

Gentlemen's Agreement Sun Bay Club Condominiums and The Villas of Lake Destiny, HOA

The boards of the S.B. Club Condominium Association, Inc. (Sun Bay Club) and the Villas of Lake Destiny Homeowners Association, Inc. (The Villas) have agreed upon the following terms, to settle claims and expenses relating to the agreement described below:

After an extensive joint review of all outstanding and disputed billings for expenses shared by the two communities pursuant to the original Agreement between S.B. Club Condominium Association, Inc. and Lake Destiny Development Corporation, Inc. recorded in Official Records Book 5118 at Page 4442 (the "Agreement"), the parties have agreed to the following:

1. As per the document titled *Consolidated Reconciliation 2004 thru September 2011*, the following transactions will be completed between The Villas and Sun Bay Club:
 - a. The Villas will pay \$4,266.66 in withheld road reserves
 - b. The Villas will pay \$4,838 in withheld paint reserves
 - c. The Villas will pay \$5,425 in unbilled janitorial services
 - d. The Villas will pay \$2,853.96 toward various other disputed charges
 - e. Sun Bay Club will credit \$18,016.47 for various other disputed charges
 - f. Sun Bay Club will credit \$1,722 for paint reserve contributions from 2/1/2010.

2. As per the document titled *Villas Final Reconciliation of Reserve Contributions as of 9.26.11*:
 - a. Sun Bay Club acknowledges that the Villas has already paid into the paint reserve account \$2,460.
 - b. Sun Bay Club acknowledges that the Villas has already paid into the road reserve account \$1,932.86.

3. These payments shall settle any and all claims by both parties for joint expenses defined by the "Agreement" incurred prior to - September 01, 2011. Neither Sun Bay Club nor The Villas shall make a claim in the future for any expenses or payments incurred and/or paid by either party prior to September 1, 2011 except for any recently approved payments for monthly invoices not yet paid and/or processed which will be paid as normal.

4. The parties agree that this settlement shall not be construed to modify the "Agreement" and shall not set any precedent for future interpretation of the obligations set forth in the "Agreement".

5. The parties have agreed that The Villas shall begin paying into the Sun Bay Club reserve accounts rather than into its' own escrow account (held for Sun Bay Club reserve obligations), in consideration of Sun Bay Club's agreement to provide The Villas a monthly accounting statement for the Sun Bay Club reserve accounts (Paint of Rec Facilities and Roads) to which The Villas contributes, advance notice of planned expenditures from these reserve accounts, and transparent reporting of uses of these joint reserve funds.

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6. By this Gentleman's Agreement, Sun Bay agrees that the Paint Reserve for the recreational facilities and gate area is fully funded. The Villas contribution to the Paint Reserve is approximately 41% of the estimated \$17,800 needed to paint the Recreational Facilities and Front Gate.
7. The Villas will make no further contributions to the Paint Reserve until a new reserve schedule is established subsequent to painting of these facilities, which is anticipated to be undertaken within 90 days.
8. Sun Bay Club will not at any time be responsible to share in the electricity costs for the three fountains, 5b, 5c, and 5d, shared by the SBC and The Villas.
9. If SBC encounters a major issue with the shared ponds and fountains that impact their integrity, the Villas will consider and discuss with Sun Bay Club (on a case by case basis) participating in those expenses.
10. Sun Bay Club and The Villas agree that both parties shall cooperate in the resolution of any additional issues that surface in relation to the Agreement.

We certify that the parties listed below have approved this Gentlemen's Agreement. Documentation of approval by each board is attached.

S.B. Club Condominium Association, Inc,

The Villas of Lake Destiny
Homeowners Association, Inc.

Signed Paula Ward
Print Name PAULA WARD
Title President
Date 10/17/11

Signed Vicki O'Grady
Print Name Vicki O'Grady
Title Sec
Date 10/24/11