

SHERWOOD FOREST

AGREEMENT

THIS AGREEMENT ("Agreement") is entered into by and between **MHC OPERATING LIMITED PARTNERSHIP**, an Illinois limited partnership authorized to transact business in the State of Florida ("MHC"), and **SHERWOOD FOREST OF KISSIMMEE HOMEOWNERS ASSOCIATION, INC.**, a Florida not-for-profit corporation ("Association").

RECITALS

A. MHC is the management agent for the Community (capitalized terms used herein shall have the respective meanings set forth herein or in the Schedule of Definitions attached hereto and incorporated herein by this reference), and is authorized to enter into this Agreement on behalf of the Community Owner.

B. The Association is a homeowners association created by Homeowners of the Community pursuant to the provisions of Section 723.075, Florida Statutes, which has the powers and duties set forth in Chapter 723, and is authorized to enter into this Agreement on behalf of all Homeowners in the Community as of the Effective Date (the "Included Homeowners").

C. In September 2005, MHC properly served a legally sufficient notice of lot rental amount increase (the "Notice") to Homeowners of the Community and the Association's board of directors providing notice of an increase in Base Rent for Homeowners with a January 1 Rental Anniversary Date (notices are sent monthly throughout the year to Homeowners with Rental Anniversary Dates other than January 1).

D. The Association created a committee in compliance with Section 723.037(4), Florida Statutes, to meet with representatives of the Community Owner and negotiate the increase in Base Rent stated in the Notice. The parties participated in a mediation held pursuant to Section 723.038, Florida Statutes, and reached an agreement. As provided in Section 723.038(6), Florida Statutes, the parties are reducing their agreement to writing and intend that it be construed as a contract creating mutual rights and obligations.

E. Accordingly, MHC and the Association desire to enter into this Agreement providing for payment of the rental amounts set forth herein for the 2006 Lease Term through the 2010 Lease Term, among other provisions.

THEREFORE, in consideration of the foregoing Recitals (which are hereby incorporated into and made a part of this Agreement), the mutual promises and covenants hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Phase-In of Noticed Increase For Phase-In Sites. For Homeowners with Noticed Increases greater than Fifty Dollars (\$50.00) per month (the "Phase-In Sites"), the Noticed Increase shall be phased-in over five (5) annual Lease Terms, as follows:

A. 40% of the Noticed Increase shall be phased-in during the 2006 Lease Term. The Base Rent for each Phase-In Site for the 2006 Lease Term is set forth on Exhibit A attached hereto and incorporated herein by reference

B. 15% of the difference between the Base Rent for the 2006 Lease Term as stated herein and the Noticed Market Rate shall be phased-in during each of the 2007 through 2010 Lease Terms, provided that the Noticed Market Rate shall be increased annually as determined in Community Owner's discretion; however, any such increases in the Noticed Market Rate shall be equal to the amounts actually charged to new Homeowners entering the Community. An example of the formula for calculating the Base Rent for the Phase-In Sites for each of the 2007 through 2010 Lease Terms is set forth on Exhibit B attached hereto and incorporated herein by reference. For illustration purposes only, Exhibit B assumes a two percent (2%) annual increase in the Noticed Market Rate; the actual increase may be greater.

C. Any Homeowner occupying a Phase-In Site who has paid the full Noticed Increase or a part thereof shall receive a credit (the "Credit") for sums paid in excess of the Base Rents specified herein. The Credit shall be applied beginning with the rents payable in January 2007 and shall continue (if applicable) in future months to the extent necessary to exhaust any Credit due hereunder.

2. **Base Rent Increases for Other Sites.** Homeowners with Noticed increases of Fifty Dollars (\$50.00) per month or less (the "Other Sites") shall pay the Noticed Increase for the 2006 Lease Term. In addition:

A. The Base Rent for each Other Site shall be increased effective as of the 2007 Increase Date over the Base Rent payable during the 2006 Lease Term by an amount equal to the percentage increase in the CPI over the Measuring Period.

B. The Base Rent for each Other Site shall be increased effective as of the 2008 Increase Date over the Base Rent payable during the 2007 Lease Term by an amount equal to the percentage increase in the CPI over the Measuring Period.

C. The Base Rent for each Other Site shall be increased effective as of the 2009 Increase Date over the Base Rent payable during the 2008 Lease Term by an amount equal to the percentage increase in the CPI over the Measuring Period.

D. The Base Rent for each Other Site shall be increased effective as of the 2010 Increase Date over the Base Rent payable during the 2009 Lease Term by an amount equal to the percentage increase in the CPI over the Measuring Period.

3. **Substitute Index.** In the event the CPI ceases to be prepared and published, then the percentage increases provided for hereinabove shall be based on the

increase, over the applicable comparison periods, in the most comparable commodity index then in existence, as reasonably determined by MHC.

4. **Removal of Taxes From Base Rent.** All Taxes shall be removed from Base Rent and charged separately on a pro rata basis. The pro rata share for each Site shall be determined by dividing the total Taxes by the total number of Sites in the Community. Community Owner may, at its option, recover the Taxes by requiring monthly payments during any annual Lease Term or at the beginning of the annual Lease Term by using the Tax Charge as shown on the TRIM Notice under the heading "Your Taxes This Year if the Proposed Budget Change is Made", with adjustments for excess or under charges for Taxes being made in the next annual Lease Term. The Tax Charge shall be removed from the Market Rate prior to applying the annual increase in Noticed Market Rates for the 2007 through 2010 Lease Terms referenced in Section 1(B) above and prior to applying the CPI increases referenced in Section 2 above.

5. **Homeowners Affected by This Agreement; Future Homeowners.** Homeowners in the Community on the Effective Date shall be governed by this Agreement. Any purchaser or transferee of an interest in a Homeowner's manufactured home after the Effective Date ("Resale Purchasers") shall be permitted to assume the remaining portion of the annual Lease Term in effect on the date of the sale or transfer of interest; however, effective as of the Rental Anniversary Date following the sale or transfer of interest, the Resale Purchaser may be charged the then-current market rental rate for the applicable Site, as determined in the Community Owner's sole discretion, plus a pro rata share of the Tax Charge for the applicable annual Lease Term.

6. **Community Improvements.** The Community Owner shall purchase and install:
- A. a total of twenty (20) new tables and two hundred (200) new chairs in Clubhouse One;
 - B. new pool furniture for the pools at Clubhouses One and Two;
 - C. a new pool heater of at least 4400 btus at Pool Two; and
 - D. gravel in an amount and type determined by Community Owner at the Community storage compound.

Items A and B shall be completed by April 1, 2007. Item C shall be completed by March 1, 2007. Item D shall be completed by July 1, 2007. Notwithstanding anything to the contrary contained herein, however, the foregoing completion dates shall be subject to delays caused by matters beyond Community Owner's reasonable control.

7. **Attorneys' Fees; Litigation; Integrity of Agreement.** In the event of any litigation among MHC and/or the Community Owner and the Association relating to the subject matter of this Agreement, the prevailing party(ies) shall be entitled to recover from the non-prevailing party(ies) its (their) reasonable attorneys' fees and all court costs; provided, however, the foregoing shall not apply to mediation proceedings conducted pursuant to the Dispute Resolution' Mechanism set forth in Chapter 723, and further

provided that the foregoing shall not inure to the benefit of any individual Homeowner(s) involved in any such dispute with MHC and/or the Community Owner. If any individual Homeowner(s) or any other third party seeks to invalidate or otherwise attack the integrity of this Agreement, whether through litigation, administrative proceedings or otherwise, MHC and the Association shall cooperate fully in defending the integrity of this Agreement, which represents the complete, bargained-for understanding of the parties regarding the subject matter hereof. MHC and the Association further agree that this Agreement and all of its terms shall remain binding and in full force and effect as to MHC, the Association and all of its members, regardless of any such effort to invalidate or otherwise attack the integrity of this Agreement.

8. Notice; Opportunity to Cure. If the Association or MHC contends that the other is in violation of this Agreement, or Chapter 723, the party alleging the breach or violation shall give written notice to the other specifying in reasonable detail the nature of the breach or violation and the action necessary to cure the breach or violation (the "Default Notice"). The Default Notice shall be served within sixty (60) days of the breach or violation. The party receiving the Default Notice shall have a period of thirty (30) days in which to cure the alleged breach or violation, failing which the party alleging the breach or violation may take appropriate action. Compliance with this provision shall be a condition precedent to initiating any litigation with respect to the breach or violation.

9. Construction. This Agreement shall be interpreted in accordance with the internal substantive laws of the State of Florida. However, in the event any such law is amended or added after the Effective Date but before termination hereof which is inconsistent with the provisions hereof, the provisions of this Agreement shall control. Titles or captions of sections contained in this Agreement are inserted only as a matter of convenience and for reference, and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provisions hereof. Whenever required by the context, the singular number shall include the plural, the plural number shall include the singular, and the neuter gender shall include all genders. In any dispute regarding the interpretation or construction of this Agreement, there shall not be any presumption running against the drafter hereof.

10. Prospectus. The parties hereto agree that this Agreement is consistent with the terms of each Prospectus and is not considered to be a modification thereof or an amendment thereto, and that all terms thereof remain in full force and effect as supplemented hereby.

11. Governing Law: Venue. This Agreement shall be construed in accordance with the laws of the State of Florida, and venue for any suit or proceeding filed hereunder shall be in Osceola County, Florida.

12. Waiver. The failure of any party hereto to insist on strict performance of any obligation hereunder shall not be a waiver of such party's right to demand strict compliance with that or any other obligation in the future. Furthermore, the failure of any party hereto to insist upon strict performance of any obligation hereunder shall not invalidate this Agreement or the Base Rent amounts determined by following the process set forth herein. This Agreement shall be deemed sufficient legal notice of the increases in Base Rent provided for herein.

13. **Applicability of Chapter 723.** Notwithstanding anything to the contrary contained herein, in the Prospectus or in any lease, the provisions of Chapter 723 shall prevail and shall bind the parties hereto.

14. **Entire Agreement: Modification.** This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, covenants and understandings regarding the subject matter hereof, whether oral or written. This Agreement may only be modified by a written agreement signed by both parties hereto.

15. **Other Charges.** Notwithstanding anything to the contrary contained herein, this Agreement does not affect any charges other than Base Rent and Tax Charges. The Community Owner reserves the right to pass-through and otherwise adjust all other fees or components of each Homeowner's lot Rental Amount (as defined in Chapter 723) in accordance with the Prospectus, the lease and Chapter 723.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the Effective Date.

SHERWOOD FOREST OF KISSIMMEE HOMEOWNERS ASSOCIATION, INC.,
a Florida not-for-profit corporation

Executed and delivered
in the presence of:

By: _____

Name: Richard Steinwandel

Title: President

MHC OPERATING LIMITED PARTNERSHIP,
an Illinois limited partnership,
as management agent

By: MHC Trust,
a Maryland real estate investment trust
Its: General Partner

By: Equity LifeStyle Properties, Inc.
a Maryland corporation
Its: Sole Voting Shareholder

By: _____

Name: _____

Title: _____

Schedule of Definitions - Exhibit A

For purposes of this Agreement, the following terms shall have the respective meanings set forth below:

- (i) "Agreement" means this Agreement.
- (ii) "Association" means Sherwood Forest of Kissimmee Homeowners Association, Inc., a Florida not-for-profit corporation.
- (iii) "Base Rent" for a particular Site means the base monthly rental amount for such Site.
- (iv) "Chapter 723" means Chapter 723, Florida Statutes, as amended from time to time.
- (v) "Community" means the manufactured home community commonly known as "Sherwood Forest", located at 5302 West Irlo Bronson Highway, Kissimmee, Florida excluding the sites therein designated for the placement of recreational vehicles.
- (vi) "Community Owner" means the owner of the Community.
- (vii) "CPI" means the "Consumer Price Index for All Urban Consumers, All Items (1982-1984=100)" prepared and issued by the United States Department of Labor, Bureau of Labor Statistics. For purposes of calculating the increase in Base Rent for the Other Sites (as set forth in Section 2) effective as of a particular Increase Date, the annual increase in the CPI shall be determined as of the sixth (6th) calendar month prior to such Increase Date (e.g., for Other Sites with a January 1 Increase Date, the increase in Base Rent shall be determined using the annual increase in the CPI as of the preceding July).
- (viii) "DBPR" means the State of Florida Department of Business and Professional Regulation.
- (ix) "Dispute Resolution Mechanism" means the administrative procedures, including administrative mediation by the DBPR, which must be complied with prior to the filing of any action in any court of law arising out of or relating to this Agreement, or the interpretation, construction, breach or enforcement hereof.
- (x) "Effective Date" means January 1, 2006.
- (xi) "Homeowner" means, jointly and severally, the individual(s) leasing a particular Site.
- (xii) "Increase Date" for a particular Site means the Rental Anniversary Date for such Site.
- (xiii) "Lease" means the residency agreement, in the form of the Prospectus, pursuant to which each Homeowner has leased such Homeowner's Site.

(xiv) "Lease Term" means an annual rental agreement term of twelve (12) months.

(xv) "Market Rate" for a particular Site means the Base Rent for such Site as stated in the Notice.

(xvi) "Measuring Period", for purposes of calculating the increase in Base Rent for the Other Sites as of a particular Increase Date (as set forth in Section 2), means the twelve (12) month period from the sixth (6th) calendar month prior to the immediately preceding Increase Date to the sixth (6th) calendar month prior to the subject Increase Date.

(xvii) "MHC" means MHC Operating limited Partnership, an Illinois limited partnership authorized to transact business in the State of Florida, which is the management agent for the Community on behalf of Community Owner.

(xviii) "New Homeowner" means any Homeowner purchasing a manufactured home in the Community after the Effective Date.

(xix) "Notice" has the meaning set forth in Recital C.

(xx) "Noticed Increase" for a particular Site means the total lot rental amount increase for such Site provided for in the Notice.

(xxi) "Noticed Market Rate" for a particular Site means the total lot rental amount for such site due under the Notice.

(xxii) "Other Sites" means all Sites occupied by New Homeowners or Sites with Noticed Increases of Fifty Dollars (\$50.00) per month or less.

(xxiii) "Phase-In Sites" means all Sites with Noticed Increases in excess of Fifty Dollars (\$50.00) per month, except Sites occupied by New Homeowners.

(xxiv) "Prospectus" means, with respect to each Homeowner, the applicable prospectus for the Community on file with the DBPR.

(xxv) "Rental Anniversary Date" for a particular Site means the date on which the Base Rent for such may be increased each year under the provisions of the applicable Prospectus and lease.

(xxvi) "Site" means the individual manufactured home site within the Community leased by the applicable Homeowner.

(xxvii) "Taxes" or "Tax Charge" shall mean all ad valorem and non-ad valorem assessments imposed against the Community or the real or personal property comprising the Community by any governmental agency or taxing district.

(xxviii) "TRIM Notice" means the truth in millage notice provided in Section 200.69, Florida Statutes.

With respect to each Phase-In Site:

(xxix) "2006 Increase Date" means the first Rental Anniversary Date occurring after December 31, 2005.

(xxx) "2007 Increase Date" means the first Rental Anniversary Date occurring after December 31, 2006.

(xxxi) "2008 Increase Date" means the first Rental Anniversary Date occurring after December 31, 2007.

(xxxii) "2009 Increase Date" means the first Rental Anniversary Date occurring after December 31, 2008.

(xxxiii) "2010 Increase Date" means the first Rental Anniversary Date occurring after December 31, 2009.

(xxxiv) "2006 Lease Term" means the one-year period beginning on the 2006 Increase Date.

(xxxv) "2007 Lease Term" means the one-year period beginning on the 2007 Increase Date.

(xxxvi) "2008 Lease Term" means the one-year period beginning on the 2008 Increase Date.

(xxxvii) "2009 Lease Term" means the one-year period beginning on the 2009 Increase Date.

(xxxviii) "2010 Lease Term" means the one-year period beginning on the 2010 Increase Date.

YEAR 1 (2006)

Example 1: *(Lot 288)*

1. Remove taxes from base rent
 $\$365.24 - \$46.36 = \$318.88$
2. Add 2006 market rate phase in
of 40%: $\$318.88 + \23.90
($\$425.00 - \$365.24 = \$59.76 \times 40\%$)
 $= \$342.78$
3. Add back tax charge
 $\$342.78 + \$46.36 = \$389.14$ due for 2006

Example 2: *(Lot 437)*

- Remove taxes from base rent
 $\$388.00 - \$46.36 = \$341.64$
- Add 2006 market rate phase in
of 40%: $\$341.64 + \48.40
($\$509.00 - \$388.00 = \$121.00$
 $\times 40\%$) = $\$390.04$
- Add back tax charge
 $\$390.04 + \$46.36 = \$436.40$ due for 2006

YEAR 2 (2007)

1. Add 2007 market rate phase in:

Example 1: *(Lot 288)*

$\$342.78$ (2006 base rent)
 $+ 8.96$ (15% of $\$59.76$)
 $+ 7.57$ (2% of $\$378.64$)
 $\$359.31$ Base rent

2. Add pro rata share of 2006 total tax

Example 2: *(Lot 437)*

$\$390.04$ (2006 base rent)
 $+ 18.15$ (15% of $\$121.00$)
 $+ 9.25$ (2% of $\$462.64$)
 $\$417.44$ Base rent

2. Add pro rata share of 2006 total tax

YEAR 3 (2008)

1. Add 2008 market rate phase in:

Example 1: *(Lot 288)*

$\$360.24$ (2007 base rent)
 $+ 8.96$ (15% of $\$59.76$)
 $+ 7.72$ (2% of $\$386.21$)
 $\$376.92$ Base rent

2. Add pro rata share of 2007 total tax

Example 2: *(Lot 437)*

$\$418.37$ (2007 base rent)
 $+ 18.15$ (15% of $\$121.00$)
 $+ 9.44$ (2% of $\$471.89$)
 $\$445.96$ Base rent

2. Add pro rata share of 2007 total tax

YEAR 4 (2009)

1. Add 2009 market rate phase in:

Example 1:
(Lot 288)

\$377.87 (2008 base rent)
+ 8.96 (15% of \$59.76)
+ 7.88 (2% of \$393.93)
\$394.71 Base rent

Example 2:
(Lot 437)

\$446.90 (2008 base rent)
+ 18.15 (15% of \$121.00)
+ 9.63 (2% of \$481.33)
\$474.68 Base rent

2. Add pro rata share of 2008 total tax

2. Add pro rata share of 2008 total tax

YEAR 5 (2010)

1. Add 2010 market rate phase in:

Example 1:
(Lot 288)

\$395.27 (2009 base rent)
+ 8.96 (15% of \$59.76)
+ 8.04 (2% of \$401.81)
\$412.27 Base rent

Example 2:
(Lot 437)

\$475.64 (2009 base rent)
+ 18.15 (15% of \$121.00)
+ 9.80 (2% of \$490.96)
\$503.61 Base rent

2. Add pro rata share of 2009 total tax

2. Add pro rata share of 2009 total tax