

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (this "Agreement") is entered into between Capital Outlay Fund, LLC ("Capital"), a Florida limited liability company, as assignee of the rights in this case from Drees Homes of Florida, Inc. ("Drees"), a Florida corporation (the "Plaintiff") and assignor, and the School District of Clay County, Florida (the "District"), a district constituting a unit for the control, organization, and administration of schools under the laws of the State of Florida and governed by the School Board of Clay County, Florida (the "Defendant"), collectively known as the "Parties."

RECITALS

WHEREAS, on or about November 19, 2015, Plaintiff filed an inverse condemnation action in the Circuit Court of the Fourth Judicial Circuit, Clay County, Florida, case styled, Drees Homes of Florida, Inc., v. School Board of Clay County, Florida, with case number 10-2015-CA-1154 (the "Action"), alleging an entitlement to just compensation due to land use restrictions resulting from a future school site designation (the "Designation") under the Brannan Field Master Plan (the "Plan"); and

WHEREAS, the property at issue (the "Property") is comprised of two (2) parcels consisting of Tax Parcel ID# 24-04-24-005574-007-13 (20.189 Acres), which is Designated under the Plan, and Tax Parcel ID# 24-04-24-005574-007-12 (2.041 Acres); and

WHEREAS, the District has retained legal counsel to defend the Clay County School Board (the "Board") in the Action; and

WHEREAS, the Defendant has answered the Action and asserted various affirmative defenses thereto; and

WHEREAS, on December 15, 2016 the Defendant voted unanimously not to concur with Plaintiff's formal request to remove the Property's Designation from the Plan; and

WHEREAS, Plaintiffs' efforts to develop the Property with single family homes being inconsistent with the Defendant's intention to use the site for a public school, Capital acquired the Property from Plaintiff on July 28, 2017; and

WHEREAS, pursuant to the terms of said purchase agreement between the Plaintiff and Capital, Capital has been vested with express authority by the Plaintiff to dismiss the Action on Plaintiff's behalf or, in lieu of such action, proceed with litigating the Action as an additional or substituted party; and

WHEREAS, the Parties agree to resolve this dispute upon the School Board's approval and execution of this Agreement on October 5, 2017;

NOW THEREFORE, in consideration of the foregoing, and the following agreements, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto covenant and agree as follows:

1. Incorporation of Recitals. The Parties represent and warrant to each other the accuracy of the foregoing recitals, which are incorporated by reference herein.
2. Board Action on this Settlement Agreement. Upon approval of this Agreement by the Board, the failure of either party to comply with the terms of this Agreement shall be actionable with the prevailing party entitled to all reasonable and necessary attorneys' fees and costs incurred to enforce the Agreement.
3. Consideration. On or before October 27, 2017 the Defendant shall convey to Capital, through a closing agent mutually agreed to by the Parties (the "Closing Agent"), Two

Hundred Fifty Thousand Dollars (\$250,000) and One Hundred Eighty-Seven (187) fully assignable, transferable, alienable, non-expiring single-family home school impact fee credits with a minimum value of \$7,043.00 and a maximum value of \$10,000.00 per credit for use by any single-family home permit applicant for use anywhere in Clay County. The value of the above credits shall correspond with the lawfully established single-family home school impact fee value at the time of redemption, subject to the limitations contained in this Section.

4. Transfer of Title. Concurrent with delivery of the above referenced consideration Capital shall convey title to the subject Property via General Warranty Deed. Said conveyance shall be made through the Closing Agent simultaneous with the action(s) described in Section 3 and Section 6 of this Agreement.

5. Fees and Costs. Upon Board approval of the Settlement, each party to the Action shall be responsible for their own fees and costs which they have incurred because of the Action. Any reasonable fees and costs incurred to enforce the terms of the Settlement shall be paid to the prevailing party. The Defendant shall be responsible for costs associated with performing a title search and/or obtaining title insurance for the Property.

6. Dismissal of the Action. Upon payment of the above-referenced consideration by Defendant and transfer of title by Plaintiff, the Plaintiff shall voluntarily dismiss the Action with prejudice.

7. Counterparts. This Agreement may be executed in counterparts with each such counterpart being considered an original. In addition, a facsimile or scanned and e-mailed copy of the Agreement shall be effective as an original.

8. Severability. If any part of this Agreement is found to be violative of the law, then that part shall be stricken with the remainder of this Agreement to survive intact.

9. Representation of Authority. The Parties represent and warrant to each other that they are authorized to sign this Agreement and that they own and have not sold, pledged, hypothecated, assigned or transferred any of the claims or rights conveyed by this Agreement. Capital further represents and warrants that it has been granted express authority by the Plaintiff to dismiss the Action pursuant to the terms of this Agreement.

10. Governing Law and Venue. This Agreement shall be construed and enforced pursuant to the law of the State of Florida. With respect to any dispute arising out of or related to the Action or Agreement, each Party subjects itself to the exclusive jurisdiction of the Court in Florida and likewise agrees that the exclusive venue shall be the State Court in Clay County, Florida.

11. Interpretation. The language of this Agreement shall be construed as a whole, according to its fair meaning and intendment, and not strictly for or against any Party, regardless of who drafted or was principally responsible for drafting the Agreement or any specific term or condition hereof. This Agreement shall be deemed to have been mutually drafted by the Parties.

12. Integration. Each Party warrants that no promise, inducement, or agreement not expressed herein has been made in connection with this Agreement. This Agreement constitutes the entire agreement between the Parties and supersedes and replaces all prior negotiations or proposed agreements, written or oral.

13. Effective Date. The effective date of this Agreement shall be on the last date it is signed by the Parties.

Signed, sealed and delivered

In the presence of:

[Signature]
Printed: Ana Apolon

[Signature]
Printed: Veronica L. Salinas
Witnesses

CAPITAL OUTLAY FUND, LLC

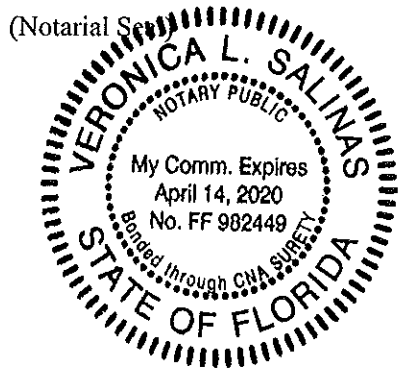
By: [Signature] 9-26-17
(Brian C. Small)
Its: Manager

STATE OF FLORIDA
COUNTY OF ~~DUVAL~~ Orange

The foregoing Settlement Agreement was acknowledged before me this 26 day of September 2017, by Brian C. Small, Manager of Capital Outlay Fund, LLC, on behalf of the company, who is personally known to me or has produced Florida Driver License as identification.

[Signature]
Printed: Veronica L. Salinas
Notary Public, State and County Aforesaid.

My Commission Expires: April 14, 2020
My Commission No.: FF 982449



Signed, sealed and delivered
In the presence of:

**SCHOOL BOARD OF CLAY COUNTY,
FLORIDA**

Printed: _____

By: _____
Janice Kerekes
Its: Chairperson

Printed: _____
Witnesses

STATE OF FLORIDA
COUNTY OF CLAY

The foregoing Settlement Agreement was acknowledged before me this ____ day of _____ 2017, by Janice Kerekes, Chairperson, Clay County School Board, a body corporate and politic and an agency of the State of Florida, who is _____ personally known to me or _____ has produced _____ as identification.

(Notarial Seal)

Printed: _____
Notary Public, State and County Aforesaid.

My Commission Expires: _____
My Commission No.: _____