

**FLORIDA PUBLIC OFFERING STATEMENT
FOR
HERON CAY III
LOCATED IN THE
HERON CAY MOBILE HOME COMMUNITY
INDIAN RIVER COUNTY, FLORIDA**

1. THIS PROSPECTUS CONTAINS VERY IMPORTANT INFORMATION REGARDING YOUR LEGAL RIGHTS AND YOUR FINANCIAL OBLIGATIONS IN LEASING A MOBILE HOME LOT. MAKE SURE THAT YOU READ THE ENTIRE DOCUMENT AND SEEK LEGAL ADVICE IF YOU HAVE ANY QUESTIONS REGARDING THE INFORMATION SET FORTH IN THIS DOCUMENT.

2. THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE LESSEE SHOULD REFER TO ALL REFERENCES, ALL EXHIBITS HERETO, THE CONTRACT DOCUMENTS, AND SALES MATERIALS.

3. ORAL REPRESENTATIONS SHOULD NOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE PARK OWNER OR OPERATOR. REFER TO HIS PROSPECTUS (OFFERING CIRCULAR) AND ITS EXHIBITS FOR CORRECT REPRESENTATIONS.

4. UPON DELIVERY OF THE PROSPECTUS TO A PROSPECTIVE LESSEE, THE RENTAL AGREEMENT IS VOIDABLE BY THE LESSEE FOR A PERIOD OF 15 DAYS.

PRMZ000508-PA
Original Prospectus Approval Date: 1-29-1988
Last Revision Date: 9-13-2018
Integrated

Copy

Assembled:

9-14-2018

FLORIDA PUBLIC OFFERING STATEMENT
HERON CAY III
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I. GENERAL

A. Name, Address and Location

Heron Cay III is located at 1400 90th Avenue, Vero Beach, Florida 32966.

The nearest town to Heron Cay III is Vero Beach, located in Indian River County, which has a population of approximately 16,000. The estimated distance to Vero Beach is six miles.

B. Name and address of the person authorized to receive notices and demands on the Community Owner's behalf:

Legal Notices:

MHC Property Owner, L.P.
Attn: Legal Department
Two North Riverside Plaza, Suite 800
Chicago, Illinois 60606

All other notices:

Owner
1400 90th Avenue
Vero Beach, Florida 32966

C. Description of Property

Heron Cay III is a "mobile home park" as that term is defined in Florida Statutes 723.003(5). Heron Cay III is located in the Heron Cay Mobile Home Community, (the "Community"). The Community currently consists of four mobile home parks, Heron Cay I (consisting of 208 sites), Heron Cay II (consisting of 205 sites), Heron Cay III (consisting of 150 sites), and Heron Cay IV, consisting of 60 sites. This Prospectus applies to Heron Cay III only which consists of 150 sites and is scheduled to be completed in October 1989.

The recreational facilities and amenities in the Community will be used by the Residents of Heron Cay I, II, III and IV. The maximum number of lots which will use the shared recreational facilities is 630.

The minimum front set back is 10 feet. The minimum separation between residential structures on adjacent lots is 20 feet and the minimum separation between structures such as carports is 10 feet. The approximate dimensions of the home sites in Heron Cay III are as follows; however, the Community has not been surveyed and some spaces may be larger or smaller than described herein.

HERON CAY III

| <u>LOT #</u> | <u>FRONT</u> | <u>REAR</u> | <u>SIDE</u> | <u>SIDE</u> | | | | | |
|--------------|--------------|-------------|-------------|-------------|--------------|--------------|-------------|-------------|-------------|
| | | | | | 423 | 45 | 53 | 98 | 95 |
| | | | | | 424 | 51 | 51 | 109 | 98 |
| 414 | 52 | 64 | 88 | 77 | 425 | 48 | 48 | 121 | 109 |
| 415 | 48 | 48 | 95 | 88 | 426 | 54 | 43 | 121 | 121 |
| 416 | 49 | 48 | 106 | 95 | 427 | 53 | 43 | 109 | 121 |
| 417 | 49 | 48 | 118 | 106 | 428 | 51 | 50 | 97 | 109 |
| 418 | 54 | 45 | 126 | 118 | 429 | 48 | 52 | 89 | 97 |
| 419 | 51 | 43 | 123 | 126 | 430 | 50 | 50 | 84 | 89 |
| 420 | 47 | 47 | 112 | 123 | | | | | |
| 421 | 49 | 47 | 99 | 112 | <u>LOT #</u> | <u>FRONT</u> | <u>REAR</u> | <u>SIDE</u> | <u>SIDE</u> |
| 422 | 46 | 53 | 95 | 99 | | | | | |

| | | | | |
|----------|----|----|-----|-----|
| 431 | 49 | 55 | 83 | 84 |
| 432 | 40 | 56 | 90 | 83 |
| 433 | 41 | 59 | 107 | 90 |
| 434 | 37 | 79 | 110 | 107 |
| 435 | 64 | 95 | 90 | 75 |
| 436 | 40 | 61 | 90 | 90 |
| 437 | 38 | 57 | 86 | 90 |
| 438 | 42 | 54 | 78 | 86 |
| 439 | 47 | 50 | 78 | 78 |
| 440, 441 | 47 | 47 | 78 | 78 |
| 442 | 50 | 50 | 79 | 78 |
| 443 | 52 | 50 | 92 | 79 |
| 444 | 51 | 48 | 74 | 92 |
| 445 | 39 | 69 | 93 | 74 |
| 446 | 20 | 96 | 98 | 93 |
| 447 | 32 | 67 | 97 | 98 |
| 448 | 71 | 60 | 111 | 97 |

| <u>LOT #</u> | <u>FRONT</u> | <u>REAR</u> | <u>SIDE</u> | <u>SIDE</u> |
|--------------|--------------|-------------|-------------|-------------|
|--------------|--------------|-------------|-------------|-------------|

| | | | | |
|-----|-----|-----|-----|-----|
| 449 | 48 | 49 | 100 | 111 |
| 450 | 48 | 49 | 89 | 100 |
| 451 | 48 | 48 | 89 | 89 |
| 452 | 49 | 49 | 89 | 89 |
| 453 | 48 | 48 | 89 | 89 |
| 454 | 38 | 66 | 100 | 89 |
| 455 | 112 | 21 | 111 | 100 |
| 456 | 41 | 61 | 94 | 111 |
| 457 | 26 | 79 | 96 | 94 |
| 458 | 26 | 80 | 96 | 96 |
| 459 | 20 | 80 | 93 | 96 |
| 460 | 25 | 85 | 93 | 93 |
| 461 | 32 | 73 | 108 | 93 |
| 462 | 40 | 108 | 130 | 79 |
| 463 | 45 | 53 | 88 | 91 |
| 464 | 48 | 48 | 88 | 88 |
| 465 | 54 | 40 | 92 | 88 |
| 466 | 51 | 47 | 96 | 92 |
| 467 | 55 | 47 | 93 | 87 |
| 468 | 74 | 62 | 85 | 93 |
| 469 | 59 | 64 | 89 | 84 |
| 470 | 49 | 49 | 89 | 89 |
| 471 | 48 | 49 | 103 | 113 |
| 472 | 48 | 49 | 93 | 103 |
| 473 | 48 | 48 | 93 | 93 |
| 474 | 43 | 52 | 93 | 93 |
| 475 | 40 | 57 | 92 | 93 |
| 476 | 41 | 57 | 92 | 92 |
| 477 | 52 | 76 | 94 | 92 |
| 478 | 62 | 42 | 95 | 89 |
| 479 | 69 | 54 | 81 | 95 |
| 480 | 41 | 60 | 87 | 96 |

| | | | | |
|-----|----|-----|-----|-----|
| 481 | 55 | 55 | 88 | 87 |
| 482 | 55 | 56 | 100 | 88 |
| 483 | 56 | 47 | 103 | 100 |
| 484 | 59 | 50 | 94 | 103 |
| 485 | 48 | 49 | 88 | 94 |
| 486 | 65 | 70 | 83 | 88 |
| 487 | 85 | 58 | 102 | 74 |
| 488 | 92 | 31 | 93 | 102 |
| 489 | 84 | 32 | 89 | 93 |
| 490 | 54 | 44 | 88 | 89 |
| 491 | 48 | 48 | 89 | 88 |
| 492 | 50 | 50 | 92 | 89 |
| 493 | 53 | 48 | 97 | 92 |
| 494 | 74 | 38 | 100 | 97 |
| 495 | 55 | 107 | 55 | 100 |
| 496 | 72 | 65 | 91 | 84 |
| 497 | 52 | 46 | 89 | 91 |
| 498 | 48 | 48 | 88 | 89 |
| 499 | 48 | 48 | 88 | 88 |

| <u>LOT #</u> | <u>FRONT</u> | <u>REAR</u> | <u>SIDE</u> | <u>SIDE</u> |
|--------------|--------------|-------------|-------------|-------------|
| 500 | 43 | 50 | 86 | 88 |
| 501 | 48 | 54 | 86 | 86 |
| 502 | 88 | 53 | 89 | 86 |
| 503 | 83 | 39 | 92 | 118 |
| 504 | 48 | 48 | 92 | 92 |
| 505 | 55 | 39 | 92 | 92 |
| 506 | 66 | 39 | 92 | 92 |
| 507 | 66 | 40 | 92 | 92 |
| 508 | 66 | 40 | 92 | 92 |
| 509 | 66 | 40 | 92 | 92 |
| 510 | 60 | 42 | 92 | 92 |
| 511 | 54 | 45 | 93 | 92 |
| 512 | 52 | 45 | 92 | 93 |
| 513 | 68 | 80 | 96 | 93 |
| 514 | 35 | 60 | 96 | 96 |
| 515 | 30 | 67 | 89 | 96 |
| 516 | 45 | 51 | 87 | 89 |
| 517 | 49 | 97 | 58 | 87 |
| 518 | 69 | 58 | 97 | 85 |
| 519 | 57 | 42 | 88 | 97 |
| 520 | 59 | 43 | 88 | 88 |
| 521 | 44 | 61 | 87 | 88 |
| 522 | 30 | 120 | 106 | 87 |
| 523 | 30 | 97 | 98 | 106 |
| 524 | 31 | 92 | 94 | 98 |
| 525 | 25 | 79 | 90 | 94 |
| 526 | 26 | 80 | 101 | 90 |
| 527 | 64 | 55 | 116 | 101 |
| 528 | 66 | 68 | 98 | 116 |
| 529 | 43 | 57 | 98 | 98 |

| | | | | | | | | | |
|-----|-----|----|-----|-----|--------------|--------------|-------------|-------------|-------------|
| 530 | 41 | 58 | 102 | 98 | 549 | 30 | 98 | 106 | 105 |
| 531 | 33 | 77 | 109 | 102 | 550 | 56 | 64 | 105 | 106 |
| 532 | 32 | 79 | 113 | 109 | <u>LOT #</u> | <u>FRONT</u> | <u>REAR</u> | <u>SIDE</u> | <u>SIDE</u> |
| 533 | 32 | 79 | 113 | 113 | | | | | |
| 534 | 32 | 77 | 109 | 113 | 551 | 57 | 60 | 95 | 105 |
| 535 | 42 | 67 | 124 | 109 | 552 | 52 | 60 | 100 | 95 |
| 536 | 101 | 10 | 121 | 124 | 553 | 69 | 36 | 118 | 100 |
| 537 | 77 | 42 | 82 | 121 | 554 | 51 | 52 | 91 | 110 |
| 538 | 46 | 70 | 97 | 93 | 555 | 41 | 66 | 90 | 91 |
| 539 | 38 | 71 | 97 | 97 | 556 | 39 | 63 | 92 | 90 |
| 540 | 36 | 68 | 89 | 97 | 557 | 39 | 64 | 92 | 92 |
| 541 | 46 | 52 | 97 | 89 | 558 | 39 | 64 | 92 | 92 |
| 542 | 47 | 58 | 108 | 130 | 559 | 37 | 67 | 110 | 92 |
| 543 | 29 | 95 | 105 | 108 | 560 | 54 | 43 | 95 | 94 |
| 544 | 29 | 99 | 105 | 105 | 561 | 72 | 67 | 85 | 95 |
| 545 | 29 | 94 | 105 | 105 | 562 | 81 | 69 | 84 | 79 |
| 546 | 29 | 94 | 105 | 105 | 563 | 86 | 23 | 87 | 84 |
| 547 | 29 | 93 | 105 | 105 | | | | | |
| 548 | 29 | 96 | 105 | 105 | | | | | |

II. RECREATIONAL FACILITIES

The following recreational facilities within the Community will be available to all Residents, including Residents in Heron Cay I, II, III, and IV:

1. 40 x 60 foot swimming pool and whirlpool spa;
2. 12 Nidy Shuffleboards;
3. 2 tennis courts;
4. 20-acre lake;
5. Clubhouse;
6. Putting Green; and
7. Bocce courts

Location of the recreational facilities within the Community:

1. Swimming pool and whirlpool spa - just south of, and adjacent to, the Clubhouse
2. 12 Nidy shuffleboards - immediately behind the Clubhouse
3. 2 tennis courts - adjacent to, and north of, the bocce courts
4. 20-acre lake - adjacent to the recreational facilities and extending around the Community
5. Clubhouse - near Community entrance on the western side of the Community
6. Putting Green - adjacent to, and north of, the tennis courts
7. Bocce courts - adjacent to, and north of, the shuffleboards

The recreational facilities are complete. The recreational facilities are owned and maintained by The Heron Cay, Corp. and provided as part of an amenities package. There will be no required association of mobile home owners for living in Heron Cay or using the recreational facilities.

A. Buildings

The only recreational building in the Community is the colonial style Clubhouse which includes the following:

| <u>Room</u> | <u>Approximate Size</u> |
|---|-------------------------|
| Auditorium and Activities Room Capacity 260 persons* | 3,670 square feet |
| Lounge and Card Room | 391 square feet |
| Crafts Room | 498 square feet |
| Exercise Room | 506 square feet |
| Library | 266 square feet |
| Billiards Room | 585 square feet |
| Kitchen | 240 square feet |

*The Auditorium and Activities Room is the only room which has been issued a capacity rating by Indian River County.

B. Swimming Pool and Whirlpool Spa

There is one 40 x 60 heated swimming pool in the Community which is located adjacent to the Clubhouse. The deck surrounding the swimming pool is approximately 8,000 square feet. The depth of the pool is 3 to 6 feet with a capacity of 46 persons. The Community Owner reserves the right in the Community Owner's absolute discretion to regulate the temperature of the swimming pool and the whirlpool spa.

C. Other Facilities

There are no other facilities or permanent improvements which will serve mobile home owners.

D. Personal Property

The following personal property is available for use by the mobile home owners in the Community:

Pool Area - lounge chairs and required safety equipment.

Shuffleboard Courts - discs, ques, score board, benches.

Tennis Courts - net, fencing, wind screen.

Clubhouse

Activities Room - table and chairs

Billiards Room - pool tables and equipment

Library - tables, chairs, bookcases

Lounge/Card Room - tables and chairs

Crafts Room - kiln, tables, chairs

Exercise Room - Universal gym, stationery bicycles and treadmill.

E. Recreational Facilities Hours

All recreational facilities will be open daily from 9:00 a.m. to 10:00 p.m.

F. Improvements

All improvements in Heron Cay III are completed. The Owner may 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 Owner, and may, in its sole discretion, replace or elect not to replace any items of personal property determined by the Owner unsuitable for continued use.

III. MANAGEMENT

Management, maintenance and operation of the Community and all its facilities are provided by the Community Owner. The Community Manager's office is located at the front of the Community.

The Owner will provide the following services:

Entry security system

Storage for currently licensed recreational vehicles and craft only (limited capacity). Heron Cay is not responsible for vandalism and all vehicles or craft are stored at the owner's risk.

Lawn cutting, edging and trimming.

IV. IMPROVEMENTS TO BE INSTALLED BY RESIDENTS

There are no improvements, other than those listed in the Community Covenants, either temporary or permanent, which are required to be installed by the Resident as a condition of his occupancy in the Community.

V. IMPROVEMENTS, UTILITIES, MUNICIPAL SERVICES

A. Electricity

Electricity is supplied to Heron Cay III by the Florida Power and Light Company by underground service. The cost of bringing electricity into the home is included in the purchase price of the home. Residents will pay for the electric meter and will be billed by Florida Power and Light Company for their electrical usage. Electric lines from the electrical distribution pedestal, including the pedestal at the perimeter of each homesite, to and including the home are the responsibility of the Resident.

B. Water and Sewage

Water service and wastewater (sewage) service are separately metered and are provided by Indian River County Utilities. Each resident will be billed by Indian River County Utilities for monthly usage and all other water and sewer charges. Water and sewer services are not included as part of the lot rental amount.

Sewer and water line repair, replacement or servicing from the service tap to and including the home are the responsibility of the Resident.

C. Telephone

Telephone service is provided Southern Bell Telephone. Telephone lines are extended to each site in Heron Cay III. Residents will arrange for individual installation of their telephones. The cost of installation and the telephone will be paid by the Residents. Each Resident will be billed by Southern Bell Telephone for the phone usage.

D. Refuse Collection

Residents will be required to wrap all refuse securely in plastic bags appropriate for such purposes or in those bags required by the sanitation contractor and place it at the curbside on the mornings of collection. Refuse collection will be provided weekly. Home owners are invoiced by the Park as a part of the lot rental amount

based on a pro rata share of the total garbage and trash collection charges to the Park. The charges from the service provider may change periodically and the rates paid by the home owner will automatically be adjusted without additional notice to the home owner to correspond to the new rates charged by the service provider. Any Resident requiring refuse collection service over and above basic collection service will be responsible for obtaining those services at Resident's sole cost and expense. The Community Owner reserves the right to change the refuse collection policy in accordance with the policies of the collection service.

E. Natural Gas

Natural gas will not be available for use in the Community.

F. Cable TV

Cable TV lines are installed to each mobile home site in Heron Cay III. Residents electing to have cable TV service must contract individually with the cable TV service provider, Comcast, and will be responsible for all hookup, service fees and charges. The charge for this utility is not included in lot rental amount.

G. Storm Drainage

A storm sewer system for Heron Cay III is provided and maintained by the Community Owner. Storm water is collected by storm drains into a storm sewer system and flows into the lake. The cost of maintaining the storm sewer system is included in the monthly Membership Fee (Lot Rental Amount).

H. Maintenance

Management will provide basic lawn cutting, trimming, and edging. This service is included in the monthly Membership Fee (Lot Rental Amount).

I. Changes to Utilities and Other Services

The description of the utility and other services of the Community set forth above reflect the manner in which services are provided and charged as of the filing date of this Prospectus. The Community Owner reserves the right upon 90 days prior written notice to the Board of Directors of the Homeowner's Association, if one has been formed, and to each affected owner of a 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 Owner, 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 Heron Cay as of the filing date of this Prospectus and/or may become responsible for the maintenance of facilities and obtaining services that are the responsibility of the Community Owner as of the filing date.

VI. MEMBERSHIP FEE OR LOT RENTAL AMOUNT AND OTHER CHARGES

A. Membership Fee (Lot Rental Amount): \$_____ per month to be paid on or before the 5th day of each month.

The Membership Fee (Lot Rental Amount) shall be paid in accordance with the terms of the Lease. All Leases shall be Leases for the lifetime of the Resident occupying the Site and shall terminate upon the occurrence of one or more of the following events.

a. The death of a surviving Resident, or where the Lease was executed by only one of the Residents of the home, until the death of the surviving Resident/Spouse;

b. The sale of the Resident's home in Heron Cay;

c. The transfer of title of the Resident's home to a third Party other than a spouse or Resident occupying the home as a full-time residence during the period of the Lease.

It is the intention of Heron Cay and Resident that this Lease shall be personal to the Resident or spouse and it is clearly understood that it shall be a default under this Lease if the Resident shall attempt to sublet or assign Residents rights under this Lease.

The lifetime Lease offered within Heron Cay is personal to the original Resident or Residents and is expressly not assumable under any circumstances by any third party. Upon sale or transfer of a manufactured home within the Community, this Lease shall automatically terminate and come to an end. Prior to the sale or transfer of a manufactured home within the Community, the buyer or transferee must qualify and be approved by Community Management for occupancy within the Community. If the individual otherwise qualifies for occupancy, the transferee must execute a new Lease at prevailing market rental rates determined by the Community Owner at the time of the transfer. In determining market rental rates, the Owner will consider current rental rates paid by new Residents within Heron Cay for comparable lots or rental rates paid for comparable lots in comparable manufactured home communities located in Southeast Florida. The execution of a new Lease by the transferee shall be mandatory and refusal by the transferee to execute a new Lease shall be grounds for disapproving the residency of the transferee.

B. Other Charges:

1. Maintenance Fee: \$_____ actual costs, incurred by Owner, including salaries and overhead, for work performed on a site, home, or improvements to bring the same into conformance with the Community Covenants.

2. Late Payment Fee: 10% of Lot Rental Amount not received by the 5th of the month.

3. Returned Check Fee: 10% of the Membership Fee for each check returned by the residents/owners checking institution.

4. Removal Fee: \$_____ Management's actual cost, including Management's salaries and overhead, to Resident/Owner to remove owners abandoned home and improvements.

5. New Tenant Processing Charge
The Amount charged to a new Resident for processing of application and other administrative documents is \$_____. This fee will be charged by the Owner in qualifying the prospective Resident for pre-leased or pre-owned homes in Heron Cay.

6. New Manufactured Home Replacement Charge

The amount charged to a Resident who places a home in Heron Cay is \$_____. This fee covers normal on-site supervision and administrative approvals of home design, layout and specifications.

7. Refuse Collection Fee: \$_____ monthly.

Each Resident may be responsible for paying a pro-rata portion of those amounts, or increases in those amounts, paid by the Community Owner for governmental assessments, and fees, insurance, costs of litigation, other amounts charged by state and local governments or assessing authorities, utility companies, and increases in costs of refuse collection. Pro-rata means the total amount of the item to be paid divided by the number of leased sites.

Resident is responsible for all costs of removal by Management of any unauthorized decoration, addition or improvement to his mobile home site or to Management's equipment or fixtures in or on the site.

Any mechanic's lien filed against the site or the Community for work claimed to have been done for, or materials claimed to have been furnished to the Resident, shall be discharged by the Resident within ten (10)

days thereafter. Management shall have the right, but not the obligation, to pay or discharge any such mechanic's lien. If Management should elect to exercise this right, Resident shall pay Management the amount so expended on the next ensuing monthly Membership Fee due date.

C. Pass-Through Charge

Pass-through charge means the mobile homeowner'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. Pass-through charges may be assessed more often than annually. The term "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.

In the event a governmental agency or utility company imposes the costs of hookup, including impact fees, and assessments, the Community Owner reserves the right to charge the costs in the form of hookup fees, impact fees, service availability charge, special assessment, or similar charge.

D. Government or Utility Charges (Pass-On Charges)

Each Resident, at any time during the Lease Agreement, may be required to pay his/her proportionate share of ad valorem property taxes and utility charges or increases of either. The pass-on charges may be assessed more often than annually and will be assessed to the Resident on a pro-rata basis, i.e., the total amount of the pass-on divided by the number of lease sites in the Community, unless costs can be separately metered or determined.

In the event the Owner is required by a governmental agency or utility company to hook up to a municipal water system, the on-going usage costs will be passed on to the Residents on a pro-rata basis; i.e., the total amount of the pass-on charge divided by the number of leased sites, unless the costs can be separately metered or determined.

E. Costs Paid Directly by Residents:

All License fees required by the State of Florida for mobile homes and property tax on site improvements owned by the Resident.

Electric and telephone costs
Cable TV hookup and use fee

F. Increases:

The Owner will provide ninety (90) days written notice to Residents of any increase in the Membership Fee (Lot Rental Amount), pass-through, pass-on, other charges, other government or utility company charges, or refuse charges.

Changes or adjustment to the Membership fee may be made annually on the anniversary of the Commencement Date of the Lease. This increase will not be greater than the percentage change in the Consumer Price Index of the United States Department of Labor, Southern District, All Urban Consumers, All Items (Period 1977=100) as published from time to time by the United States Department of Labor, Bureau of Labor Statistics (the "CPI") for the latest twelve (12) month period available ninety (90) days prior to the anniversary date of the Commencement Date of the Lease.

In the event of the discontinuation of the Consumer Price Index, or its substantial alteration, then an alternative index which has been reasonably related to the Consumer Price Index in evaluating economic

conditions, and which has been or can reasonably be accepted as a replacement index for the Consumer Price Index, may be selected by Management without the approval of the Community Residents.

Factors which may affect increases in the several components of the lot rental amount other than the Membership Fee are as follows:

a) Increased costs, which refers to any increases in ownership, operation and management costs for Heron Cay experienced by the Community Owner during the period since the delivery of the last notice of increase in the components of the lot rental amount. Increased costs shall be deemed to include any increases in any of the costs arising out of the ownership, operation and management of the Community.

b) Prevailing market rent, which refers to the lot rental imposed in manufactured home communities comparable to this Community or the lot rental paid from time to time by new Residents of this Community. A Community will be deemed comparable if it is located in Southeast Florida and offers similar densities amenities and services.

c) Prevailing economic conditions, which are those factors that bear on the economic viability of a real estate investment and which would be considered by a prudent businessman in establishing the base rent and other charges or any increases in the amount thereof. These factors may include: (1) the level of interest rates and other financing charges paid by the Community Owner associated with construction, interim and permanent financing or Heron Cay; (2) the levels of the Consumer Price Index, defined as the United States Department of Labor, Southern District, Consumer Price Index, All Urban Consumers, 1977=100, or, in the event of the discontinuation of the publication of the Consumer Price Index, then an alternative index which has been reasonably related to the Consumer Price Index in evaluating economic conditions, and which has been or can reasonably be expected to be, generally accepted as a replacement index for the Consumer Price Index.

VII. USER FEES

The home owner may, at some time in the future, be offered services by the Community Owner for which user fees will be charged. User fees are nonessential optional services offered by or through the Community to its residents and home owners via a separate written agreement. User fees are not included in the lot rental amount. The Community Owner may increase user fee amounts upon 30 days' advance notice. Factors which will influence an increase are increased costs of supplies and/or services, prevailing market rent, and prevailing economic conditions. The Community Owner will notify each resident under contract, in writing, 30 days prior to renewal, of any increase in the user fees.

User fees are currently available in the Community for the following services:

None

VIII. COMMUNITY COVENANTS OR RULES AND REGULATIONS

The rules and regulations for the Community are described in the Community Covenants, Exhibit "C", attached hereto.

IX. ZONING

The land has been zoned by the Indian River County Planning and Zoning Commission as R-1-MP; which allows only for the lease of mobile home sites. The developer has no definite future plans to change the use of the land comprising the Community.

Date Prospectus has been found adequate by Division of Florida Condominiums, Timeshares and Mobile Homes: January 29, 1988

I.D. # PRMZ000508-PA

Lots which this Prospectus applies to: 150 Mobile Home Sites in Heron Cay III. Lot Nos. 414-563

Date Revised: September 13, 2018

RECEIPT

I HEREBY ACKNOWLEDGE THAT I HAVE RECEIVED THE FOREGOING PROSPECTUS,
RENTAL AGREEMENT (LEASE), COMMUNITY COVENANTS AND FERTILIZER AGREEMENT.

DATE AND TIME RECEIVED :

WITNESS

SIGNATURE/RESIDENT OR OWNER

SIGNATURE/RESIDENT OR OWNER

EXHIBIT "A"

LEASE

THIS LEASE AGREEMENT ("Lease") is made this ____ day of _____, 20____, between MHC Heron Cay, LLC, a Delaware limited liability company ("Owner"), and the Residents as set forth herein ("Resident/Mobile Homeowner").

IN CONSIDERATION of Resident's representation in Resident's Membership Information Form, and Resident's payment of the Membership Fees and performance of the other provisions of this Lease, Owner hereby leases to Resident and Resident hereby leases from Owner _____, ("Site") in the Mobile Home Park known as Heron Cay _____, in the manufactured housing community commonly known as Heron Cay Mobile Home Community, located in Indian River County, Florida (the "Community").

1. Occupancy. The following individuals shall be the only residents for purposes of this Lease and may occupy the Site, and should any other persons occupy said Site, other than persons whose stay with Resident does not exceed 15 consecutive days or 30 total days per year, without Owner's consent, it shall be considered a material default of this Lease. Only those individuals using the home as their residence are permitted on the Lease. No children, friends, or others not residing in the home as full time residents of Heron Cay are allowed on the Lease without Owner's approval.

NAME

2. Placement of Mobile Home on Site. Owner's written approval is required before any home is placed on a site or before any work is done on the site.

3. Term. This lease shall be for an initial term of 12 months beginning the 10th day of _____, 20____, ("Commencement Day") and shall thereafter be automatically renewed annually for additional 12 month periods during the life of each Resident.

4. Membership Fee or Lot Rental Amount.

a. Membership Fee (Lot Rental Amount): \$_____ per month to be paid on or before the 5th day of each month.

The Membership Fee (Lot Rental Amount) shall be paid in accordance with the terms of the Lease. All Leases shall be Leases for the lifetime of the Resident occupying the Site and shall terminate upon the occurrence of one or more of the following events:

a. The death of a surviving Resident, or where the Lease was executed by only one of the Residents of the home, until the death of the surviving Resident/Spouse;

b. The sale of the Resident's home in Heron Cay;

c. The transfer of title of the Resident's home to a third Party other than a spouse or Resident occupying the home as a full-time residence during the period of the Lease.

It is the intention of Heron Cay and Resident that this Lease shall be personal to the Resident or spouse and it is clearly understood that it shall be a default under this Lease if the Resident shall attempt to sublet or assign Residents rights under this Lease.

The lifetime Lease offered within Heron Cay is personal to the original Resident or Residents and is expressly not assumable under any circumstances by any third party. Upon sale or transfer of a manufactured home within the Community, this Lease shall automatically terminate and come to an end. Prior to the sale or transfer of a manufactured home within the Community, the buyer or transferee must qualify and be approved by Owner for occupancy within the Community. If the individual otherwise qualifies for occupancy, the transferee must execute a new Lease at prevailing market rental rates determined by the Community Owner at the time of the transfer. In determining market rental rates, the Owner will consider current rental rates paid by new Residents within Heron Cay for comparable lots or rental rates paid for comparable lots in comparable manufactured home communities located in Southeast Florida. The execution of a new Lease by the transferee shall be mandatory and refusal by the transferee to execute a new Lease shall be grounds for disapproving the residency of the transferee.

The Owner will provide ninety (90) days written notice to Residents of any increase in the Membership Fee (Lot Rental Amount).

Changes or adjustments to the Membership Fee may be made annually on the anniversary of the Commencement Date of the Lease. This increase will not be greater than the percentage change in the Consumer Price Index of the United States Department of Labor, Southern District, All Urban Consumers, All Items (Period 1977= 100) as published from time to time by the United States Department of Labor, Bureau of Labor Statistics (the "CPI") for the latest twelve (12) month period available ninety (90) days prior to the anniversary date of the Commencement Date of the Lease.

In the event of the discontinuation of the Consumer Price Index, or its substantial alteration, then an alternative index which has been reasonably related to the Consumer Price Index in evaluating economic conditions, and which has been or can reasonably be expected to be generally accepted as a replacement index for the Consumer Price Index, may be selected by Owner without the approval of the Community Residents.

5. Other Charges:

a. Maintenance Fee: \$_____ actual costs incurred by Owner, including salaries and overhead, for work performed on a site, home, or improvements to bring the same into conformance with the Community Covenants.

b. Late Payment Fee: 10% of Lot Rental Amount not received by the 5th of the month.

c. Returned Check Fee: 10% of the Membership Fee for each check returned by the residents/owners checking institution.

e. Removal Fee: \$_____ Owner's actual cost; including salaries and overhead, to resident/homeowner to remove homeowner's abandoned home and improvements.

f. New Tenant Processing Charge

The Amount charged to a new Resident for processing of application and other administrative documents is \$_____. This fee will be charged by the Owner in qualifying the prospective Resident.

g. New Manufactured Home Replacement Charge

The amount charged to a Resident who places a home in Heron Cay is \$_____. This fee covers normal on-site supervision and administrative approvals of home design, layout and specifications.

h. Refuse Collection Fee: \$_____ monthly.

Each Resident may be responsible for paying a pro-rata portion of those amounts, or increases in those amounts paid by the Community Owner for governmental assessments and fees, insurance, costs of litigation, other amounts charged by state and local governments or assessing authorities, utility companies, and increases in costs of refuse collection. Pro-rata means the total amount of the item to be paid divided by the number of leased sites.

Resident is responsible for all costs of removal by Owner of any unauthorized decoration, addition or improvement to his mobile home site or to Owner's equipment or fixtures in or on the site.

Any mechanic's lien filed against the site or the Community for work claimed to have been done for, or materials claimed to have been furnished to the Resident, shall be discharged by the Resident within ten (10) days thereafter. Owner shall have the right, but not the obligation, to pay or discharge any such mechanic's lien. If Owner should elect to exercise this right, Resident shall pay Owner the amount so expended on the next ensuing monthly Membership Fee due date.

6. Pass-Through Charge

Pass-through charge means the mobile homeowner'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. Pass-through charges maybe assessed more often than annually. The term "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.

In the event a governmental agency or utility company imposes the costs of hookup, including impact fees, and assessments, the Community Owner reserves the right to charge to the Residents the costs in the form of hookup fees, impact fees, service availability charge, special assessment or similar charge.

7. Government or Utility Charges (Pass-On Charges)

Each Resident, at any time during the Lease Agreement, may be required to pay his/her proportionate share of ad valorem property taxes and utility charges or increases of either. The pass-on charges may be assessed more often than annually and will be assessed to the Resident on a pro-rata basis, i.e., the total amount of the pass-on divided by the number of leased sites in the Community, unless costs can be separately metered or determined.

In the event the Owner is required by a governmental agency or utility company to hook up to a municipal water system, the on-going usage costs will be passed on to the Residents on a pro-rata basis; i.e., the number of leased sites, unless the costs can be separately metered or determined.

8. Increases

The Owner will provide ninety (90) days written notice to Residents of any increases in the Membership Fee (Lot Rental Amount), pass-through, pass-on, other charges, other government or utility company charges or refuse charges.

Factors which may affect increases in the several components of the lot rental amount other than the Membership Fee are as follows:

a) Increased costs, which refers to any increases in ownership, operation and management costs for Heron Cay experienced by the Owner during the period since the delivery of the last notice of increase in the components of the lot rental amount.

Increased costs shall be deemed to include any increases in any of the costs arising out of the ownership, operation and management of the Community.

b) Prevailing market rent, which refers to the lot rental imposed in manufactured home communities comparable to this Community or the lot rental paid from time to time by new Residents of this Community. A Community will be deemed comparable if it is located in Southeast Florida and offers similar densities amenities and services.

c) Prevailing economic conditions, which are those factors that bear on the economic viability of a real estate investment and which would be considered by a prudent businessman in establishing the base rent and other charges or any increases in the amount thereof. These factors may include: (1) the level of interest rates and other financing charges paid by the Community Owner associated with construction, interim and permanent financing of Heron Cay; (2) the levels of the Consumer Price Index, defined as the United States Department of Labor, Southern District, Consumer Price Index, All Urban Consumers, 1977=100, or, in the event of the discontinuation of the publication of the Consumer Price Index, then an alternative index which has been reasonably related to the Consumer Price Index in evaluating economic conditions, and which has been or can reasonably be expected to be, generally accepted as a replacement index for the Consumer Price Index.

9. Purpose. Resident is to occupy the Site for private dwelling purposes and for not other purpose whatsoever.

10. Community Covenants. Resident shall comply with all of the rules and regulations set forth in the Community Covenants which are Exhibit "C" of the Prospectus and which are specifically incorporated by reference as part of this Lease, and shall also comply with all of Owner's changes and additions to the Community Covenants made in accordance with the procedure set forth in Chapter 723, Florida Statutes. A violation of the Community Covenants shall be grounds for eviction and termination of the Lease. Resident acknowledges receipt of a copy of the Community Covenants prior to execution of this Lease.

Upon prior written notice to Resident of not less than ninety (90) days, Owner shall have the right to make changes or adjustments in the Community Covenants which are required to protect the physical health, safety or peaceful enjoyment of the Residents and guests in the Community.

11. Parking. If parking space(s) are provided in conjunction with the lease of the Site, Resident shall occupy and use such parking space(s) as set forth by Owner in the Community Covenants. On-site parking is allowed on driveways only. No other on-site or street parking is permitted. No vehicle or recreational equipment repair or maintenance functions such as oil changes will be allowed on site. No ramps for any type or repairs are allowed on site.

12. Assignment, Sublease or Sale. The Resident shall not assign this Lease, or any interest herein, and shall not sublet the leased premises, or any part thereof, or allow any other person or persons to occupy or use the leased premises without the specific prior written consent of the Community Owner. Any assignment or subletting without the Community Owner's prior written consent (which may be denied or granted in the Owner's sole discretion) shall be void and shall constitute a default by the Resident under the provisions of this Lease. Owner's

approval for the assignment or sublease shall not relieve the Resident of his obligations to pay the assignor's then in effect Membership Fee or to comply or insure compliance with the other terms and conditions of the Prospectus, the Lease and the Community Covenants by the assignee or subtenant.

13. Use of Site. The Resident hereby warrants and represents that he has entered into a binding agreement to purchase a home for delivery and placement on the Site. Resident shall use and occupy the Site and the home in a clean and sanitary manner and in compliance with all applicable governmental requirements, including all building, housing and health codes and police regulations, relating to such occupancy to the full extent required or permitted by law. Resident shall not use or operate any equipment or machinery that is harmful to the Site or which is disturbing to other residents of the Community. Resident shall not employ any person or persons in or about the Site whose employment may, by law, constitute or create a liability on the part of Owner.

14. Condition of Site. Owner shall provide to the Resident, or to the Site for the benefit of the Resident, the Site improvements, utilities and other amenities as set forth in the Prospectus, Sections III, IV and V, which is incorporated herein by reference and made a part hereof. Resident agrees that no representation as to condition or repair of the Site, and no promise to alter, repair or improve the Site has been made except as contained in this Lease. Resident shall keep the Site, during the term of this Lease, in good repair, and at the expiration thereof, yield and deliver up the same in like condition as when taken. Owner shall provide ninety (90) days prior written notice to resident of any reduction in services or utilities.

15. Reserved Right to Enter the Site. Owner reserves the right as may be allowed by law, to inspect, repair, alter or to add to the Site at all reasonable times, and to exhibit the Site to prospective residents, purchasers or others, provided, however, Owner's exercise of such right of entry shall not be in such manner or at such time as to interfere unreasonably with Resident's quiet enjoyment of said Site.

16. Alterations. Resident shall make no alterations, decorations, additions or improvements in or to the Site or to Owner's equipment or fixtures in or on the Site without Owner's prior written approval. Resident shall not install any exterior fixture or equipment without Owner's prior written consent, and then only by contractors and mechanics first approved in writing by Owner. Any such installation by Resident without Owner's prior written consent may be removed by Owner, and Resident shall pay Owner's costs thereon on the next monthly Membership Fee due date. In the event the Owner's written consent is received, Resident shall cause such work to be done at such times and in such a manner as Owner shall designate in writing, and Resident shall pay for the same in a prompt manner. Any mechanic's lien filed against the Site or the Community for work claimed to have been done for, or materials claimed to have been furnished to, Resident shall be discharged by the Resident within ten (10) days thereafter. Owner shall have the right, but not the obligation, to pay or discharge any such mechanic's lien. If Owner should elect to exercise this right, Resident shall pay Owner the amount so expended on the next ensuing monthly Membership Fee due date.

Any alterations, decorations, additions, improvements, or fixtures made or placed in or on the Site by the Resident shall become and remain the sole property of Owner upon the termination of the Lease.

17. Damage by Fire or Other Casualty. If the Site is partially damaged by fire or other casualty but can be restored to the condition of a well-maintained home in the Community, Owner shall repair the Site with reasonable dispatch. The Resident's obligation to pay the Membership Fee shall be suspended during the time the Site remains untenantable unless the fire or other casualty is caused in whole or in part by acts or omissions of the Resident. If the Site is destroyed by fire or other casualty or if the Site cannot be restored to the condition of a well-maintained home in the Community within a reasonable time, either party shall have the right to terminate this Lease by written notice to the other party.

In the case of fire or other damage to Resident's home located on the Site, Resident shall remain responsible for payment of the Membership Fee during the balance of the Lease term set forth herein, unless said home is removed from the Site and the Resident gives notice to terminate this Lease, and in such event, Resident is responsible only for an additional one month's Membership Fee as liquidated damages and the Lease shall be terminated.

18. Owner's Non-Liability. Owner shall not be liable for damages to person or property sustained by the Resident or Resident's employees, servants, invitees or other persons to the Site becoming out of repair or arising from leakage of gas, water or sewer pipes, or from defective wiring, unless such damage is proximately caused by the negligence of Owner. Owner shall not be responsible or liable to Resident for any loss or damage that may be occasioned by Acts of God or through the acts or omissions of persons occupying adjoining Sites or any part of the Community property adjacent to or connected with the Site. In addition, Owner shall not be liable for any damage or injury to any person or property which occurs on the Site or in the Community resulting from the use of the recreational facilities of the Community unless such damage or injury shall be caused by the negligence of Owner.

19. Eminent Domain. If, during the term of this Lease, proceedings shall be instituted under the Power of Eminent Domain which shall result in an eviction, total or partial, of the Resident, as the time the trial of such proceedings shall commence, this Lease shall be void and the term above shall cease and terminate, and if the Resident continues in possession, he shall be a tenant at will, anything in this instrument to the contrary notwithstanding.

20. Abandonment/Vacating of Home. Failure of the Resident to timely pay the initial monthly Membership Fee shall constitute an abandonment of Resident's rights under the Lease and Owner thereafter shall have no further obligations to Resident under the Lease and may relet the Site. If the Resident abandons the home placed on the Site, for whatever reason, and if Owner is required to remove the home, after notice to Resident at the Resident's last known address, the Resident shall be responsible for any and all expenses incurred in removing the home or other property from the Premises and Owner shall have the right to relet the Site.

21. Pets. Animals or pets may be allowed in the Community only in accordance with the provisions of the Community Covenants.

22. Prior Written Approval of Home. Resident shall secure the prior written approval of Owner before locating any home on the Site, and the home shall in all respects comply with the provisions of the Community Covenants governing the same. In addition, the home must be compatible in design and construction with the homes already present in the Community. The Site must also be improved in similar fashion to those Site improvements already in the Community.

23. Eviction. Community Owner may evict Home Owner(s), tenant, occupant, or a mobile home pursuant to section 723.061, Florida Statutes, and as subsequently amended.

24. Remedies Not Exclusive. Each of the rights and remedies provided in this Lease or by law shall be cumulative.

25. Severability. If any provision of this Lease should be or become invalid, such invalidity shall not in any way affect any of the other provisions of this Lease which shall continue to remain in full force and effect.

26. Waiver. If Owner should waive any provisions of this Lease, it shall not be construed as a waiver of a further breach of such provision.

27. Modifications. Except as otherwise provided herein, no modifications of this Lease shall be binding unless in writing, signed by the Resident and by an authorized agent of the Owner, and countersigned by an officer of the Owner.

28. Right to Mortgage. Owner shall have the right to subordinate this Lease to any mortgage now or hereafter placed on the Site or the Community so long as any such mortgage contains a non-disturbance provision to protect the rights of Residents under this Lease. At Owner's request, Resident shall execute and deliver such documents as may be required in order to accomplish the purpose of this paragraph.

29. Mineral Exploration. Owner will not consent to any exploration for minerals in the Community without the consent of all Lessees.

30. Liability. In the event that this Lease should be signed as Resident by more than one person, then the liability of the persons signing shall be joint and several.

31. Quiet Enjoyment. Upon Resident paying the Membership Fee and performing all of the other provisions of this Lease, Owner agrees that Resident shall peacefully and quietly have, hold and enjoy the Site during the term of this Lease.

32. Loss of View. Heron Cay is not responsible for any disappointment the Resident or buyer may have over loss of view due to the placement of other homes and/or structures as all home or structures are placed in accordance with set-back requirements and approved site plans.

33. Zoning. The Site and the land comprising the Community are currently zoned Rental Mobile Home Park (R-1MP) and are under the jurisdiction of Indian River County for purposes of Zoning. Owner has no present or definite plans for future changes in the use of the Site or the land comprising the Community or a portion thereof. In the event that definite future plans are so made with respect to zoning, Resident will be provided with written notification that an application for a change in zoning of the Community has been filed with the zoning authority, within five (5) days after filing such application for a change in zoning.

34. Notices. Any notice to Owner by Resident shall be mailed or delivered as disclosed in the prospectus. Any notice to Resident by Owner shall be mailed or delivered to Resident at his address in the Community or at such other address as shall be hereafter specified in writing.

35. Number and Gender. The use of any gender shall be deemed to be or include the other genders, including neuter, and the use of the singular shall be deemed to be or include the plural (and vice versa), wherever applicable.

36. Lease Binding. The provisions of this Lease shall be binding upon and shall be for the benefit of Owner and Resident and respective Successors in interest.

37. Governing Law. This Lease shall be governed by and interpreted in accordance with the laws of the State of Florida. Chapter 723, Florida Statutes, The "Florida Mobile Home Act," governs this Lease.

IN WITNESS WHEREOF, the parties have executed this Lease Agreement as of the day and year first written above.

WITNESSES

MHC HERON CAY, L.L.C.:

By: _____

Its: _____

Resident

Resident

HERON CAY

1400 90th Avenue • Vero Beach, FL 32966

PH: 772.567.0480 • FX: 772.567.0918

myMHcommunity.com



Key:

HC I

HC II

HC III

HC IV

EXHIBIT "C"

COMMUNITY COVENANTS OR RULES AND REGULATIONS

Welcome to the Heron Cay Community, one of the finest residential communities on Florida's beautiful Treasure Coast.

The Heron Cay Community was designed, constructed and is operated for those people 55 years and older with one major goal in mind; to keep you happy, relaxed, and proud to live in the Heron Cay Community.

Keeping that goal in mind, each of the HERON CAY Covenants were designed to protect your investment and enhance your property.

I. GENERAL

1. To assure all new homes are architecturally compatible to the Community, the minimum home width allowed will be twenty-four feet and minimum length will be thirty-six feet, unless otherwise approved in writing by the Community Owner. Vinyl or aluminum Lap siding, gabled fiberglass shingle roofs, solid concrete block foundations, painted driveways, painted stucco on concrete block or wire mesh stucco foundations, aluminum or wood carports, St. Augustine Sod, landscaping, all utility rooms of 2"x4" wooden studs on 16" centers with vinyl or aluminum lapsiding construction, 4" concrete driveways, permanent concrete steps with treads, and central air conditioning are additional requirements for new homes in the Community. These requirements may be waived or modified only by the Community Owner to be in compliance with building code requirements, government authorities, or architecturally compatible. All work such as electrical, plumbing, concrete, anchoring, etc. must be done by a licensed contractor in accordance with all appropriate codes and standards mandated by the proper government authorities and be in compliance with these requirements and all other applicable laws. Hitches must be removed as well as wheels and axles. Residents must provide detailed plans for any home or site installation to Owner for review and approval prior to the commencement of any work.
2. The maintenance and overall appearance of each home and yard is very important to preserve the value of each home. Yards will be sodded and landscaped as directed by Owner. Any removal or additional landscape desired must first be approved by Owner. Owner will provide basic lawn cutting, trimming, and edging. Insect spraying, fertilization and site clean up is the responsibility of each Resident or Mobile Home Owner. Flower beds, yard ornaments, trees and shrubs must be maintained properly at all times by each Resident or Mobile Home Owner.

This will include the proper trimming, pruning or possible removal of trees, bushes, shrubbery, flowers, etc. Preventative or routine maintenance to remove thatch build up or other conditions causing drainage problems is the responsibility of the Resident. In addition it is the Resident's or Mobile Home Owner's responsibility to maintain a minimum 1 foot border or bed around all trees, bushes, shrubs, flower beds, yard decorations, etc. to prevent damage by lawn maintenance personnel. To assure an attractive and well kept community, Owner will provide these services in the cases where Residents or Mobile Home Owners fail to comply, and Owner will bill the Resident or Mobile Home Owner accordingly. Owner will not be responsible for any damage by lawn maintenance personnel to flowers, shrubs, bushes, trees, yard decorations, etc. where a proper border or bed has not been maintained by the Resident or Mobile Home Owner. Fences, hedges, storage tanks, outside water softening equipment, free standing sheds, vegetable gardens, outside clothes drying, and signs are not permitted without Owner approval. Lawn care equipment, tools and such must be stored away and out of sight. Barbeques are permitted on carports only if they are in excellent condition and are kept neatly covered. The site or carport is not to be used as storage for any other items, except for emergency situations to be approved by Owner and for a limited time only.

3. The installation, alteration, modification, addition or removal of any exterior home or site improvement such as a porch, deck, patio, awning, address sign, name plate, solar panel, vent enclosure, will be permitted only after written approval has been given by Owner. Prior written approval by Owner is also necessary before the painting of homes, utility rooms, driveways, porches, decks, patios, trim work, etc. Any such alteration of appearance, modification, installation, repair or maintenance work by Resident or Mobile Home Owner without Owner's prior written approval may be required to be removed or modified by the Resident or Mobile Home Owner or may be removed or modified by Owner and Resident or Mobile Home Owner shall pay Owner's costs. Prior written Approval of Owner entails a visible inspection of property to determine available space for any additions in order to comply with County setbacks, location of underground electrical and/or water lines and to be sure that any changes will be in conformance with the aesthetic design of other homes in the Community. Keeping the home in good condition and repair is imperative. Therefore, any repairs needed to items such as windows, siding, roofing, doors, carports, skirting, plumbing, including painting, home washing, roof cleaning, re-surfacing of driveways, etc. must be done whenever necessary. All exterior surfaces such as roof, eaves, trim, foundations, siding, etc. kept free of mildew or discoloration. Peeling, fading or damaged surfaces must be restored to the original condition within 60 days from date of notification.
4. To ensure that Residents are not disturbed by noise, TV's, radios, musical instruments, etc., must be kept at moderate level. Loud or abusive language, swearing, or public intoxication will not be tolerated and is prohibited.
5. To protect the appearance of the Community, outside antennas will not be permitted on Sites.
6. Guests (invitees) are welcome, but must be accompanied by a member to any of the Community facilities. To maintain an environment for those 55 years and older, all guests, including those under the age of 18 years, will be limited to a consecutive 15 day visiting period, or 30 total days per year, unless such person has the permission of the Community Owner, and if possible, be pre-registered with the Community Manager. Members are responsible to see that their guests adhere to all Community Covenants while visiting.
7. To prevent the unsightly storage of boats, campers and other recreational type vehicles on Resident yards or driveways, a fenced storage area is being provided to the extent available on a first come basis for currently licensed vehicles only. No such items will be allowed on Sites, except for emergency situations to be approved by Owner and for a limited time only. An RV onsite will be limited to two days, but not overnight on roads.
8. Unlike many Florida communities, Owner welcomes pets. However, pet owners must have proof that their pets have had all required shots. Pets must remain quietly in the home unless on a leash when accompanied outside. Pets are not allowed in neighbor's yards or on Community properties. All pet litter must be picked up immediately by the pet owner. Pets that become a nuisance must be removed from the Community.
9. Subletting of homes is permitted only in accordance with Lease terms and conditions. Subtenants must comply with all Community Covenants and other requirements of the Lease and the Prospectus. Subletting does not relieve Lessee of the responsibility for paying the Lot Rental Amount or complying with the Community Covenants.
10. One (1) eight and one-half inch by eleven inch for sale sign is permitted inside the front window of the home. Open House type sales promotions are permitted only during certain hours and certain established days. Each person must register at the guard station and give the location of the house to view.

11. To make the Heron Cay Mobile Home Community a safe community, vehicle speeds will be limited to fifteen miles per hour.
12. For health reasons, Residents are required to wrap their refuse securely in plastic bags appropriate for such purposes and place it on the curbside on the mornings of collection. Yard debris is to be placed loosely at the curbside no earlier than two days prior to the designated morning of collection. Outside contractors are responsible for removal of all yard debris that they generate. Burning, dumping, or storage of trash, garbage, trimmings, etc., on Site, in vacant lots or in other areas of the Community is not permitted.
13. Each Resident and Mobile Home Owner shall complete a Membership Information Form in order to qualify and obtain approval to become a Resident. One criteria for approval is that at least one member in the household must be 55 years of age. Community Owner reserves the right to refuse to accept any prospective Resident if:
 - a. Their credit worthiness is unsatisfactory.
 - b. The prospective buyer has previously been evicted from this or any other community or rental facility.
 - c. The prospective buyer or seller is not in compliance with the Community's rules and regulations.
 - d. The prospective buyer has a criminal record.
 - e. There are any other lawful grounds to deny residency.
14. Heron Cay was intended to provide housing primarily as a retirement community for persons 55 years of age and older. It was designed, constructed and is maintained and operated to provide services and facilities only for individuals in this category. Therefore, the homes offered for sale will be available exclusively to those that have at least one member in the household 55 years of age.
15. Fishing is allowed in the lake. The use of motorized boats or other motor craft is not permitted. Certain battery-operated water craft maybe operated with Owner's approval. In addition, all water craft are to be removed immediately after using and are to be stored out of sight. There is no swimming permitted in the lake.
16. Requests by a Resident for corrective action for violation of a Community Covenant must be provided to the Community Manager on a Community Covenant Violation form available from the Community Manager. All completed forms must give specific details of the Community Covenant being violated, the corrective action requested, and be signed and dated. The Community Manager is required to uniformly enforce the Community Covenants and Rental Agreement and not to make any exceptions to the Community covenants or Rental Agreement, unless an old Agreement inherited by the present Community Owner requires a legal variance.
17. No solicitation by non-residents either telephone or home to home, is allowed in Heron Cay, unless authorized in writing by the Community Manager
18. The parking of bicycles, mopeds, scooters, carts, etc. is confined to the designated parking areas. Owner's approval is required before any unlicensed vehicles, such as scooters, carts, etc. are used in the Community.
19. In-line skates or similar devices are permitted only on park roads.

II. HERON CAY CLUB RULES

1. Club facilities will be open daily from 9:00 a.m. to 10:00 p.m. The Club facilities and rooms, except the pool, may be reserved for use by any Resident with prior approval from the Community Manager. The Community Manager will determine the availability of the requested facility or room, and also determine if the event is appropriate to be held at the Club. In general, activities sponsored by the Homeowner's Association have priority and take precedent over other proposed events; and no commercial or fund raising activities such as bazaars, shows or sales where the general public are to attend or held for individual personal gain will be allowed.

Residents are responsible for any damages to the Club facilities or equipment due to misuse or carelessness and must clean and set up the facilities or room(s) as they were immediately after using.

2. Club members will be responsible for their guests and all equipment and facilities are to be used at your own risk.
3. Persons under the age of eighteen must be accompanied by a Resident at all times when around or in the Clubhouse and pool area.
4. Club members are to leave all facilities neat and clean. Please report all damages to the Owner immediately.
5. Pets are not permitted at any Community facility.
6. Loud or unruly conduct will not be permitted.
7. Please put all equipment, chairs, tables, etc., in their proper place before leaving.
8. Towels must be used on pool chairs and lounges when an individual has applied suntan oils or lotions to the body.

WHIRLPOOL SPA AND SAUNA

1. Soap showers to remove suntan oils or lotions are required before use.
2. No oils or lotions to be used prior to entering the whirlpool spa and saunas.
3. Fifteen minutes maximum use.
4. Anyone with cardiac conditions or circulatory problems should consult their physician before using.
5. Persons with skin conditions are not permitted.
6. Swim attire only is allowed.
7. Emergencies and ambulances dial 911.
8. Food, drink and glass containers are not permitted.
9. Children under 12 years of age are not allowed in the whirlpool spa.
10. The Community Owner reserves the right in the Community Owner's absolute discretion to regulate the temperature of the spa at no higher than 102 degrees.

SHUFFLEBOARD

1. Equipment will be provided at the storage room.
2. Please report any broken or damaged equipment to Owner.
3. Please return all equipment to storage room after use.

BILLIARDS ROOM

1. No glasses, bottles, ashtrays, cigarettes or cigars permitted on billiard tables.
2. Return all equipment to proper place and clean up before leaving.

SWIMMING POOL

1. No lifeguard on duty. Swim at your own risk.
2. Anyone under the age of 18 must be accompanied by a Resident. No children in diapers, except those with rubber pants completely enclosing the diapers, are allowed in the pool.
3. A soap shower must be taken before entering the pool area. No one is allowed in the pool until all suntan lotions or oils are removed by a soap shower.
4. Food, drink and glass containers are not permitted in the pool area.
5. Swim attire only.
6. No wet suits, swim fins, snorkels, etc., are permitted in the pool. Floats and noodles are permitted between the hours of 7:00 a.m. and 11:00 a.m. for exercise purposes, and only if they are in excellent condition and as space in the pool is available. All floats and noodles must be removed and placed in storage after usage.
7. No diving allowed.
8. Shoes and swim covers must be worn in the Clubhouse.
9. Emergencies and ambulances dial 911.
10. No one allowed in the pool with skin conditions.
11. The Community Owner reserves the right in the Community Owner's absolute discretion to regulate the temperature of the swimming pool at 82 degrees, primarily during the winter season.

TENNIS COURTS

1. Two color coated asphalt tennis courts with net, fencing and wind screen will be provided by Owner.
2. Community Owner will maintain courts and furnish rollers and brooms.

III. CHANGES TO COMMUNITY COVENANTS

The Owner will give written notice to each Resident at least ninety (90) days prior to any change in the Community Covenants. Rules adopted as a result of restrictions imposed by entities such as insurance companies or governmental bodies and other rules which are required to protect the public health, safety and welfare may be enforced prior to the expiration of the 90 day period, but are otherwise subject to the requirements of Chapter 723, Florida Statutes.