

IN THE CIRCUIT COURT OF THE FIFTH JUDICIAL CIRCUIT
IN AND FOR LAKE COUNTY, FLORIDA

SUNLAKE HOMEOWNERS
ASSOCIATION, INC., individually,
and through class representation
on behalf of a class consisting
of the mobile home owners ("Residents")
of Sunlake Estates,

CASE NO: 05 CA 707

Plaintiff,

vs.

AMERICAN LAND LEASE, INC.,
A Florida corporation, and LAKE
COUNTY, a political subdivision of
the state of Florida.

Defendants.

COPY

Mediated Settlement Agreement

In a mediation conference held in Eustis, Florida, on March 12-13, 2007, the parties, Sunlake Homeowners Association, individually, and through class representation on behalf of a class consisting of the mobile home owners (both land lease and fee simple owners) of Sunlake Estates (jointly and severally referred to as "HOA") and American Land Lease, Inc., a Florida Corporation, Community Sunlake Joint Venture, A Delaware Corporation, and AIOP Florida Properties I, LLC. (hereinafter jointly and severally referred to as "ALL"), agree as follows:

1. Waste Collection - Lake County will provide twice weekly service and recycling collection. ALL will discontinue the dumpster station. Cost of providing service is currently charged by non-ad valorem property tax pass on. ALL agrees to reduce every home owner within the community's rent by \$4.00 per month, effective April 1, 2007.
2. Pool and Spa - Maintenance of the swimming pool will be by a certified swimming pool operator, who will maintain compliance with county and state regulations for maintenance and operation of the swimming pools and spa. ALL agrees to notify the HOA President in writing (electronic means is acceptable), and to post on community television channel, whenever the

swimming pool is closed or will be closed for any reason. The notice will include an estimate of when the pool will be back in service and will be updated to explain any delays.

3. Water Plant – Operation and maintenance of the water plant will be in accordance with state requirements Department of Environmental Protection (DEP) that issues operational permit.
4. Generator – Generator for emergency power for water plant will be installed no later than July 1, 2007, in conjunction with compliance with DEP requirements. An emergency generator will be available for the operation of the water plant by April 1, 2007.
5. Water pressure – The current water pressure settings for pressure tank and well will be evaluated by its certified operator to determine if the lower pressure setting can be increased to 40 psi, by May 1, 2007. If it is feasible, such change will be accomplished by May 1, 2007.
6. Fire Hydrants – The fire hydrants in the community identified by the HOA will be evaluated and tested by the Florida Rural Water Association for compliance with state and National Fire Protection Association (NFPA) standards, on or before July 1, 2007, and brought into compliance if necessary.
7. Sewer plant/lift stations – ALL agrees to abide by all operational and maintenance requirements by the DEP, which issues both the operating permit and performs periodic inspections on the plant.
8. Rules Enforcement – ALL agrees that the onsite manager and a designated representative of the HOA will drive the community once per week, at a reasonably convenient time during business hours, for the purpose of identifying any rules violations, and to maintain a listing of those items identified and to schedule correction and compliance.
9. Maintenance (mowing) – Mowing of the community will be on a frequency no fewer than 36 times per year. The mowing requirements shall be based on the recommendations from Teresa Watkins-DeSormier, University of Florida/IFAS, Water Conservation – Florida Yards and Neighborhoods, Lake, Orange and Seminole Counties, for conservation of water in the community. The mowing schedule and format will continue to be evaluated and adjusted according to operational demands and management requirements.
10. Broken sidewalks at lakefront – Sidewalks in the lakefront area have been damaged as a result of both automobile and boat trailer traffic as well as water damage. The existing pedestrian pathways in the lakefront area will be repaired by September 1, 2007, and thereafter maintained.

11. Pass-on charges – Pass on charges are agreed to be assessed based upon the 1997 base year, as has been previously charged. It is accepted by all parties and not subject to change. The number of lots for establishing the pro rata share of the costs are 496 minus the number of fee simple lots. The total real estate taxes assessed against the golf practice course shall be included in the real property tax pass-on as long as entire property is used as a golf course. ALL will provide the HOA with tax ID numbers for each parcel included in the entire tax bill, all changes included as they occur.
12. Golf Practice Range – The golf practice range will be maintained by ALL in cooperation with the efforts of interested and involved golf committee members. ALL agrees to establish a budget classification for the golf practice range maintenance and to allocate \$12,000, increased by the CPI-U each year, for actual cost, not including personnel, on an annual basis for maintenance of the property. ALL agrees to dedicate the golf practice range property as a 9 hole golf course for 15 years from the date of this agreement and record a deed restriction requiring said use in a form acceptable to counsel. ALL agrees to repair and/or replace the automatic timing system for the irrigation system by March 13, 2008, and to maintain the sprinkler system thereafter as needed. The parties agree that for the purposes of determining market rent that the golf course is valued as an amenity at \$10.00 per month.
13. 2007 Rental Amount - The 2007 noticed lot rental amount for all home owners is accepted. On or before June 1, 2007, each home owner may opt to amend their rental agreement effective upon the next annual anniversary date of their rental agreement to a lifetime lease for the lifetime of the tenant with a automatic increase based upon CPI+1% with a floor of 2% and a cap of 6%. The annual CPI shall be the Consumer Price Index, All Urban Consumers 1982-84=100, or an alternative index as published by the Bureau of Labor Statistics. The parties will jointly notify all home owners in the community of this option. The individual home owner must sign a certificate available through the community office in order to establish entitlement to this option. ALL and HOA agree that any home owner who does not elect this option shall be bound by the terms of their existing lease, except as modified herein. ALL will honor any prior lease in the community. Those home owners who entered the community between January 1, 2001 and March 13, 2007, and who do not have an expressly stated in writing limitation on lot rental increases shall be bound by the terms of the prospectus and rental agreement provided to them. Homeowners who enter the community after June 1, 2007 are not eligible for this option. The certificate shall not be transferable to any other person or party.
14. Roads – ALL recently paved a portion of the roads in the community. ALL agrees to repave the balance of the roads within 120 days of the installation of the last home in the community, or by June 1, 2010, whichever comes first.

15. Boil Water Notices – ALL shall provide boil water notices on the community television channel and delivered to each home, as well as posted, as appropriate to the circumstances.
16. HOA and ALL agree that the if either party shall consider that there has been a breach of this Agreement, the prospectus, rental agreement or Chapter 723, Florida Statutes, that the party shall give notice and an opportunity to cure to the other party in writing to their last known address. Failure to give notice shall be deemed a waiver of any claim based upon said default if not made within 8 months of the date thereof.
17. HOA and ALL hereby remise, release, acquit and forever discharge each other, of and from any and all claims or damage which were or could have been brought in this case.
18. Plaintiffs shall dismiss this suit with prejudice with each party paying their own attorney's fees and costs.
19. The parties agree to submit this agreement to the Court along with a proposed Order which incorporates this agreement and retains jurisdiction for enforcement.

John L. Harmon
Board Member

3/13/07
Date

Becky Bach
Board Member

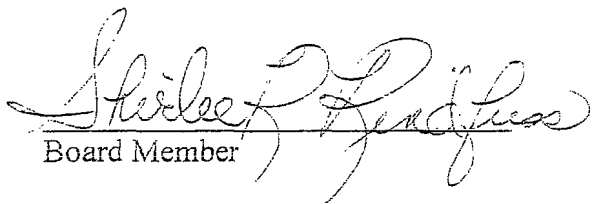
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Carol F. Hernandez
Board Member

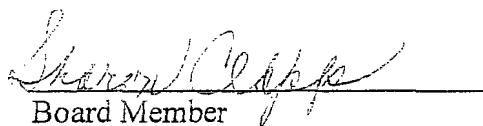
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W. E. Dunbar
Board Member

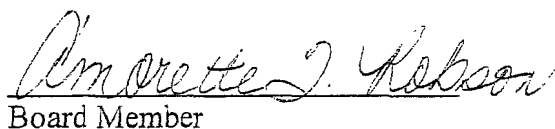
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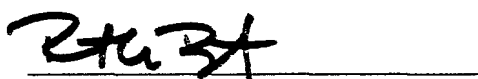
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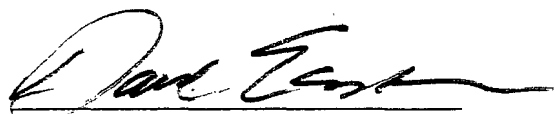
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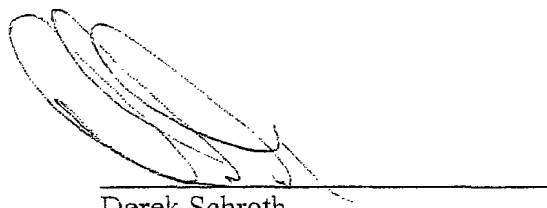
3/13/07
Date


Robert Blatz, Representative of
American Land Lease (ALL)

3/13/07
Date


David Eastman, Counsel to ALL

3-13-07
Date


Derek Schroth,
Attorney for the HOA

3/13/07
Date