. FIXTURES. All structures, including fences, embedded in the ground, blacktop or concrete, shall be maintained in good repair and attractive condition by the Home Owner. If such items are damaged or removed by the Home Owner, then the Home Owner shall repair any damage caused as a result.

K. ATTORNEY'S FEES AND COURT COSTS. Should either Community Owner of the Home Owner be required to employ counsel to enforce the terms, conditions, or covenants of this Agreement, the prevailing party shall recover all reasonable attorney's fees and court costs incurred.

L. SUCCESSORS TO COMMUNITY OWNER. If Community Owner should sell its property at Terra Mar Village and assign its rights and obligations under this Agreement to the new Community Owner, the Home Owner shall honor such an assignment by recognizing the new Community owner in Community Owner's place and by releasing the former Community Owner from all further obligation under this Agreement. The Home Owner shall and hereby does subordinate its interests, to the extent any interests exist under this Agreement, to the Community Owner's successors and to lenders who may be granted a security interest in Community Owner's property. The Home Owner empowers Community Owner and its successors as attorney-in-fact to execute all instruments necessary to accomplish such subordination.

M. ASSIGNMENT AND SUBLETTING. The Home Owner shall not assign this Lot Rental Agreement, or any interest therein, and shall not sublet the leased premises to occupy or use the leased premises without the specific written consent of Community Owner. Any assignment or subletting without Community Owner's consent shall be void, and shall constitute a default by Home Owner under this Lot Rental Agreement.

N. SUCCESSORS TO THE HOME OWNER. Upon Community Owner's prior approval of the buyer, which approval shall not be unreasonably withheld, the balance of the term of this Agreement may be assumed by a person who purchases the Home Owner's home if the condition of the home complies with the Community's Rules and Regulations. At the end of the assumed term, the buyer will be offered a new agreement at the rates and on the terms then established for new residents. Home Owner is responsible for delivering to the buyer Home Owner's prospectus, lot rental agreement, rules and regulations, and current notices of change in rules and regulations. Occupancy of the buyer shall not be deemed to have commenced until delivery of the lot rental agreement, prospectus, current rules and regulations, and current notices of change in rules and regulations to the buyer by the seller or, in the event the seller fails to do so, by the Community Owner. Under no circumstances shall a buyer or those persons who will live with the buyer move into the mobile home he will buy or already has bought until (a) he and all persons who are to live in the mobile home have been approved by Community management to become Residents; and (b) he and all persons who are to live in the mobile home have assumed this lease by fully executing or otherwise identifying them as a resident on an identical Lot Rental Agreement covering the balance of the term of this Lot Rental Agreement.

Prior to approval of any potential purchaser, Community Management must be notified of the name of all persons who will live with the purchaser, and the current address, phone number, job references, and any other reasonable information requested by Community Management with respect to all persons who will live in the mobile home following its sale to the potential purchaser. Within ten (10) days of receipt of all the requested information, Community Management shall give the Home Owner notice of whether the potential purchaser and all persons who will live with that purchaser have been

approved as being qualified to become Home Owners. Approval shall not be unreasonably withheld.

O. STATUTORY PROVISIONS. The relationship between the Home Owner and Community Owner shall be subject to the terms of Chapter 723, Florida Statutes.

P. WAIVER. The waiver by either party of any default of the other party or the acceptance by Community Owner of payment with knowledge of any default of any term, covenant or condition of this Agreement shall not be deemed to be a waiver of any subsequent or further breach of any term, covenant or condition of this Agreement. The failure by either party to take any action in respect to any default of any term, covenant or condition shall not be deemed to be a waiver of such default or any other or further default(s) and the parties reserve the right to pursue their remedies in full at any time.

Q. SAVINGS CLAUSE. Each provision of this Agreement is separate and distinct and individually enforceable. In the event any provision is declared to be unlawful, the enforceability of all the other provisions shall not be affected.

R. EVICTION. The Community Owner may evict a Home Owner, tenant, occupant, or a mobile home on one or more of the grounds set forth in Section 723.061, Florida Statutes, including the failure to perform any obligation created by this Rental Agreement.

S. ABANDONMENT OF MOBILE HOME.

1. In the event that the Home Owner abandons the Home Owner's Premises and leaves the Home Owner's mobile home, automobile(s) or other personal property on the Home Owner's Premises or in the Community, the Home Owner hereby contracts and hires Community Owner for the storage of such property immediately upon such abandonment. Home Owner further agrees that Community Owner may charge storage fees for such property in an amount equal to all sums due by Home Owner to Community Owner under the amount of monthly rental payable under this Rental Agreement. Home Owner further agrees to pay, as an additional storage fee, any costs incurred by Community Owner in the removal of Home Owner's mobile home and/or personal property from the Home Owner's Premises or the Community.

2. Home Owner expressly agrees and recognizes that any storage fees imposed by virtue of the foregoing paragraph shall become a lien on the property of the Home Owner so stored and that Community Owner shall have all the rights provided by law.

3. Abandonment shall be effectuated by the Home Owner upon the existence of any of the following circumstances.

a. Notification by Home Owner to Community Owner of Home Owner's intent to abandon the Home Owner's Premises combined with the Community Home Owner's absence from the Home Owner's Premises for a period of five (5) days, or

b. Failure of the Home Owner to occupy the Home Owner's premises for a period of thirty (30) days combined with the failure of Home Owner to pay rent due during such period of non-occupancy.

4. In the event the Rental Agreement is terminated by Community Owner and Home Owner refuses to vacate the Home Owner's Premises after being given notice of termination as provide by law, Home Owner hereby contracts with and hires Community Owner for the

removal and/or storage of Home Owner's mobile home, automobile(s) and other personal property located on the Home Owner's Premises or in the Community. Home Owner further agrees that Community Owner may charge as fees for storage of such property an amount equal to all sums due by Home Owner to Community Owner under this Rental Agreement as of the date of termination plus an additional monthly storage fee not to exceed the amount of monthly rent payable under this Rental Agreement. Home Owner further agrees to pay, as an additional storage fee, any costs incurred by Community Owner in removal of Home Owner's mobile home and/or other property from the Home Owner's Premises or the Community.

5. Home Owner expressly agrees and recognizes that any storage fees, imposed by virtue hereof shall become a lien on the property of Home Owner so stored and the Community Owner shall have all rights provided by law.

T. MISCELLANEOUS

1. The Home Owner shall promptly execute and comply with all statutes, ordinances, rules, orders, regulations and requirements of the federal, state, regional and local governments, and of any and all their departments and bureaus applicable to said Premises, for the correction, prevention and abatement of nuisances or other grievances, in, upon, or connected with said Premises during said term.

2. The prompt payment of the lot rental amount for the premises upon the dates names, and the faithful observance of the Rules and Regulations attached hereto and made a part of this lot rental agreement, and of such other and further Rules and Regulations as may be hereafter made by the Community Owner, are the conditions upon which the Lot Rental Agreement is made and accepted. Resident agrees that as a condition of this Lot Rental Agreement, the Community has a lien against Resident's home as set forth in Section 713.77, Florida Statutes, as may hereafter be amended, and that that lien may be perfected by Community Owner's securing possession of the home.

3. It is expressly agreed and understood by and between the parties to this Lot Rental Agreement, that the Community Owner shall not be liable for any damages or injury by water, or by defect or failure by any concrete structure, which may be sustained by the Home Owner or other persons or for any other damage or injury resulting from the carelessness, negligence, or improper conduct on the part of any other home owner or agents, or employees, or by reason of the breakage, leakage, or obstruction of the water, sewer or soil pipes, or other leakage in or about the premises.

4. All of the Community Owner's rights and remedies are cumulative and not in lieu of each other, and the failure of the Community Owner to exercise any right or remedy shall not operate to forfeit such right or remedy in the future or any other rights or remedies of the Community Owner at any time. Forbearance by the Community Owner to enforce one or more of its rights or remedies shall not be deemed to constitute a waiver of any default of Resident nor operate to permit the repetition or continuation of such default.

5. Home Owner acknowledges that all Community-owned streets, thoroughfares, parks and recreation facilities, remain the private property of the Community Owner to be used by Home Owner in common with other home owners of the Community, subject to the Policies and Regulations established by the Community Owner from time to time.

6. If title to or possession of Home Owner's mobile home located in the Community is sold or assigned, other than as set forth herein, voluntarily or involuntarily, or by

operation of law, or should any creditor or creditors of Home Owner or any Receiver or Trustee, on behalf of any such creditor or creditors, or any other person or persons, by levy, attachment or other proceeding, or by operation of law, obtain title to or the possession of said mobile home, the new home owner must qualify as a resident pursuant to the conditions set forth in these rules and regulations. If such approval is not obtained, the new home owner will be subject to eviction.

7. Home Owner agrees to permit Community Owner or its agents, at any reasonable time, to enter the leased premises for the purposes of making repairs, routine maintenance, replacement of utilities, or protection of Community.

8. Home Owner agrees not to hold the Community Owner responsible for any delay in the installation of electricity, water, or meters therefore, or interruption in the use and services of such commodities.

9. Home Owner agrees not the use the demised premises, or any part thereof, or to permit the same to be used, for any illegal or improper purposes; not to make, or to permit to be made any disturbance, noise or annoyance whatsoever detrimental to the premises or to the comfort and peace of the inhabitants of the vicinity of the demised premises.

10. This Lot Rental Agreement shall bind the Community Owner and its assigns or successor, and the heirs, administrators, legal representatives, executors or successors as the case may be, of the Home Owner.

11. Home Owner acknowledges that he has read and understands and agrees to abide by the foregoing, and that Home Owner was offered the foregoing Lease prior to occupancy. Home Owner further acknowledges that Home Owner has read and understands the Prospectus for Terra Mar Village prior to execution hereof.

12. All terms utilized in this Lot Rental Agreement shall have the same definitions and meanings as contained in the Prospectus for Terra Mar Village if contained therein.

U. ENTIRE AGREEMENT. This lot Rental Agreement, and the prospectus to which it is attached as an exhibit, as it may be applicable, contains the entire Agreement between Community Owner and Home Owner, and there are no other terms, obligations, covenants, representations, statements or conditions, oral or otherwise, of any kind whatsoever, between Community Owner and Home Owner. Any changes or additions to this Lot Rental Agreement must be made in writing and executed by the parties hereto.

V. RESIDENT ACKNOWLEDGMENT OF UNDERSTANDING: Each of the Regulations of the Community is specifically incorporated into this Rental Agreement by reference. Home Owner hereby acknowledges that he has read the foregoing Lot Rental Agreement and that prior to executing this Rental Agreement he has had a reasonable opportunity to read and review it as well as the Community Rules and Regulations, and by signing this Rental Agreement he irrevocably for himself and for all other persons listed herein agrees to fully abide by the terms of this Lot Rental Agreement and by the Community Rules and Regulations.

IN WITNESS WHEREOF, the parties hereto have hereunto executed this instrument for the purpose herein expressed the day and year above written.

Signed, sealed and delivered
in the presence of:

TERRA MAR VILLAGE, LLC

By _____
KARL WARNER, AS MANAGER

By _____
(HOME OWNER)

By _____
(HOME OWNER)

NOTE: ALL PERSONS WHO ARE GOING TO RESIDE IN THE MOBILE HOME MUST SIGN OR BE LISTED IN THIS LOT RENTAL AGREEMENT.

COMPOSITE EXHIBIT "C"
ZONING, COVENANTS AND RESTRICTIONS

MOBILE HOME PARK CLASSIFICATION - MH-1

Purpose and Intent

The purpose and intent of the MH-1 classification, is to provide areas for the use and development of mobile home parks.

Permitted Principal Uses and Structures

In the MH-1 classification, no premise shall be used except for the following uses and their customary accessory uses or structures:

- Mobile Home Parks meeting the requirements of Section 809.00 and accessory laundry buildings, commissary, swimming pools and recreational facilities.
- Essential Utility Services
- Exempt Excavations (Refer to Section 817.00 (P)) and/or those which comply with Article VIII of the Land Development Code of Volusia County and/or final site plan review procedures of this Ordinance.
- Exempt Landfills (Refer to Section 817.00 (Q))
- Home Occupations, Class A (Refer to 807.00)

Permitted Special Exceptions

- Excavations only for stormwater retention ponds for which a permit is required by this Ordinance.
- Mobile Home Sales accessory to a mobile home park
- Off-street Parking Areas (Refer to 817.00 (O))
- Package Sewage Treatment Plants (Refer to Sections 816.00 and 817.00 (J))
- Public Uses
- Public Utility Uses and Structures (Refer to 817.00 (A))

Dimensional Requirements for Mobile Home Park

Minimum Project Size:

10 acres

Maximum Spaces Per New Acre of Land:

7

Minimum Mobile Home Space Size:

Space Area - 5,000 sq. ft.
Space Width - 50 ft.
Space Depth - 50 ft.

Minimum Yard Size:

Front Yard - 10 ft.
Rear Yard - 7 1/2 ft.
Side Yard - Abutting any space - 7 1/2 ft.
- Abutting any street - 10 ft.
Waterfront Yard - 20 ft.

Minimum Floor Area:

480 sq. ft.

Off-Street Parking and Loading Requirements

Off-street parking and loading space meeting the requirements of Sections 810.00 and 811.00 shall be constructed.

Landscape Buffer Requirements

A landscaped buffer area meeting the requirements of Section 808.00 shall be constructed.

Final Site Plan Requirements

Final Site plan approval meeting the requirements of Article III of the Land Development Code is required.

Skirting Requirement

The area between the ground and floor level of the mobile home dwelling shall be enclosed with block or decorative skirting.

Types of Signs Permitted

Ground Signs (Refer to Section 822.00 et seq. for additional regulations).

Projecting Signs (Refer to Section 822.00 et seq. for additional regulations).

Temporary Signs (Refer to Section 822.00 et seq. for additional regulations).

URBAN MOBILE HOME CLASSIFICATION - MH-5

Purpose and Intent

The purpose and intent of the MH-5 classification, is to provide medium density areas for mobile home subdivisions.

Permitted Principal Uses and Structures

In the MH-5 classification, no premise shall be used except for the following uses and their customary accessory uses or structures:

- Mobile Home Dwelling
- Essential Utility Services
- Exempt Excavations (Refer to Section 817.00 (P)) and/or those which comply with Article VIII of the Land Development Code of Volusia County and/or final site plan review procedures of this Ordinance.
- Exempt Landfills (Refer to Section 817.00 (Q))
- Home Occupations, Class A (Refer to 807.00)
- Parks and Recreational Areas accessory to the development

Permitted Special Exceptions

- Antennas exceeding 70 feet in height above ground level.
- Cluster Subdivisions
- Excavations only for stormwater retention ponds for which a permit is required by this Ordinance.
- Garage Apartments
- Houses of Worship and Cemeteries (Refer to 817.00 (D))
- Off-street Parking Areas (Refer to 817.00 (O))
- Package Sewage Treatment Plants (Refer to Sections 816.00 and 817.00 (J))
- Public Uses
- Public Utility Uses and Structures (Refer to 817.00 (A))
- Recreational Areas, e.g. golf courses, country clubs, swim clubs, tennis clubs, etc. (Refer to 817.00 (D))
- Schools, Parochial and Private (Refer to 817.00 (D))
- Single Family Standard or Manufactured Dwelling
- Zero Lot Line Residential Subdivisions (Refer to 817.00 (H))

Dimensional Requirements

Minimum Lot Size:

Area - 6,000 sq. ft.
Width - 60 sq. ft.

Minimum Yard Requirements:

Front Yard - 20 ft.
Rear Yard - 15 ft.
Side Yard - Abutting any lot - 5 ft.
 Abutting any street - 20 ft.
Waterfront Yard - 20 ft.

Maximum Building Height:

35 ft.

Minimum Floor Area:

720 sq. ft.

Off-Street Parking and Loading Requirements

Off-street parking and loading space meeting the requirements of Sections 810.00 and 811.00 shall be constructed.

Skirting Requirements

The area between the ground and floor level of the mobile home dwelling shall be enclosed with block or decorative skirting.

Types of Signs Permitted

Ground Signs (Refer to Section 822.00 et seq. for additional regulations).

Projecting Signs (Refer to Section 822.00 et seq. for additional regulations).

Temporary Signs (Refer to Section 822.00 et seq. for additional regulations).

EXHIBIT "D"
RULES AND REGULATIONS

**TERRA MAR VILLAGE
RULES AND REGULATIONS**

FOR THE COMFORT AND WELFARE OF TERRA MAR VILLAGE RESIDENTS

The following policies and regulations are intended for the comfort, welfare and safety of you and your neighbors, and to maintain the beauty of Terra Mar Village. They may be changed from time to time to achieve this purpose. Your cooperation in abiding by these regulations will be greatly appreciated.

1. **ACCESS ONTO LOTS.** The management reserves the right of access onto all lots at all times for the purpose of utility inspection and maintenance, to prevent an imminent danger to an occupant, and for the protection of the mobile home Community.
2. **COMMUNITY BULLETIN BOARD.** General notices and articles for sale may be posted on the Terra Mar Village bulletin board, located in the office building, after approval of management has been obtained.
3. **USE OF AMENITIES.** All amenities such as the swimming pools, restrooms, shuffle board courts, clubhouse, fishing pier must be respected and treated as though you were the personal owner of them. Amenities within the Community are reserved for the exclusive use and enjoyment of Terra Mar Residents and their properly registered guests. Residents shall not modify or refuse to pay their monthly financial obligations, regardless of use or non-use of the Community's amenities at any given time. All safety rules, regulations and other Community rules must be obeyed at all times without exception. All guests must be accompanied by a Resident when using the amenities. It is the responsibility of Residents to ensure that their guest(s) observe all applicable Rules and Regulations. Terra Mar management reserves the right to terminate any resident's or guest privileges, with respect to use of amenities, for a period to be determined in accordance with the seriousness of the offense, when the rules and regulations are deliberately violated. The amenities are provided for Community use on a "USE AT YOUR OWN RISK" basis.
4. **INCORPORATION OF DEED RESTRICTIONS, LOT RENTAL AGREEMENT AND PROSPECTUS.** The rules and restrictions contained in the "Deed Restrictions" official records #737, page #531, document identified as No. 27255, shall also remain in effect. These regulations were originally River Park Mobile Home Colony, Section No. 1 and transferred to: Terra Mar Village as stipulated in this document, Paragraph No. 17. The provisions of the Lot Rental Agreement and Prospectus are incorporated herein by reference as if set forth verbatim.
5. **OCCUPANCY.** Only mobile homes owned and occupied by persons who have applied and have been approved by Management are permitted. As a condition to approval for occupancy in the Community, all residents are required to show proof of ownership by title or registration, subject to fees specified in the prospectus.
6. **BEHAVIOR.** A person who is the legal responsibility of a guardian or parent or who is unable to preserve his or her own safety shall be deemed a Person Requiring Supervision. While in any common areas, including the swimming pool or pool area, a Person Requiring Supervision shall be closely supervised by a Supervising Person (a Home Owner, Resident or guest who accepts legal responsibility for the actions and safety of the Person Requiring Supervision). The Community Manager has the

authority to require that the Resident remove the Person Requiring Supervision from any common area in the Community if the conduct of the Person Requiring Supervision is disruptive or disturbing to the other Residents of the Community.

Residents will be held responsible for their own conduct and for the conduct of the members of Resident's household, Resident's guests or other persons under Resident's control or on the lot with Resident's permission or consent. Each Resident is jointly and severally liable for the actions of all such described persons and of any additional persons arriving with such described persons and the resulting damages occurring to another Resident's property or that of the Community Owner's property. Guests may not sleep in a vehicle. All guests must comply with the Community rules. Guests shall not be permitted to reside or stay in the Park in the absence of the Resident. Seasonal occupants are requested to notify the Park Manager of the period during which the manufactured home is vacant. Guests must be signed in and out upon arrival in the Community. Guests will not be allowed to bring a dog or any other animal into the Community with them at any time, even for a daily visit. Seeing-eye dogs are permitted for the sight impaired. Any guest staying with a Resident in excess of fifteen (15) consecutive days or 30 total days per year shall be considered an applicant for permanent residency in the Community, and shall be subject to the Guidelines, including but not limited to the obligation to make application for residency and to satisfy the rules and requirements for Entry. If Community Management, in its sole discretion, determines that a guest has violated a requirement or provision set forth in these rules, and in response to such violation Community Management so requests, a guest must vacate the Community within 24 hours of delivery to the Resident or to the guest of a written demand to vacate.

Residents, occupants of Resident's home, and guests of Residents are not permitted to play in the streets, in vacant lots, or in the yards of other residents, and are not permitted to climb trees in the Community or play ball in the Community streets or to pass through other residents' yards. A Person Requiring Supervision must be off the streets by dark unless accompanied by a Supervising Person.

7. SELLING YOUR MOBILE HOME.

A. A Home Owner has the right to sell his mobile home within the Community, and the prospective purchaser may become a resident of the Community. However, the prospective purchaser must qualify pursuant to the requirements of the Community Rules and Regulations, complete the requisite applications, and be approved by Management.

Management shall have the right to inspect the interior and exterior of the mobile home prior to approving a prospective purchaser as a Resident in that mobile home. Homes must meet all local code requirements, including electrical and plumbing, but not limited thereto. The purchaser, if approved, shall be required to make any repairs or changes deemed necessary by Management to improve or upgrade to Community standards. If the mobile home is more than fifteen (15) years old from date of manufacture, purchaser will be required to furnish Management with a home inspection report from an established home inspection firm, which document may be used to determine needed repairs or upgrades. If required repairs or upgrades are not made, within 30 days of written notice, Management has the right to deny occupancy and require Home Owner to remove the mobile home from the Community.

B. Resident may display one "For Sale" sign, no larger than 12 inches x 16 inches, on the mobile home or inside the mobile home window.

C. The Community Owners require that any mobile home not meeting the Community's established standards, as required by these Rules and Regulations, or any mobile homes which are improperly maintained, be upgraded to improve the quality and appearance of the mobile home. Failure of Residents to meet the Community's requirements within 30 days of written notice shall be a violation of these Rules and Regulations.

Management reserves the right to refuse to execute a rental agreement with a prospective Resident, and require the removal of a manufactured home based upon the age, deterioration, obsolescence, or appearance of the manufactured home. Management also has the right to require from the home buyer or Home Owner, a certified inspector's report regarding status of electrical or plumbing facilities. The decision of Management regarding the status of the mobile home in questions shall be binding.

D. In the event Home Owner intends to move his manufactured home from the Community, such move must be made between 8:00 a.m. and 5:00 p.m. so Management may have an inspector present. Only transporters of manufactured homes, properly authorized by governing authorities are permitted to move homes into or out of the Community. Such transporters must provide Management with a certificate of insurance in the amount of \$10,000.00 to ensure against damage to Community property. Prior written permission from the Community Owner is required prior to any move of a mobile home either into or out of the Community.

E. Management requires that Residents comply with the requirements of all governmental agencies, including but not limited to the State of Florida Departments of Business and Professional Regulation and Motor Vehicles, Volusia County, and HUD.

8. **SETUP: NEW AND REALES.** Mobile homes must be placed in a uniform manner, properly blocked, and all utilities connected in accordance with Volusia County Code and Management's specifications. Mobile homes must be anchored immediately, as required by all governmental regulations.

Home Owner agrees that the following standards and requirements shall be met and completed by a licensed contractor under a building permit issued by the Volusia County Building Department, or other applicable municipal agency, and approved by the Community office.

A. All new mobile homes entering the Community must have removable hitches which shall be removed upon anchoring. Older mobile homes purchased in the Community which do not have removable hitches shall either be removed or enclosed by extending the skirting to the extent necessary to hide the hitch. Axles and wheels must be removed.

B. The mobile home must be skirted with vinyl or similar material approved by Park Management. Skirting must be maintained regularly to ensure a uniform and attractive Community.

C. Park Management approved concrete or brick steps, or any other material approved by Management, must be installed at the front entrance of the mobile home and on any street entrance.

D. Resident may install an attached screen enclosure, raised patio and/or a permanent screened room or carport which complies with the Building Code of Volusia County or other applicable agency after first obtaining the required permits for installation. However, prior to obtaining the required permits, the Resident must present the proposed detailed plan which shows all dimensions of the structure and obtain written approval of said plans by Community Management that such structure is consistent with other like structures located in the Community.

E. No air conditioning unit shall remain or be mounted in the front window of the mobile home or front wall of any mobile home, or any wall facing a street. Only central air conditioning may be installed in units coming into the Community.

F. No aluminum foil or the like shall be placed in any window in the mobile home.

G. No fences are authorized to be built or maintained on any lot in the Community. However, fences may be permitted, after obtaining Community Management approval, along Community borders and to separate lots from safety hazards.

H. Propane tanks are not permitted in front of a mobile home or in any area directly visible to any street.

9. **LOT IMPROVEMENTS BY RESIDENT.** Improvements are encouraged; however, any construction of or addition to a mobile home, and its location, including but not limited to porches, skirting, steps, awnings, utility buildings, air conditioners, concrete slabs, carports, and the like, will not be permitted unless the resident obtains prior written approval from the Community Management and obtains the necessary governmental approvals and permits when required. If electrical, mechanical or plumbing is upgraded, whether or not to accommodate appliances or improvements of any type, such upgraded service shall be at the sole expense of the Resident. Approval is necessary to protect the underground utilities, continuity of Community appearance, and the safety of Community residents. In addition to all other remedies available to it, Management may require Resident to remove any unapproved construction or addition at the expense of Resident.

A. Where the Community has provided a paved parking area at the front of the lot, the Resident, at Resident's expense, is responsible for maintaining this paved area, and if damaged during the tenancy, the Resident must repair same.

B. In the event the Resident wishes to extend the paving available to his lot for use of a vehicle, he may do so after obtaining permission from Management, and at the sole cost and expense of the Resident.

C. Residents must secure their street number on the front of the mobile home. All Residents of the Community are responsible for installing a postmaster-approved mailbox. Improperly placed mailboxes must be removed.

D. No pools, swingsets, and other outdoor recreational equipment or vehicles are permitted without the Resident obtaining the prior written approval by Community

Management that such structure is consistent with other like structures located in the Community.

E. Only umbrella-type clotheslines are permitted; however, written approval of their specific location must first be obtained from the Management. All other types of clotheslines are prohibited and must be removed. Folding drying racks must be used for all clothing hung outside, standard manufacturers heights may be used. Lines for hanging clothes outside and lines strung between trees or on carport supports will not be tolerated.

F. Utility sheds must be aluminum or painted sheet metal and anchored on a poured concrete slab. They may not be erected on the patio slab. A permit must be obtained from the County Building Department. However, the Resident shall obtain prior written approval by Community Management that such structure is consistent with other like structures located in the Community before installing same. Size must meet the approval of Management.

10. **LOT CARE.** It shall be the responsibility of the Resident to ensure that his mobile home and lot are properly maintained.

A. All Residents must maintain their mobile home, yard, and all applicable buildings in compliance with all county and State of Florida housing and health codes. Each Resident shall be responsible for the maintenance and cleanliness of his lot. Bottles, cans, boxes, equipment, or debris of any matter shall not be stored outside, beneath, or in a screened enclosure or patio.

B. Those Residents of lots adjacent to drainage canals and ditches are required to maintain, but not plant, the banks of said canals to prevent unsightliness. Likewise, there shall be no dumping of clippings or other debris into the ditch or canal by anyone. If any trash is dumped behind Resident's lot, it must be removed to the county dump at the Resident's expense. Resident must leave access through his lot and shall place no obstruction to access in order to maintain and service the canal.

C. All mobile homes must be kept in good repair, including utility buildings. Broken windows, peeling paint, dull exterior of a mobile home, or a general unsightly appearance of the mobile home or the mobile home site must be corrected. Upon failure of Resident to make appropriate corrective action after receipt of notice, Management may, but has no obligation to have the necessary work performed, and shall have the right to charge the Resident. This amount shall be collectable in the same manner as rent. Management reserves the right to check any unusual water use indicated by water meter measurement or by visual inspection.

D. Any mobile home which does not have factory, manufactured skirting maintained in a neat and proper condition, in the opinion of Management, must have the skirting replaced with the approved skirting as set out in Paragraph 8B above. If the present skirting is destroyed by windstorm, an act of God, or any other means, replacement skirting must be of the approved type.

E. It shall be the responsibility of each Resident to keep the lawn mowed, edged, trimmed, and watered. Sod destroyed by neglect, lack of water, or vehicular traffic must be repaired or replaced at Resident's expense. Each Resident is responsible for his respective plants and lawns. They are to be kept free of weeds and should not be permitted to become overgrown. At its option, management may notify resident

of his failure to comply with this provision. Upon failure of resident to take appropriate corrective action within five (5) days after receipt of notice, Management may, but has no obligation to, have the necessary work performed, and shall have the right to charge the Resident. Residents agree to comply with the St. Johns Water Management District rules and regulations as promulgated by any local, state or federal agency.

F. The planting of trees, shrubbery, and flowers is encouraged; however, to protect under-ground utilities, it is necessary to receive written permission including location approval from Management prior to planting. Plants and shrubs planted by Resident may be removed when vacating the lot with Manager's approval. Sod must be replaced by Resident where planting is removed. Existing trees or shrubs must not be damaged or removed by Resident without written permission of the Community Manager. Resident will be permitted to trim, remove, or have removed any tree limb or shrub as desired. Dead trees, or trees and shrubs damaged by high winds, or any other act of God must be removed by Resident within seven (7) days. Trees and shrubs must be kept well groomed at all times. Resident must cure default under this paragraph within two (2) weeks of written notice as provided herein.

G. No trash fires are permitted.

11. **VEHICLES.** Inasmuch as Management's manufactured home Community is maintained as a private enterprise, its street are private, and not public thoroughfares.

Residents must park their vehicles on their own lot. The Resident is permitted a total of two (2) vehicles per lot, provided there is adequate room. All vehicles must have liability insurance in the minimum amount required by Florida law. The street right-of-way and common area may not be used for parking except for guests, provided they do not remain more than five (5) hours. In the event there is not sufficient space, it is the responsibility of the Resident to locate parking or storage outside the Community premises and not on other Resident' lots. Only vehicles licensed and used for daily personal transportation will be allowed to be stored in the Community. All other vehicles must be removed from the premises. Management will ban from the Community any vehicles which, in its sole judgment, interfere with the peace, privacy, and/or general welfare of other Residents or with the appearance of the Community. Vehicles in violation of these rules may be towed away without notice at the Resident's expense. Residents are responsible for guest's vehicles.

A. Mechanical or other repair of vehicles is not permitted. Vehicles without current licenses and tags or in a state of disrepair are not to be stored on the lot or any other area within the Community, without written permission from Community Management. Washing of vehicles is permitted subject to any rules or regulations promulgated by any local, state or federal agency.

B. No truck larger than three-quarter (3/4) ton with pickup bed will be permitted in the Community. All commercial trucks, boats, off-road vehicles, campers, tractors, trailers, motor homes, step vans, or other large vehicles are not permitted in the Community unless stored in a designated area when and if such area is available and storage fees as applicable are paid. Campers, motor homes, boats or delivery vehicles will be permitted to be parked (but not lived in) on the Resident's concrete driveway for a reasonable time for loading and unloading, but never overnight.

C. Bicycles, Motorcycles and mopeds operated by a Resident will be permitted only as transportation via the shortest route in and out of the Community. No joyriding will be permitted within the Community by Resident or guests. Property belonging to Terra Mar Village and Community residents shall not be driven on by any vehicle such as: cars, vans, trucks, motor-cycles, mopeds, bicycles, etc. in order to preserve the lawns and appearance of our Community.

D. ATV's, minibikes, dirt bikes, go-carts, or any motorized vehicles not properly licensed are prohibited in the Community. All permitted vehicles must have factory-type quiet mufflers. No off-road vehicles will be permitted within the Community.

E. Speeding in excess of posted limits is prohibited. All autos, motor-cycles, mopeds and any other vehicle must observe the posted speed limits of fifteen (15) miles per hour and obey all "stop signs" or other posted warnings. A FULL STOP must be made at all stop signs. All of these rules will be strictly enforced as this is for the safety of our Community residents.

F. Roller skating and skateboards are prohibited on the roads and common areas located within the Community.

G. Bicycles and pedestrians have the right of way.

12. **PETS.**

A. Two pets of small size, under 20 pounds each, limited to dogs, cats, fish or birds, are permitted in the Community. All pets must be kept on a leash, accompanied by the Resident, and must stay on their own lot. No dog houses, dog runs or fenced pet areas of any kind are permitted. Pets that are noisy and unruly or cause complaints will not be permitted to remain. No exotic pets, farm-related animals, or water fowl are permitted. Exotic pets include, but are not limited to, reptiles, amphibians and birds. However, Residents may have parrots or other medium to small caged birds, but only after obtaining the prior written consent of the Community Owner. Seeing-eye dogs are permitted.

B. Pets may not be tied or chained outside.

C. Your guest or friends are not permitted to bring a pet into the Community. Residents will be held responsible for any violation by the Resident's guests. Guest's Seeing-Eye dogs are permitted.

D. A "poop" bag and scoop must be carried at all times when walking the animal and all animal droppings must be carried back to Resident's receptacle.

13. **ANTENNAS.** Outside television antennas are permitted in the Community, but must be approved in writing by Management prior to installation. Ham or citizens band radios or any other equipment that interferes with television reception will not be permitted. Cable T.V. is available at residents' expense.

14. **RESIDENT CONDUCT.** Any complaints regarding noise or conduct which management finds objectionable, which disturbs the peaceful enjoyment of the Community by neighbors, or a nuisance to other residents or which constitutes a breach of the peace is prohibited. All Residents and their guests must conduct themselves in an orderly fashion. No alcoholic beverages or illegal drugs are to be

consumed in the common areas of the Community. Residents will be held responsible for their guests' conduct. Guests may not sleep in vehicles. Illegal drugs will not be permitted. Management reserves the right to require the occupants of a rental space to conduct themselves in a manner not to be detrimental or incompatible with the interest, harmony, comfort or welfare of the residents, guests, or management of Terra Mar Village. The management reserves the right to restrict privileges and use of the amenities by offending Residents based on the offense.

15. **SOLICITING OR PEDDLING.** Soliciting or peddling is not permitted in this Community, other than Resident solicitation authorized by Chapter 723, Florida Statutes.
16. **BUSINESS.** No business or commercial enterprises shall be permitted to operate from or within the Community, and no signs advertising a business or commercial enterprise may be erected on the Resident's lot or mobile home. A business includes any commercial enterprise which: (1) is required to be licensed by local or state law; (2) requires traffic (vehicular or boat) from outside the Community to enter for the purpose of dealing with the said business; (3) uses any type of sign or advertising on the exterior of the Resident's Home, vehicle, or boat; (4) includes door-to-door canvassing of Community Residents; (5) interferes with the safe, pleasant, and enjoyable use of the Community by any of its Residents; or (6) involves the purchase of a manufactured home or of any interest in a manufactured home for the purpose of resale, leasing, renting or other business use.
17. **LAWS.** All federal, state, and county laws, and all local regulations or ordinances, and deed restrictions, must be obeyed by the Residents and their guests.
18. **WEAPONS.** The use or display of weapons on these premises by Residents or guests is prohibited, including firearms, air rifles, slingshots or any other type of weapon.
19. **PATIOS.** Only standard lawn or patio furniture, will be permitted on patio or lawn. Patios are not to be used for storage of any items, including household furniture, appliances, mopeds, motorcycles, or other motor powered vehicles.
20. **GUESTS.** All persons who are not registered with management as approved occupants of a mobile home within the Community and who are transient occupants of a mobile home on Community premises at the invitation of the mobile home Resident, are defined as guests. Guests shall not stay in the Community more than fifteen (15) consecutive days or 30 days in any year without written permission from Community Management. Residents are and will be held responsible for their own conduct and the conduct of other persons who are under Resident's control or are in the Community with Resident's permission or consent. Each Resident is jointly and severally liable for the actions of all such described persons and of any additional persons arriving with such described persons and the resulting damages occurring to another Resident's property or that of Terra Mar Village. All guests must comply with the Community Rules and Regulations. Guests shall not be permitted to reside or stay in the Community in the absence of the Resident. Seasonal Residents are requested to notify the Community manager of the period during which the mobile home will be vacant. Guests must be signed in and out. Guests will not be allowed to bring a dog or any other animal into the Community with them at any time, even for a daily visit. Seeing-eye dogs are permitted. Any guest staying with a Resident in excess of fifteen (15) consecutive days or 30 total days per year shall be subject

to Rules and Regulations, including but not limited to the obligation to make application for residency. If Community Management, in its sole discretion, determines that a guest has violated a requirement or provision set forth in these Rules and Regulations, and in response to such violation Community Management so requests, a guest must vacate the Community within 24 hours of the delivery to the Home Owner or the guest of a written demand to vacate.

21. **COMPLAINTS AND NOTICES.**

A. All complaints must be made in writing at the office of the Community. The delivery of written notices required by Chapter 723, Florida Statutes, under the terms of any rental agreement or these Rules and Regulations shall be by mailing or delivery of a true copy thereof to the Community Management office as required by Chapter 723, Florida Statutes. If you have any complaints, recommendations, etc., please discuss them with the management and not your neighbors. Avoid passing rumors on to others. Come to the office - we will be glad to do everything possible to correct problem situations. Community Management is not responsible for delivery of personal notes, messages, etc.

B. All notices sent to Resident(s) from Management will be sent to the Resident's address in the Community unless the Resident(s) has provided Management with written notice of a different address where notices or other mail to Resident(s) is to be sent. Resident is solely responsible for making arrangements with the U. S. Post Office for the forwarding of mail to Resident while Resident is absent from the Community.

22. **USE AND OCCUPANCY.** The premises shall be used solely for the purposes of placing a mobile home thereon for the residential use and occupancy of Resident. Without prior written consent of the Community Owner or Manager, the premises may not be occupied by more than two (2) persons per bedroom.

23. **LIABILITY FOR DAMAGES.** Community Owner and Management shall not be liable for any loss of, or damage or injury to, the person or property of Resident, or any occupant, guest, or invitee on the premises, caused by: (a) any condition of the premises of the Community; (b) any act, fault, or neglect of any resident or occupant of the Community, or any guest or invitee of any resident or occupant of the Community, or of any trespasser; (c) fire, water, steam, rain, hail, wind, flood, sewerage odors, electrical current, insects, or any act of God; or (d) theft or embezzlement, unless any of the foregoing was caused by Community Owner and Management's active or willful misconduct. Resident shall indemnify and hold Community Owner and Management harmless from any loss, cost, damage, or expense arising out of any claim asserted by any person because of any loss of, or damage or injury to, the person or property of any person caused by any act, default, or neglect of any occupant of the premises, or of any guest or invitee of any occupant of the premises.

24. **INSURANCE.** The Community Owner does not provide insurance for Resident's mobile home or any of Resident's other personal property located on or about Community property including that located on the leased premises. Resident is responsible for obtaining insurance, at Resident's expense, to cover loss or damage to his mobile home or personal property.

25. **GOVERNING LAW.** The Landlord-Tenant relationship created by the Rental Agreement shall be governed by the Florida Mobile Home Act, Chapter 723, Florida Statutes. More specifically, subdivision lot owners are subject, at a minimum, to The provisions of Chapter 723.035, 723.037, 723.038, 723.054, 723.055, 723.056, 723.058, and 723.068, Florida Statutes, and other provisions specifically made applicable to subdivision lot owners in the Florida Statutes.
26. **SUBLETTING, RENTING, RENTAL AGREEMENT TERMS AND CONDITIONS.** No portion of the premises may be conveyed, sublet, rented, or leased by Resident without the prior written consent of Management. Management may lease any manufactured home it owns or leases on Community lots. If a home is conveyed, subleased, rented or leased without written authorization of Management, no such conveyance, subleasing, renting or leasing or occupancy or collection of payments or rents shall be deemed a waiver of the requirement for advance Management authorization or deemed to be an acceptance of the conveyance or the new home owner, or the subtenant, renter, lessee, or occupant as a Resident, or deemed to be a release of the authorized Home Owner(s) from further performance by Home Owner(s) of the provisions of this Lot Rental Agreement, Prospectus, and Rules and Regulations.

Written Rental Agreements will be required of all new Residents prior to occupancy. Whether or not Resident chooses to execute a written Rental Agreement, Resident is subject to the same terms and conditions as Residents who have executed Agreements. All of the terms and conditions of the Agreement are specifically incorporated herein by reference as Rules and Regulations governing the tenancy. Resident shall not assign the Rental Agreement, or any interest therein.

27. **LATE CHARGE & DELINQUENT NOTICE.** Payments are due on the first day of each month and must be paid on or before the fifth day of the month. A Late Charge will be charged to all Residents whose payment is not received by Management (including mailed-in payments) on or before the fifth day of the month. An additional per day charge retroactive to the first day of the month will be imposed for each additional day the rent is past due as outlined in the Prospectus. If Resident chooses to pay with a personal check, a charge will be assessed against any check that is not honored for any reason. Payment will only be accepted with your personal check, money order, cashier's or certified check. However, in the event a check is returned not paid for any reason or proceedings are instituted to enforce Management's rights, only certified funds or a money order will be accepted for payment. Payments shall only be made in UNITED STATES FUNDS. The Resident's Lot Number must appear on the check, money order, or bank draft. For safety purposes, cash is not accepted for any reason. In the event that the Resident fails to pay on or before the fifth day of the month, Management will issue a Delinquent Notice requiring the Resident to either pay all monies due or remove their home from the community. In the event that Management chooses to initiate legal proceedings, the prevailing party shall be entitled to a reasonable attorney fee in addition to court costs. Resident will have the option to prepay only when it is offered to the Residents.
28. **DEFAULT AND EVICTION.** Any violation of the Rules and Regulations shall, at the Community Management's option, be grounds to terminate the Rental Agreement, and a Home Owner, a mobile home tenant, and a mobile home occupant, together with the mobile home, shall be subject to eviction in accordance with the procedures set forth in Chapter 723 of the Florida Statutes, for the following reasons: (a) nonpayment of lot rental amount; (b) conviction of a violation of a federal or state

law or local ordinances, which violation may be deemed detrimental to the health, safety, or welfare of the other residents of the Community; (c) violation of a Community Rule or Regulation, the Rental Agreement, or Chapter 723, Florida Statutes, as prescribed by Section 723.061, Florida Statutes; (d) a change in the use of land comprising the mobile home Community or any portion thereof; or (e) failure of the purchaser, prospective tenant, or occupant of a mobile home situated in the Community to be qualified and obtain approval to become a Resident, such approval being required by these Rules and Regulations.

29. **WAIVER.** No waiver of any default by Resident shall be implied from any omission by Management to take any action with respect to the default if such default persists or is repeated. No express waiver shall affect any default other than the default specified in the express waiver, and that only for the time and to the extent stated in the express waiver. One or more waivers of any covenant, term, or conditions of the Rental Agreement by Management shall not be construed as a waiver of a subsequent breach of the same covenant, term, or condition. The consent of Landlord to any act by Resident is requiring Landlord's consent shall not be deemed to waive or render unnecessary Landlord's consent to any subsequent similar act by Resident. The rights and remedies of Landlord contained herein are cumulative and shall be in addition to those prescribed by law.
30. **MOVE.** Management retains the right to request that Home Owner move to another location within said Park, subject however, no less than two weeks' prior written notice being given to Home Owner. Management will be responsible for paying all costs of moving said mobile home including the connection of all utilities involved. Management agrees that the lot shall not be smaller than the one to be vacated.
31. **SPECIAL EXCEPTIONS.** Community Management reserves the exclusive, unrestricted right to grant special exceptions if in the exclusive opinion of Community Management, special circumstances warrant the granting of special exceptions or written waiver of a particular provision as it applies to a particular resident or residents, so long as such exception or waiver does not interfere with the general welfare, health, safety, and quiet enjoyment of the other residents of the Community.
32. **EMERGENCIES.** In the event of life-threatening emergency dial 911 first, then notify the Community Office. Please respect the private nature of the manager's home. Limit after-hour calls and visits to emergency situations which pertain to the Community and require immediate action to prevent community or resident property damage.
33. **MATTERS NOT ADDRESSED IN RULES AND REGULATIONS.** Management reserves the right to set policy for situations not covered in these Rules and Regulations to the extent permitted by law.

These Rules and Regulations supersede all others.

Dated _____, _____.

EXHIBIT "E"
USER FEE AGREEMENTS

STORAGE USER FEE AGREEMENT

This Agreement entered into this _____ day of _____, 20____, between Terra Mar Village and _____(hereinafter "Homeowner(s)) indicates Homeowner's acceptance of the below-indicated storage services provided by Terra Mar Village. This Agreement is for a period of twelve months from the date of execution hereof (hereinafter the "contract year").

- a. Boat Slips at \$_____ per day
- b. Boat Storage at \$_____per month
- c. RV Storage at \$_____per month
- d. Automobile/Machinery Storage at \$_____per month

Terra Mar Village shall provide at least 30 days written notice prior to the implementation of any increase in the amount of any of the fees specified in this Agreement. Increases in the amount of the fees for any of these services shall be implemented, in the sole discretion of Community management, based on the prevailing market.

Terra Mar Village shall have the right to cancel this Agreement at any time upon 30 days written notice to the Homeowner. This Agreement shall automatically renew unless prior written notice of termination herein is given by either party within 30 days of the end of the current contract year.

This Agreement is binding on any successor to Homeowner including Homeowner's heirs, assigns or purchasers of Homeowner's mobile home. Nonetheless, such a successor may terminate this Agreement upon full payment for storage services rendered as of the date of written notice of termination being provide to Community Management.

The Homeowner will be billed for the above-described service(s) along with the monthly billing for lot rental amount, and payment is due at the same time as is the monthly lot rental amount.

HOMEOWNER

REPRESENTATIVE OF TERRA MAR VILLAGE

HOMEOWNER

EXHIBIT "F"
GROUND LEASE