

OHIO E.P.A.

BEFORE THE

JAN 17 2008

OHIO ENVIRONMENTAL PROTECTION AGENCY

ENTERED DIRECTOR'S JOURNAL

In the matter of:

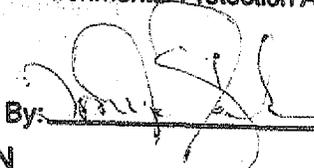
Laurel Lake Retirement Community
200 Laurel Lake Drive
Hudson, Ohio 44236

: Director's Final Findings
: and Orders
:

PREAMBLE

I certify this to be a true and accurate copy of the official documents as filed in the records of the Ohio Environmental Protection Agency.

It is agreed by the parties hereto as follows:

By:  Date: 1-17-08

I. JURISDICTION

These Director's Final Findings and Orders ("Orders") are issued to Laurel Lake Retirement Community ("Respondent") pursuant to the authority vested in the Director of the Ohio Environmental Protection Agency ("Ohio EPA") under Ohio Revised Code ("ORC") 6111.03 and 3745.01.

II. PARTIES BOUND

These Orders shall apply to and be binding upon Respondent and successors in interest liable under Ohio law. No change in ownership of the Respondent, or of the Site owned by Respondent shall in any way alter Respondent's obligations under these Orders.

III. DEFINITIONS

Unless otherwise stated, all terms used in these Orders shall have the same meaning as defined in ORC Chapter 6111 and the rules promulgated thereunder.

IV. FINDINGS

1. Respondent is the applicant for the permit to install ("PTI") Application No. 507249 for the sanitary sewer extension serving the Respondent's Phase 3 independent living villas.
2. Ohio Administrative Code ("OAC") Rule 3734-42-02 requires the Director's issuance of a PTI prior to the installation of a new "disposal system," or the modification of a "disposal system" as such term is defined in ORC Section 6111.01(G).
3. ORC Section 6111.07(A) prohibits any person from violating, or failing to perform, any duty imposed by ORC 6111.01 to 6111.08, or violating any rule adopted by the Director pursuant to those sections, including OAC Rule 3745-42-02.

4. Construction was completed prior to the issuance of the PTI in violation of ORC Chapter 6111 and OAC Rule 3745-42-02.
5. As-built plans have been received by Ohio EPA and are approvable.
6. The Director has given consideration to, and based his determination on, evidence relating to the technical feasibility and economic reasonableness of complying with these Orders and to evidence relating to conditions calculated to result from compliance with these Orders, and its relation to the benefits to the people of the State to be derived from such compliance in accomplishing the purposes of ORC Chapter 6111.

V. ORDERS

1. Respondent shall not install sewerage, or treatment works for sewage disposal or new disposal systems, including, but not limited to, sanitary sewers, at any location in Ohio without first receiving prior approval from the Director as required by law.
2. Respondent shall pay to the Ohio EPA the amount of \$ 2500 in settlement of the Ohio EPA's claim for civil penalties, which may be assessed pursuant to ORC Chapter 6111 in accordance with the following schedule:
 - a. Respondent shall pay \$1500. Payment of the \$1500 shall be made in two installment payments as follows:
 - i. Within 30 days of the effective date of the Orders, Respondent shall pay to Ohio EPA the amount of \$750; and
 - ii. Within 90 days of the effective date of the Orders, Respondent shall pay to Ohio EPA the amount of \$750;

Each of the above payments shall be made by tendering an official check made payable to "Treasurer, State of Ohio" for the full amount together with a letter identifying the Respondent, to the following address:

Ohio EPA
Office of Fiscal Administration
P.O. Box 1049
Columbus, Ohio 43216-1049

A photocopy of the check shall be sent to Ohio EPA at the address listed below:

Ohio Environmental Protection Agency
Northeast District Office
DSW Enforcement Supervisor
2110 East Aurora Road
Twinsburg, Ohio 44087

- b. In lieu of paying the remaining \$1000 of the civil penalty settlement, Respondent shall fund a Supplemental Environmental Project ("SEP") for purchase of conservation easements. Within 30 days of the effective date of the Orders, Respondent shall pay \$1000 by tendering an official check made payable to "The Nature Conservancy", Attention: Janet Seeds, The Nature Conservancy, 6375 Riverside Drive, Suite 50, Dublin, Ohio 43017.

A copy of each check shall be sent to Mark Mann, Environmental Manager, Storm Water and Enforcement Section, or his successor, at the following address:

Ohio EPA
Division of Surface Water
P.O. Box 1049
Columbus, Ohio 43216-1049

- c. If Respondent fails to make the payment to The Nature Conservancy within the timeframe established in Order No. 2.b. of these Orders, Respondent shall pay the amount due to Ohio EPA in accordance with the procedures set forth in Order No. 2.a. of these Orders. Payment shall be due no later than 7 days after the date the payment was due to The Nature Conservancy.

VI. TERMINATION

Respondent's obligations under these Orders shall terminate when Respondent certifies in writing and demonstrates to the satisfaction of Ohio EPA that Respondent has performed all obligations under these Orders and Ohio EPA's Division of Surface Water acknowledges, in writing, the termination of these Orders. If Ohio EPA does not agree that all obligations have been performed, then Ohio EPA will notify Respondent of the obligations that have not been performed, in which case Respondent shall have an opportunity to address any such deficiencies and seek termination as described above.

The certification shall contain the following attestation: "I certify that the information contained in or accompanying this certification is true, accurate and complete."

This certification shall be submitted by Respondent to Ohio EPA and shall be signed by a responsible official of Respondent. For purposes of these Orders, a responsible official is a corporate officer who is in charge of a principal business function of Respondent.

VII. OTHER CLAIMS

Nothing in these Orders shall constitute or be construed as a release from any claim, cause of action or demand in law or equity against any person, firm, partnership or corporation, not a party to these Orders, for any liability arising from, or related to the Site.

VIII. OTHER APPLICABLE LAWS

All actions required to be taken pursuant to these Orders shall be undertaken in accordance with the requirements of all applicable local, state and federal laws and regulations. These Orders do not waive or compromise the applicability and enforcement of any other statutes or regulations applicable to Respondent.

IX. MODIFICATIONS

These Orders may be modified by agreement of the parties hereto. Modifications shall be in writing and shall be effective on the date entered in the journal of the Director of Ohio EPA.

X. RESERVATION OF RIGHTS

Ohio EPA and Respondent each reserve all rights, privileges and causes of action, except as specifically waived in Section XI of these Orders.

XI. WAIVER

In order to resolve disputed claims, without admission of fact, violation or liability, and in lieu of further enforcement action by Ohio EPA for only the violations specifically cited in these Orders, Respondent consents to the issuance of these Orders and agrees to comply with these Orders. Compliance with these Orders shall be a full accord and satisfaction of Respondent's liability for the violations specifically cited herein.

Respondent hereby waives the right to appeal the issuance, terms and conditions, and service of these Orders, and Respondent hereby waives any and all rights Respondent may have to seek administrative or judicial review of these Orders either in law or equity.

Notwithstanding the preceding, Ohio EPA and Respondent agree that if these Orders are appealed by any other party to the Environmental Review Appeals Commission, or any court, Respondent retains the right to intervene and participate in such appeal. In such an event, Respondent shall comply with these Orders notwithstanding such appeal and intervention unless these Orders are stayed, vacated, or modified.

XII. EFFECTIVE DATE

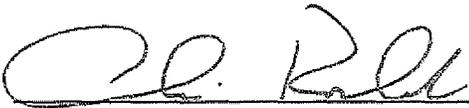
The effective date of these Orders is the date these Orders are entered into the Ohio EPA Director's journal.

XIII. SIGNATORY AUTHORITY

Each undersigned representative or party to these Orders certifies that he or she is fully authorized to enter into these Orders and to legally bind such party to these Orders.

IT IS SO ORDERED AND AGREED:

Ohio Environmental Protection Agency

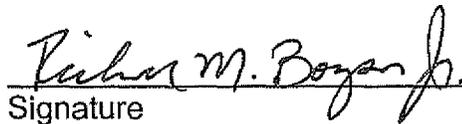


Chris Korleski
Director

1/14/08
Date

IT IS SO AGREED:

Laurel Lake Retirement Community



Signature

12/12/07
Date

Richard M. Boyson Jr.
Printed or Typed Name

CFO
Title