

INTRODUCING THE NEW CPI+1% LEASE PROGRAM

*Discover the Security and Freedom of
Our Unique Land-Lease Options*

Now you can experience the lifestyle you've always dreamed of with our **new CPI + 1% Lease Program**. Our **new CPI + 1% Lease Program** provides the security of government-indexed base rent increases for your **lifetime** when you buy a new home or for **renewable 5-year terms** when you purchase a pre-owned home in **select American Land Lease communities in Florida**. Please review the Frequently Asked Questions below regarding our **new CPI + 1% Lease Program** and our **Standard Market Lease** to determine the type of lease that best suits your needs, and then come experience everything our lifestyle has to offer!

1. What is a land lease?

Our communities feature a distinctive, carefree lifestyle in a resort-style setting. When you're ready to embrace retirement living and enjoy our exciting lifestyle, you simply purchase your home and then sign a lease with the community for your home site. Our land-lease arrangements allow you to experience all the benefits of homeownership without the large upfront cash outlay required to purchase a lot for your home. Instead, you can invest the significant savings (and possibly even use your investment return to pay for your land lease), use it to enhance your lifestyle or just save it for a rainy day!

We offer two land-lease options: our **CPI + 1% Lease Program** and our **Standard Market Lease**. As described below, each lease option provides a different method for calculation of increases in base rent.

2. What is base rent?

Base rent allows you the exclusive use of your home site and provides you access to the included amenities and recreational facilities that are part of our exciting lifestyle. In addition, base rent covers the cost of on-site professional property management, community maintenance, certain future improvements to the community and additional services that often cost extra with other housing options. Finally, it provides the community owner with a competitive return for the risk taken on the capital invested in the land and facilities.

3. Are there other costs of occupancy?

There are some other costs that may be charged from time to time. Certain charges are based upon your decision to incur them, such as pet fees or certain utility charges like cable television. Other charges may include such things as your pro rata share of property taxes, fees for waste collection, water and sewer services or other utility charges or certain charges levied from time to time by local governments. Your sales consultant can provide you with additional information upon request.

4. What is your new CPI + 1% Lease Program?

Our **CPI + 1% Lease Program** is a unique land-lease option that provides you with security and peace of mind. Base rent in our communities is increased on an annual basis. Under the **CPI + 1% Lease Program**, your base rent increase each year will be calculated using a Consumer Price Index (CPI) that is published by the federal government. By calculating your base rent increase using CPI, we provide you with the security of a readily-available, independently-verifiable standard for determining your base rent increases.

5. How will my base rent increase be determined under your CPI + 1% Lease Program?

If you opt for the security of our **CPI + 1% Lease Program**, you will have extra peace of mind because your base rent will increase each year by the change in the applicable CPI+1% or a minimum of 4.0%. But it gets even better! Initially, if you purchase a home from our in-house licensed dealer, you would pay the current year's market rent for your lot until the next rent increase anniversary date for the community. If you purchase a pre-owned home from an existing community tenant, you would be able to pay the base rent due under the existing tenant's lease until the next rent increase anniversary date. In both cases, however, the base rent for the first full calendar year of your lease term would be equal to the prior year's market rent for your lot increased by the change in the applicable CPI+1% or a minimum of 4.0%. Thereafter, your base rent would increase each year by the change in the applicable CPI+1% or a minimum of 4%. It's that simple!

6. Can you show me an example of how this works?

Let's say your base rent this year is \$300 per month. If the applicable CPI used to calculate your base rent increase for next year changes by 3.5%, then CPI+1% is 4.5% and your base rent would increase by \$13.50 ($\$300 \times 4.5\% = \13.50). If the change in the applicable CPI is only 2.5%, then CPI+1% is 3.5%. In this case, your base rent would increase by the minimum of 4.0%, or \$12.00 ($\$300 \times 4.0\% = \12.00). Again, it's that simple!

7. How can I be sure I have the security of your CPI +1% Lease Program?

When you choose our **CPI +1% Lease Program**, you will receive a "Certificate" after closing on your new home and signing a lease for your home site. This Certificate is a binding agreement from the community owner that ensures you have the long-term peace of mind and economic security of our **CPI +1% Lease Program**, provided you comply with certain requirements set forth in the Certificate.

8. What is the term of your CPI +1% Lease Program?

If you purchase a new home, our **CPI +1% Lease Program** will provide you a Certificate that entitles you to annual base rent increases calculated using the change in CPI+1%, with a minimum increase of 4%, for your lifetime. If you purchase a pre-owned home, the **CPI +1% Lease Program** will provide you a Certificate entitling you to annual base rent increases calculated using the change in CPI+1%, with a minimum increase of 4%, for an initial term of five years (plus a partial calendar year at the beginning of your term), and a renewal right for additional terms of five years each subject to a market rate adjustment for base rent at the beginning of each new five-year term (with market rent determined by the community owner in accordance with Florida law). In either case, to receive the benefits of the **CPI +1% Lease Program** you must maintain ownership of your home in the community and comply with certain other requirements outlined in the Certificate. Annual base rent increases will be effective on the same date each year for all homeowners within the community.

9. If I purchase a pre-owned home and receive a Certificate entitling me to renewable five-year terms under the CPI +1% Lease Program, what will my base rent be upon renewal?

Prior to the expiration of an initial 5-year term under the **CPI +1% Lease Program** for pre-owned homes, you may elect to sign a renewal Certificate for an additional 5-year term. To do so, you must be in good standing with the community and be in compliance with all other terms of your lease and Certificate. Your Certificate may be renewed again later for additional terms of five years each provided you're in good standing at that time. Each renewal term will be under the terms and conditions of the existing 5-year **CPI +1% Lease Program**, except that the base rent for the first year of each five-year renewal term will be equal to the then-current market rent for your community as determined by the community owner in accordance with Florida law.

10. What happens if my community is sold?

To add to your peace of mind, the **CPI +1% Lease Program** protects you by making your Certificate binding upon subsequent owners of the community if it is ever sold.

11. Is my certificate transferable if I sell my home or leave it to my heirs?

The **CPI +1% Lease Program** is our special way of rewarding your decision to purchase a home within our community. The benefit of the **CPI +1% Lease Program** is personal to you and is not transferable. If you sell your home or transfer it to others within your family, your rights under your **CPI +1% Lease Program** Certificate will terminate and the community will write a new lease for the homeowners under the community's **Standard Market Lease**.

12. What is the Standard Market Lease?

The **Standard Market Lease** is our other land-lease option. It provides for annual base rent increases equal to the then-current market rent for the community as determined by the community owner in accordance with Florida law.

Note: This document is summary in nature and does not set forth all terms and conditions of tenancy within an American Land Lease, Inc. community or constitute an offer to lease. The specific terms and conditions of any tenancy will be described in detail in your lease and any associated certificates executed prior to your moving into the community. American Land Lease, Inc. or an applicable community owner may decide to stop offering the program described in this document to prospective residents at any time in the future without notice.