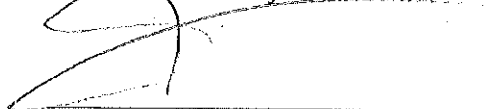


MEDIATION SETTLEMENT AGREEMENT
LAKESHORE HARBOR LLC AND LUXURY CONDOS LLC
VS
MCFADYEN LAKE ASSOCIATION, INC.


This agreement has been entered into between Lakeshore Harbor, LLC, AND Luxury Condos, LLC, personal representatives and assigns, herein after referred to as "Plaintiff", and McFadyen Lake Association, Inc., personal representatives and assigns, herein after referred to as "Defendants" as follows:

1. Plaintiff and Defendant agree that upon the following terms and conditions: Subject to approval by the Board of Directors of Defendant, as follows:
 - a) The dwelling units for condominium and/or townhouse developments are now Class A members, with one vote per dwelling unit;
 - b) Lakeshore Harbor LLC, and/or assigns will convey the 19 acre lake bed property to McFadyen Lake Association Inc., in consideration for past due assessments and for the forbearance of the five year term as set forth hereinafter on units owned by dwelling units owned by Lakeshore Harbor LLC and Luxury Condos, LLC;
 - c) Luxury Condos LLC will collect dues for their dwelling units only and receive a 30% discount from McFadyen Lake Association, provided that they are timely paid.
 - d) Dwelling units or unoccupied pads will not be assessed until sold to third parties not affiliated with Lakeshore Harbor LLC and/or Luxury Condos LLC, or assigns, for a five year period from the execution of this agreement;
2. Any and all claims which the Plaintiff and the Defendant may have against one other described in the litigation pending in the Superior Court, Cumberland County, North Carolina, case no. 12-CVS-6203 will, after execution of more formal documents, and the execution and appropriate handling of the notice to dismissal with prejudice and the releases mentioned above, be settled and discharged completely.
3. Plaintiff or assigns will notify defendant upon sale or conveyance of a dwelling unit, and of the issuance of a "Certificate of Occupancy".
4. Defendant will provide Plaintiff with amendments to restrictive covenants, minutes and bylaws.
5. Each party will separately pay their attorneys, and the costs of the case.

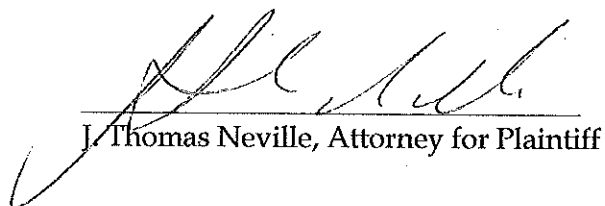
Done, this 12th day of March, 2013.



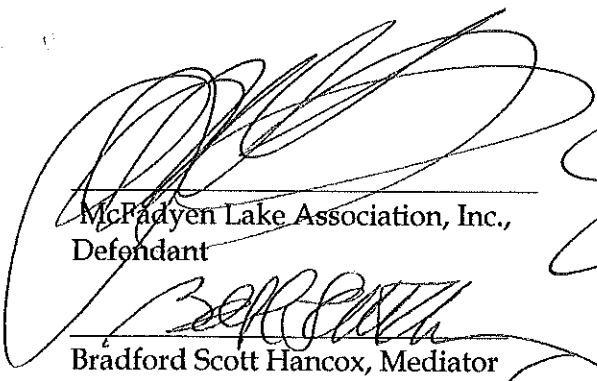
Lakeshore Harbor, LLC, Plaintiff



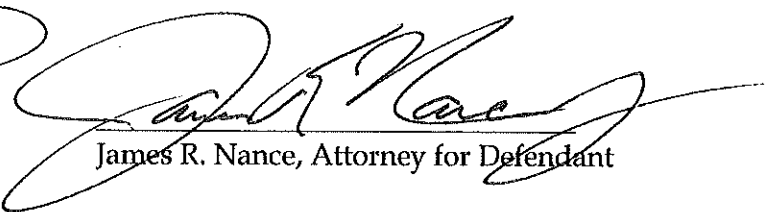
Luxury Condos LLC, Plaintiff



J. Thomas Neville, Attorney for Plaintiff



McPadyen Lake Association, Inc.,
Defendant



James R. Nance, Attorney for Defendant



Bradford Scott Hancox, Mediator