ORIGINAL

ABEL, BAND, RUSSELL, COLLIER, PITCHFORD & GORDON
CHARTERED

HUNTINGTON PLAZA
240 SOUTH PINEAPPLE AVENUE
P.O.BOX 49948
SARASOTA, FLORIDA 34230-6948

WATS (FROM TAMPA) 645-7105
PHONE (941) 366-6660
FAX (941) 366-3999

TANDEM CENTER
SUITE 199
333 TAMIAMI TRAIL SOUTH
VENICE, FLORIDA 34285

PHONE (941) 485-8200
FAX (941) 488-9436

http://www.abelband.com

Reply To: Sarasota

January 28, 1999

Please refer to our file number:
04628-0025
Writer's Direct Line:
(941) 364-2784
Writer's Direct E-mail:
KDoerr@Abelband.com

Florida Public Service Commission
Recording
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Transfer of Fiveland's Certificate No. 571-W to Charlotte County
Docket Number: 98-1930-WU
Supplemental Information

To Whom It May Concern:

The undersigned may be contacted for further information or questions in connection with the above referenced Transfer. This letter responds to the PSC's request for additional information in connection with this Transfer.

1. Closing Prior to Approval by Commission.

Pursuant to Sections 1.5 and 5.1 of the Contract for Contribution of the utility to Charlotte County, ownership of the utility was required to be transferred to Charlotte County not later than December 31, 1998.

2. Closing Date.

Closing on the transfer of the utility to Charlotte County occurred on December 30, 1998.

ACK
AFA
APP
CAF
CMU
CTR
EAG
LEG 1
LIN
OPC
RCH 416847 v.1
SEC 1
WAS Brady
OTH

DOCUMENT NUMBER-DATE
01228 FEB-1 99
FPSC-RECORDS/REPORTING

3. Fully Executed Contract.

At the time of submission of the application for transfer, we did not have a fully executed Contract. The Contract was executed by the Chairman of the Charlotte County Commission on December 29, 1998. Six copies of the fully executed Contract, together with attachments, are enclosed for your records.

4. Status of Receivership.

Theodore C. Steffens was appointed Receiver of Fiveland Investments, Inc. which is the corporate entity for Gasparilla Pines Water Treatment Plant on September 5, 1991. The Order Appointing The Receiver was executed by Judge Becky Titus of the Twelfth Judicial Circuit in and for Sarasota County, Florida, Civil Division, Case No. 91-4506-CA-01. The Receiver was appointed as a result of shareholder deadlock. There were two equal shareholders, one of whom was a resident shareholder and the on-site manager. The non-resident shareholder terminated the resident shareholder's management functions due to perceived inadequacies. The shareholders were then deadlocked and a receiver was appointed accordingly.

Since the Receiver's appointment, the Utility has partially upgraded and automated. As a result of the Utility Plant upgrades, the water treatment plant now requires a licensed plant operator on-site as set forth by the conditions of the Utility's permit and the Utility has one full-time employee that performs field work and other duties.

All the previously delinquent Corporate Income tax returns, Personal Property tax returns, Intangible tax returns, and Annual Reports for the years of 1989 and 1990 were filed by the Receiver. The delinquent 1990 Real Estate and Tangible Personal Property Taxes were also paid in full by the Receiver.

Prior to the Receiver's appointment on September 5, 1991, Fiddlers Green Condominium (customers of the utility) filed a lawsuit against the utility on August 19, 1991, alleging damage to lines, utilities, and improvements as a result of the inadequacy of the potable water. The Receiver recently and successfully resolved the lawsuit against the utility without liability accruing to the utility. There remains the potential that the utility may recover monies from the insurance

company and this aspect of lawsuit is ongoing. However, because the Receiver is not necessary to collect any such recovery, he has recently initiated steps for the Dissolution of Receivership.

5. Wastewater Provider.

Sandalhaven Utility, Inc. is the present wastewater provider for this area. Sandalhaven has applied for a transfer of its certificated area to Utility, Inc.

Thank your for your cooperation in completing this Transfer. If you have any questions, please do not hesitate to contact me. My direct number is (941) 364-2715.

Very truly yours,

ABEL, BAND, RUSSELL, COLLIER,
PITCHFORD & GORDON, CHARTERED

Barbara B. Levin
For The Firm

BBL:pjh

Enclosures (5) Copies of this Letter
(6) Copies of the executed Contract with attachments

cc: Jeffrey S. Russell, Esquire w/o enc.
Theodore C. Steffens, w/o enc.
George McFarlane, Regulatory Consultants, Inc. w/o enc.
William J. Murchie, P.E., AM Engineerying, Inc. w/o enc.

(RES 98130ØAA)

FIVELAND INVESTMENTS, INC.

UTILITY SYSTEM CONTRIBUTION AGREEMENT

By and Between Charlotte County, Florida

And

Fiveland Investments, Inc.

TABLE OF CONTENTS

EXHIBITS

UTILITY SYSTEM CONTRIBUTION AGREEMENT

THIS AGREEMENT is made this 29th day of December, 1998, by and between CHARLOTTE COUNTY, a political subdivision of the State of Florida, hereinafter referred to as "COUNTY", with its principal place of business at 18500 Murdock Circle, Port Charlotte, Florida 33948, and FIVELAND INVESTMENTS, INC., a Florida corporation, hereinafter referred to as "UTILITY", with its principal place of business at 6320 Tower Lane, Sarasota, Florida 34240.

W I T N E S S E T H:

WHEREAS, Utility owns and operates a potable water plant, wells, real property and other appurtences and other assets comprising its potable water utility system; and

WHEREAS, the County has the power and authority to provide potable water and wastewater infrastructure and service within Charlotte County; and

WHEREAS, the County has held a public hearing on the proposed contribution and acceptance of all or substantially all of the water utility assets owned by Utility in Charlotte County, Florida, and made a determination that such a contribution is in the public interest; and

WHEREAS, the County, in determining if such contribution and acceptance is in the public interest considered, at a minimum, all of the factors referenced in Section 125.3401, Florida Statutes; and

WHEREAS, the County desires to acquire all or substantially all of the assets which are used and available for use by Utility in providing water services in Charlotte County, Florida, and Utility has consented to contribute those assets to the County.

NOW, THEREFORE, in consideration of the mutual promises, covenants, representations and agreements contained herein, together with $10 and other good and valuable consideration exchanged between the parties, the parties to this Fiveland Investments, Inc. Utility System Contribution Agreement do undertake, promise and agree for themselves, their permitted successors and assigns as follows:

SECTION 1. RECITATIONS OF FACT.

1.1 Description of Utility System. Utility is the owner of the real property, water plant, wells and other appurtenances and other assets specified in Composite Exhibit 1 annexed hereto (the "Utility System").

1.2 Ownership of Utility. Eugene Schwartz ("Schwartz") is the sole stockholder of Utility. Theodore Steffens is the court appointed receiver for the assets of the Utility pursuant to an appointment granted by the Twentieth Judicial Circuit in and for Charlotte, Florida on September 5, 1991, Case No. 91-4506 (the "Receivership").

1.3 Description of Certificated Area. Utility is regulated by the Florida Public Service Commission (the "PSC") which has issued a certificate for the operation of Utility in its certificated area as described on Exhibit 2 annexed hereto.

1.4 Acquisition by County. County desires to acquire all or substantially all of the Utility's assets, tangible and intangible, used and useful in the operation of the Utility System as set forth on Composite Exhibit 1 on the terms and conditions set forth herein. Further, although Utility is contributing its System and assets to the County for nominal consideration, the County has duly considered the acquisition of the System and the assets pursuant to Section 125.3401, Florida Statutes, at a duly noticed public hearing held on December 1, 1998.

1.5 Closing Date. The parties desire to consummate the transactions contemplated herein on a mutually agreed upon date between December 29, 1998, and December 31, 1998. (the "Closing Date" or "Closing"). Time for closing may be extended by Fiveland to no later than March 1, 1999.

1.6 Incorporation. The appendices and Exhibits hereto and each of the documents referred to therein are incorporated and made a part hereof in their entirety by reference.

SECTION 2. TRANSFER OF UTILITY SYSTEM.

2.1 Statement of Intent. As is hereinafter specified, the Utility System is being contributed to County and is not being sold to the County. County shall have the right prior to the Closing Date, to conduct such inspections, financial and engineering reports, surveys, reviews or analysis ("reviews") as it may in its

sole discretion determine, but in the event that the results of these reviews are unsatisfactory to County, its sole recourse shall be to cancel and terminate this Agreement, thereupon the County and Utility shall release one another of all obligations hereunder. Utility does not, by the execution and delivery of this Agreement, and Utility shall not, by the execution and delivery of any document or instrument executed and delivered in connection with the Closing, other than is otherwise provided herein, make any warranty, express or implied, of any kind or nature whatsoever, with respect to the Utility System, and all such warranties are hereby disclaimed. The contribution of the Utility System by Utility to County shall be "AS IS". Without limiting the generality of the foregoing, UTILITY MAKES, AND SHALL MAKE, NO EXPRESS OR IMPLIED WARRANTY AS TO THE USE, FITNESS FOR ANY PARTICULAR PURPOSE, ZONING, HABITABILITY, CONDITION, MERCHANTABILITY, VALUE, QUALITY OR SALABILITY OF OR ANY OTHER MATTER AFFECTING THE UTILITY SYSTEM.

2.2 Developer Agreements. Annexed hereto as Exhibit 3 are copies of all agreements as between Utility and third parties relative to the furnishing of utility services ("Developer Agreements") obligating Utility to accept additional connections to the Utility System. These are duplicates of the agreements that were delivered to the County on September 1, 1998, and Utility states that no other developer agreements have been executed since that date. After the execution hereof, no further developer agreements shall be executed prior to Closing except with the express written consent of County. All sums collected for

connection fees and other connection charges which sums are received prior to closing shall be the property of Utility.

2.3 Calibration of Meters. Following the full execution hereof, but prior to the Closing Date, County shall have the right, at County's cost, to calibrate and certify all meters included within the Utility System.

2.4 Access to Records. From the date of this Agreement, Utility shall give to County full access during normal business hours to all books, records, and other documents of Utility and shall furnish County with all information relating to this transaction that County may reasonably request and as may be in the possession of Utility.

2.5 Access to Premises. Utility agrees that County shall have the right to bring its employees in and upon the premises of Utility five (5) working days prior to Closing in order to familiarize them with the operation of the facility and Utility shall cause its employees to cooperate fully with County's employees in this regard.

2.6 Survey. The County shall have the right to conduct a survey of the property conveyed hereunder. If the results of the survey are unacceptable to the County, in the County's sole opinion, the County may cancel this Agreement, thereupon County and Utility shall release one another of all further obligations.

2.7 Environmental Review. The County shall have the right to cause an environmental review of the property conveyed hereunder. If the determination of the review is unacceptable to the County in the County's sole opinion, the County may cancel this

Agreement, thereupon the County and Utility shall release one another of all further obligations.

2.8 Conditions Precedent to Utility's Obligations. The obligations of Utility hereunder are conditioned upon approval of this Agreement by the Court having jurisdiction of the Receivership on or before the Closing Date. Further, the obligations of Utility hereunder are conditioned upon approval of this Agreement by the PSC on or before the Closing Date. If PSC approval has not been received by Closing Date, Utility shall submit to County copies of its petition and any other documents that comprise the Utility's application for PSC approval pursuant to F.S., Section 367.071.

2.9 Instruments. The instruments of conveyance and transfer shall be in the form reasonably satisfactory to Utility's and County's counsel. Appropriate forms of such instruments of transfer and conveyance shall be agreed upon by such counsel within ten (10) days following the full execution hereof.

2.10 Title Verification. Utility shall order a commitment for an ALTA form owner's title insurance policy and shall have ten (10) days from the full execution hereof in which to notify County of any title defects. Utility shall have until Closing or any extension thereof to cure such defects and shall use reasonable diligence in so doing. Failure of Utility to cure the defects shall, at the option of County, in its sole discretion, County may: a) close this transaction without the defects being cured or b) cancel this Agreement, thereupon the County and the Utility shall release one another of all obligations hereunder.

2.11 Transfer of Assets. On the Closing Date, Utility shall execute such deeds of conveyance and bills of sale or other documents as are necessary to transfer, convey, assign and shall deliver to County, free and clear of all liabilities and encumbrances whatsoever (except as otherwise specified herein), all of Utility's rights, remedies, powers, title or interest in the contributed assets comprising the Utility System as specified on Composite Exhibit 1 hereof, and Utility shall deliver the documents and items set forth below:

2.11.1 A Special Warranty Deed conveying the real property on which the water plant is located (the "Plant Site").

2.11.2 A quit-claim deed conveying all easement rights of Utility relative to properties outside of the Plant Site. It is understood that although Utility may not have accurate records of the actual location of it water distribution lines and that some of these lines may not have an easement for their continued placement and maintenance, to the best of Utility's knowledge, the easements identified in Exhibit B to the Bill of Sale represent easements owned by Utility and used in the operation of the Utility System and the Contributed Assets.

To Utility's actual knowledge, no present possessory interest in any real or personal property owned, used or controlled by Utility has ever automatically terminated or reverted to the grantor thereof as a result of any failure to continuously use such property for water purposes; nor is Utility aware of any claim, whether actual or threatened, of any such reversion.

2.11.3 All maps, surveys and specifications in the possession of Utility showing the location of the water plant and the locations of the existing water distribution system but without warranty as to completeness or accuracy.

2.11.4 An Affidavit in compliance with Internal Revenue Code, Section 1445, specifying that Utility is not a foreign person.

2.11.5 An Unconditional Bill of Sale, conveying the all machinery; equipment; tools; furniture; fixtures; structures; office equipment; water plant components; and other tangible personal property owned by Utility and located at the Plant Site and a Bill of Sale Without Warranty for all water transmission lines.

2.11.6 An Assignment or transfer of all current or active permits, applications, certificates, approvals or other documents, together with effective dates and any expiration dates which authorize the operation of the Utility`s water facilities by all applicable governmental authorities.

2.11.7 An Assignment or transfer of all operating and vendor contracts affecting the Utility.

2.11.8 To the extent of possession thereof by the Utility, all other records, files and correspondence relating to the operation and maintenance of the Utility System.

2.11.9 To the extent of possession thereof by the Utility, all keys to the locks within the Utility System and mechanical, electrical and plumbing layouts, engineering plans and

studies, utility schemes and operating manuals and video line inspections.

2.11.10 Corporate resolutions of Utility authorizing this transaction and closing hereunder.

2.11.11 A complete customer list, including both service addresses and billing addresses, if different.

2.11.12 A report accounting for the customer deposits held by Utility on the Closing Date. Such report shall list the depositor, service address, date deposit received, and amount of deposit. The report shall be accompanied by a cashier's check payable to the "Board of County Commissioners of Charlotte County, Florida" for the total of the customer deposits on hand on the Closing Date.

2.12 Accounts Receivable. Utility shall bill and collect unpaid accounts receivable for service rendered through the last billing date. County agrees to make its best efforts to assist Utility in collecting any unpaid accounts receivables which have not been collected as of the Closing Date. When County completes its first billing cycle, it will prorate accounts receivable to the Closing Date and shall pay Utility its proportionate share. Utility shall pay all accounts payable for goods and services delivered or rendered to the Closing Date. Utility shall be responsible for paying all debts of Utility whether rendered at Closing or not unless same have been assumed hereunder.

2.13 County's Assumption of Certain Obligations and Liabilities. Upon Closing, County shall assume and pay, discharge

and perform the following, subject to the limitations set forth herein:

2.13.1 Any contractual obligation of Utility for the payment of customer deposits but only insofar as related to and arising out of events occurring after the Closing Date and only if the amount thereof has been delivered to County.

2.13.2 All obligations arising out of County's ownership and operation of the Utility System after the Closing Date.

2.13.3 Obligations under the terms of existing customer agreements, but only to the extent that those agreements provide for utility services to be supplied after the Closing Date and only if disclosed prior to Closing.

2.13.4 Obligations under the terms of existing Developer Agreements or other agreements to provide utility services, but only to the extent that terms were disclosed prior to Closing.

SECTION 3. WARRANTIES BY UTILITY. Utility represents and warrants as follows:

3.1 Organization. Utility is a corporation duly organized, existing, and in good standing under the laws of the State of Florida, and has complied with Section 607.1202, Florida Statutes, relating to the authorization of the sale of the assets of the corporation.

3.2 Employment Arrangements. Utility is not a party to any employment agreement, collective bargaining agreement, or pension, profit-sharing or retirement plan or agreement that relates to any

period beyond the Closing Date that in any way creates a liability on Utility.

3.3 Other Agreements. Utility is not a party to any other agreement for purchase and sale of the assets referred to herein and has not obligated itself pay any broker's fee, finder's fee or real estate commission in connection with this transaction.

3.4 Proceedings. To the best of Utility's knowledge and belief, there are no criminal proceedings, civil suits, governmental or administrative proceedings, workers' compensation claims, federal or state actions relating to claims of employment discrimination or pension plan violations, or other litigation pending or, to the knowledge of Utility, threatened against Utility that might materially affect the financial condition, business, or property of Utility or the Utility System.

3.5 Assets. From and after the date of the execution of this Agreement, Utility will not without the prior written consent of the County, dispose of or encumber any of the Assets, with the exception of non-material transactions occurring in the ordinary course of Utility's business and there will be no material depletion of Assets, nor any adverse material change in the condition of the Assets, and the Utility System and all of the Assets will be properly maintained within the custom and usage of the industry up until and through closing.

3.6 Environmental Matters. The parties acknowledge and agree that none of the foregoing warranties and representations nor any other term, covenant or condition of this Agreement or of any document to be delivered at Closing, shall be deemed to be a

warranty or representation by Utility as to any environmental matters relative to the Utility System or the existence or non-existence of any Hazardous Substances with respect to the Utility System, except to the extent that, to Utility's actual knowledge, Utility has not authorized the placing or depositing of hazardous substances on the real estate and easements to be conveyed to the County except, if at all, in accordance with applicable law, and Utility has no actual knowledge of any hazardous substance having been, or currently being, placed or deposited on said real property and easements. For purposes of this agreement, "Hazardous Substances" shall mean and include those elements or compounds which are contained in the list of hazardous substances adopted by the United States Environmental Protection Agency (EPA) and the list of toxic pollutants designated by Congress or the EPA or defined by any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material as now or at any time hereafter in effect.

3.7 Condition of Utility. There are no facts actually known to Utility materially affecting the physical condition of the Utility System or Assets which are not readily observable and which have not been previously disclosed or provided to the County in connection with this transaction or otherwise.

SECTION 4. WARRANTIES BY COUNTY. County represents and warrants as follows:

4.1 Continuous Service. That the assets being purchased herein will be taken over by County and operated in such a manner as to serve customers without interruption by reason of this contribution and acceptance.

4.2 Continuing Service. County agrees to continue to provide utility services to current customers at the time of Closing and to provide future utility services for future commercial and non-commercial residents of the certificated area to the extent the latter is serviced or to be serviced by the Utility System.

SECTION 5. CLOSING/CLOSING COSTS/CONSIDERATION.

5.1 Date and Place. The Closing of the transactions contemplated by this Agreement shall take place at 2:00 P.M. on the 29th day of December, 1998 at the offices of the County Attorney.

5.2 Taxes. Real and personal property taxes shall be paid by Utility up to the Closing Date in the manner provided by law.

5.3 Closing Costs. All closing costs shall be paid by Utility.

5.4 Consideration. The Utility System is being transferred and contributed to County for a nominal monetary consideration; however, the parties acknowledge and agree that the fair market value of the Utility System is One Million ($1,000,000.00).

SECTION 6. DEFAULT AND REMEDIES.

(A) A breach of this Agreement shall mean a material failure to comply with any of the provisions of this Agreement. If any party breaches any obligation herein, then, upon receipt of

written notice by the non-breaching party, the breaching party shall proceed diligently and in good faith to take all reasonable actions to cure such breach and shall continue to take all such actions until such breach is cured.

(B) Unless otherwise provided herein, the parties to this Agreement may proceed at law or in equity to enforce their rights under this Agreement.

SECTION 7. GOVERNING LAW AND VENUE.

This Agreement, and all of the relationships between the parties hereto, shall be construed and interpreted in accordance with the laws of the State of Florida and venue for any litigation arising hereunder shall be in the Circuit Court of the Twentieth Judicial Circuit of the State of Florida in and for Charlotte County.

SECTION 8. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon and inure the benefit of the parties' successors and assigns. No party may assign this Agreement or any interest hereunder, in whole or in part, without the prior written consent of the other party.

SECTION 9. NOTICE.

Each notice or document (collectively referred to in this section as "notice") required or permitted to be given hereunder must comply with the requirements of this section. Each such notice shall be in writing and shall be delivered either by personal delivery, delivery by courier service, or by deposit with the United States Postal Service or any official successor thereto,

certified mail, return receipt requested, with adequate postage prepaid, addressed to the appropriate party (and marked to a particular individual's attention). Such notice shall be deemed delivered at the time of personal delivery, or, if mailed, when it is received. Rejection or other refusal by the addressee to accept the notice shall be deemed to be receipt of the notice on the fifth day after the date rejected. The addresses of the parties to which notice is to be sent shall be those set forth below with copies sent to:

The County:

Director of Utilities
Charlotte County Utilities
20101 Peachland Boulevard
Suite #301
Port Charlotte, Florida 33954

With a copy to:

Charlotte County Attorney
Charlotte County Administration Center
18500 Murdock Circle
Port Charlotte, Florida 33948

The Utility:

President
Fiveland Investment, Inc.
6320 Tower Lane
Sarasota, FL 34240

With a copy to:

Jeffrey S. Russell, Esq.
Abel, Band, Russell, Collier,
Pitchford & Gordon
Barnett Bank Center
240 South Pineapple Avenue
Sarasota, Florida 34230-6948

Either party may change such address by written notice to the other party designating the new address in accordance with this Section.

SECTION 10. ENTIRE AGREEMENT.

This Agreement and the exhibits hereto contain the entire agreement between the parties hereto. No agent, representative, or officer of the parties hereto has any authority to make, or has made, any statements, agreements, or representations, either oral or in writing, express or implied, modifying, addition to, or changing the terms and conditions hereof, and neither party has relied upon any representations not set forth in this Agreement. No dealings between the parties or custom shall be permitted to contradict, add to, or modify the terms hereof. No waiver or amendment to the provisions hereof shall be effective unless in writing and signed by all parties.

SECTION 11. SURVIVAL.

The provisions hereof shall not survive the Closing and shall be merged into any deed or other instrument of conveyance.

SECTION 12. NO WAIVER.

Failure of either party to insist upon compliance with any provision hereof shall not constitute a waiver of the rights of such party to subsequently insist upon compliance with that provision or any other provision of this Agreement.

SECTION 13. CONSTRUCTION OF AGREEMENT.

Should any provision of this Agreement require judicial interpretation, it is agreed that the court interpreting or

construing the provision shall not apply a presumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who itself or through its agent prepared the document. Any handwritten or typed additions to this Agreement which have been initialed by the parties shall control over any inconsistent printed terms.

SECTION 14. CAPTIONS AND GENDER.

The captions used herein are for convenience only and shall not be considered in the construction of the various provisions of this Agreement. As used herein, the singular shall include the plural, and the masculine shall include the feminine and neuter genders, as appropriate.

SECTION 15. ATTORNEY'S FEES.

In the event there is a breach of this Agreement and it becomes necessary for any party to employ the services of any attorney either to enforce this Agreement or pursue other remedies with litigation or adversarial administrative proceedings, the losing party shall pay to the successful party reasonable attorneys' fees and such reasonable costs and expenses as are awarded by a court of competent jurisdiction.

SECTION 16. EFFECTIVE DATE.

This Agreement shall become effective when executed by the Chairman of the Board of County Commissioners and attested to by the Clerk to the Board of County Commissioners.

SECTION 17. NO PERSONAL LIABILITY.

County acknowledges that Theodore Steffens is acting hereunder in his capacity as the court-appointed receiver for the Utility and not individually. Accordingly, County agrees that Theodore Steffens shall have no personal liability hereunder.

SECTION 18. RISK OF LOSS.

At all times prior to and through the day of closing, Utility shall maintain adequate fire and extended insurance coverage for the cost of any repairs to the Assets that may be required by casualty damage. The risk of loss during the said period of time shall fall upon Utility. The risk of loss shall pass to the County at closing.

IN WITNESS HEREOF, the undersigned have executed this Agreement on the respective dates indicated.

BOARD OF COUNTY COMMISSIONERS
OF CHARLOTTE COUNTY, FLORIDA

Date: 12/29/98

By: Mac V. Horton
Mac V. Horton, Chair

ATTEST:
Barbara T. Scott, Clerk Of
Circuit Court and Ex-Officio
Clerk to the Board of County
Commissioners

By: Karen J. Mitchell
Deputy Clerk

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

Reneé Francis Lee
Reneé Francis Lee, County Attorney KWE

FIVELAND INVESTMENTS, INC.
a Florida Corporation

Date: 12/14/98

By:
Theodore Steffens
As its Receiver

WITNESS:

Russell M. Hayson

Date: 12-21-98

By: Eugene Schwartz
Eugene Schwartz
As its Owner

WITNESS:
Laura J. Haines

STATE OF FLORIDA)

)

COUNTY OF Sarasota

The foregoing instrument was acknowledged before me this 21st day of December, 1998, by Eugene Schwartz, who is personally known to me/produced _____ as identification.

Laura F. Gaines

NOTARY PUBLIC

Laura F. Gaines

PRINT NAME

Commission No.

Laura F. Gaines
Notary Public, State of Florida
My Comm. Expires Dec. 22, 2000
No. CC 592583
Bonded Thru Official Notary Service
1-(800) 723-0121

My commission expires: 12-22-00

p:\wpdata\errett\fiveland\agreeme4.jsr/LR98-361

#297440.1

COMPOSITE EXHIBIT 1

DESCRIPTION OF UTILITY SYSTEM

COMPANY PROFILE

Provide a brief narrative company profile which covers the following areas:

A. Brief company history.
B. Public services rendered.
C. Major goals and objectives.
D. Major operating divisions and functions.
E. Current and projected growth patterns.
F. Major transactions having a material effect on operations.

THEODORE C. STEFFENS WAS APPOINTED RECEIVER OF FIVELAND INVESTMENTS , INC. WHICH IS THE CORPORATE ENTITY FOR GASPARILLA PINES WATER TREATMENT PLANT ON SEPTEMBER 5, 1991. THE ORDER APPOINTING THE RECEIVER WAS EXECUTED BY JUDGE BECKY TITUS OF THE TWELFTH JUDICIAL CIRCUIT IN AND FOR SARASOTA COUNTY, FLORIDA, CIVIL DIVISION, CASE NO. 91-4506-CA-01. THE RECIEVER WAS APPOINTED AS A RESULT OF SHAREHOLDER DEADLOCK. THERE WERE TWO EQUAL SHAREHOLDERS, ONE OF WHOM WAS A RESIDENT SHAREHOLDER AND THE ON-SITE UTILITY MANAGER. THE NON-RESIDENT SHAREHOLDER TERMINATED THE RESIDENT SHAREHOLDER'S MANAGEMENT FUNCTIONS DUE TO PERCEIVED INADEQUACIES. THE SHAREHOLDERS WERE THEN DEADLOCKED AND A RECEIVER WAS APPOINTED ACCORDINGLY.

SINCE THE RECEIVERS APPOINTMENT, THE UTILITY HAS PARTIALLY UPGRADED AND AUTOMATED. THE RECEIVER RETAINED RUSTY PLUMBING, INC. FOR THE PLANT MODIFICATIONS AND UPGRADES WHICH INCLUDED NEW HIGH SERVICE PUMPS, A NEW PANEL, HYDRO PNEUMATIC TANKS, GENERATOR TRANSFER SWITCH, AND THE NECESSARY PIPING MODIFICATIONS.

ALL THE PREVIOUSLY DELINQUENT CORPORATE INCOME TAX RETURNS, PERSONAL PROPERTY TAX RETURN INTANGIBLE TAX RETURNS AND ANNUAL REPORTS FOR THE YEARS OF 1989 AND 1990 WERE FILED BY THE RECEIVER. THE DELINQUENT 1990 REAL ESTATE AND TANGIBLE PERSONAL PROPERTY TAXES WERE ALSO PAID IN FULL BY THE RECEIVER.

AS A RESULT OF THE UTILITY PLANT UPGRADES, THE WATER TREATMENT PLANT NOW REQUIRES A LICENSED PLANT OPERATOR ON-SITE AS SET FORTH BY THE CONDITIONS OF THE UTILITY'S PERMIT AND THE UTILITY HAS ONE FULL-TIME EMPLOYEE THAT PERFORMS FIELD WORK AND OTHER DUTIES.

THE RECEIVER REMAINS IN CONTROL OF THE UTILITY UNTIL A $ 50,000 RECEIVER CERTIFICATE ISSUED FOR PLANT IMPROVEMENTS IS SATISFIED. THE LAWSUIT FILED BY FIDDLERS GREEN HAS BEEN RESOLVED AND THE SETTLEMENT AGREEMENT IS SEALED PURSUANT TO COURT ORDER. THE RECEIVER IS CURRENTLY INVOLVED IN LITIGATION AGAINST THE INSURANCE COMPANIES FOR THE UTILITY.

FIVELAND INVESTMENTS, INC. IS A REVERSE OSMOSIS WATER UTILITY WHICH PROVIDES POTABLE WATER TO APPROXIMATELY 801 CUSTOMERS, THE MAJORITY OF WHOM ARE CONDOMINIUM OWNERS IN FIDDLER'S GREEN, CHRISTIAN CITY, AND WILDFLOWER CONDOMINIUM DEVELOPMENTS. FIVELAND'S CURRENT PRODUCTION CAPACITY IS 150,000 GALLONS WITH A STORAGE CAPACITY OF 250,000 GALLONS. DEVELOPMENT OF FURTHER CONDOMINIUM PROJECTS WITHIN FIVELAND INVESTMENTS, INC'S. FRANCHISE AREA HAS BEGUN. FIVELAND EXPECTS CONTINUED STEADY GROWTH THE NEXT FEW YEARS. A NEW SUBDIVISION IS CURRENTLY BEING DEVELOPED CONSISTING OF A TOTAL OF 54 SINGLE FAMILY UNITS. THESE UNITS ARE EXPECTED TO COME ON-LINE AT A RATE OF 20 PER YEAR BEGINNING IN 1998.

THE PLANT CAPACITY IS BEING INCREASED BY 100,000 GPD THROUGH CONSTRUCTION OF A NEW WELL, 300,000 GALLON GROUND STORAGE TANK, REVERSE OSMOSIS EQUIPMENT, RELATED PIPING, VALVES AND ELECTRICAL, AND FINALLY, WATER LINE MODIFICATIONS TO IMPROVE PRESSURE AND FLOW. THE TOTAL PLANT IMPROVEMENTS ARE EXPECTED TO COST $363,698 AS OF DECEMBER 31, 1997. FIVELAND HAS SIGNED CONTRACTS FOR $180,698 FOR THE WELL AND STORAGE TANK.

*Class B Annual Report

685

CLASS "B"

WATER and/or SEWER UTILITIES

(Gross Revenue of $150,000 or More but Less Than $750,000 Each)

ANNUAL REPORT

OF

WU736 08
Fiveland Investments, Inc.
St. Armands Circle
400 Madison Drive, Suite 200
Sarasota, FL 34236-1409

571-W
Certificate Number(s)

FOR THE

YEAR ENDED DECEMBER 31, 1997

Form PSC/WAS 5 (Rev. 12/22/86)

CONTRIBUTED ASSETS

The Contributed Assets shall include those assets, business properties, and rights both tangible and intangible, that Fiveland owns or uses in conjunction with the operation of the Utility System, or any ownership interest which it has or hereafter acquires, relating thereto, including the following:

(1) All water plants, wells, transmission, distribution, pumping of every kind and description whatsoever including without limitation, all trade fixtures, leasehold improvements, pumps, generators, controls, tanks, distribution or transmission pipes or facilities, valves, meters, service connections, and all other physical facilities and property installations used in the operation of the Utility System, together with an assignment of all existing and assignable third party warranties that relate to completed or in progress construction.

(2) All equipment, vehicles, tools, parts, laboratory equipment, and other personal property owned or used by Fiveland in connection with the operation of the Utility.

(3) All current customer records and supplier lists, as-built surveys and water plans, plats, engineering and other drawings, designs, blueprints, plans and specifications, maintenance and operating manuals, engineering reports, calculations, computer models and studies, accounting, budget and business records and all other information controlled by or in the possession of Fiveland that relates to the description and operation of the Utility System, inclusive of all pertinent computer records and the lawful use of all computer software which is or was used in the operation of the Utility System for billing or customer record keeping purposes, including but not limited to the lawful use of any licensed software or proprietary software developed for Fiveland.

(4) All necessary regulatory approvals subject to all conditions, limitations or restrictions contained therein; all existing permits and other governmental authorizations and approvals of any kind necessary to construct, operate, expand, and maintain the Utility System according to all governmental requirements.

(1) All real property and interests, whether recorded in the public records or not, in real property owned, used or controlled by Fiveland.

(2) All easements in favor of Fiveland or its predecessors in interest to the Utility System.

EXHIBIT 2

DESCRIPTION OF CERTIFICATED AREA

EXHIBIT "E"

FIVELAND INVESTMENTS, INC.
DESCRIPTION OF WATER SERVICE TERRITORY

Township 41 South, Range 20 East, Charlotte County, Florida.

Section 21
All that portion of the Southwest 1/4 of said Section 21 lying South of Buck Creek and East of Lemon Bay AND that portion of the Southwest 1/4 of the Southeast 1/4 lying South of Buck Creek and West of State Road 775 as it is now constructed.

Section 27
The West 2400 feet more or less of said Section 27.

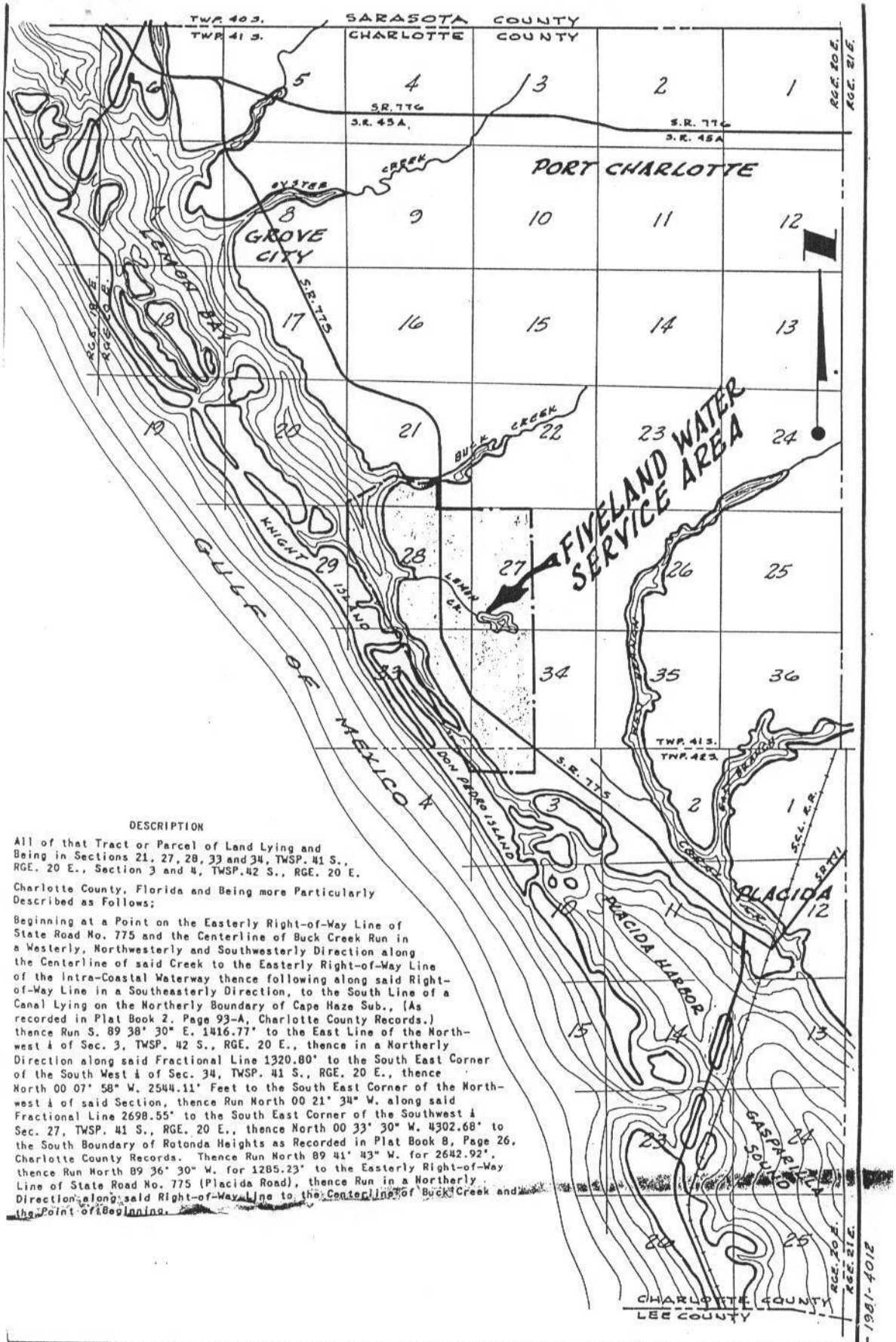
Section 28
All that portion of said Section 28 lying East of Lemon Bay.

Section 33
All that portion of said Section 33 lying East of Lemon Bay.

Section 34
The West 2400 feet more or less of said Section 34.

Township 42 South, Range 20 East, Charlotte County, Florida

Section 3
All that portion of the Northwest 1/4 of said Section 3 lying East of Lemon Bay and North and West of an existing canal.



DESCRIPTION

All of that Tract or Parcel of Land Lying and Being in Sections 21, 27, 28, 33 and 34, TWSP. 41 S., RGE. 20 E., Section 3 and 4, TWSP. 42 S., RGE. 20 E. Charlotte County, Florida and Being more Particularly Described as Follows;

Beginning at a Point on the Easterly Right-of-Way Line of State Road No. 775 and the Centerline of Buck Creek Run in a Westerly, Northwesterly and Southwesterly Direction along the Centerline of said Creek to the Easterly Right-of-Way Line of the Intra-Coastal Waterway thence following along said Right-of-Way Line in a Southeasterly Direction, to the South Line of a Canal Lying on the Northerly Boundary of Cape Haze Sub., (As recorded in Plat Book 2, Page 93-A, Charlotte County Records.) thence Run S. 89 38' 30" E. 1416.77' to the East Line of the Northwest ¼ of Sec. 3, TWSP. 42 S., RGE. 20 E., thence in a Northerly Direction along said Fractional Line 1320.80' to the South East Corner of the South West ¼ of Sec. 34, TWSP. 41 S., RGE. 20 E., thence North 00 07' 58" W. 2544.11' Feet to the South East Corner of the Northwest ¼ of said Section, thence Run North 00 21' 34" W. along said Fractional Line 2698.55' to the South East Corner of the Southwest ¼ Sec. 27, TWSP. 41 S., RGE. 20 E., thence North 00 33' 30" W. 4302.68' to the South Boundary of Rotonda Heights as Recorded in Plat Book 8, Page 26, Charlotte County Records. Thence Run North 89 41' 43" W. for 2642.92', thence Run North 89 36' 30" W. for 1285.23' to the Easterly Right-of-Way Line of State Road No. 775 (Placida Road), thence Run in a Northerly Direction along said Right-of-Way Line to the Centerline of Buck Creek and the Point of Beginning.

FOR: FIVE LAND INVESTMENTS

FIVELAND WATER SERVICE AREA

GASPARILLA PINES UTILITY D

SMALLY, WELLFORD & NALVEN, INC.
CONSULTING ENGINEERS AND SURVEYORS
SARASOTA - FLORIDA

DRAWING NO. B- 1

REV.

INDEX NO. B - 1981-4012

EXHIBIT 3

DEVELOPER AGREEMENTS

DEVELOPER CONTRACTS WITH FIVELAND

I.	1/12/84	Service Contract with Charlotte Harbor Land Co.
II.	4/25/89	Service Contract with Lemon Bay Golf and Country Club Estates. A Joint Venture.
	11/29/89	Service Contract with Lemon Bay Golf and Charlotte County Estates. A Joint Venture II.
	2/16/93	Amendment to above agreements includes 93 lots in Eagle Preserve Phases I and II.
	8/6/97	Second Amendment.
III.	5/97	Whatever Partners
IV.	4/7/90	Shamrock Shores, Phase II Amendment dated 11/4/93 between Shamrock Shores c/o GTC Partners - Elbert and Shirley Weaver. Second Amendment, October 6, 1997 and Ct. approved 3/9/98.
V.	9/9/97	Reimbursement for line extension with Peggy Delbridge.
VI.	12/20/95	Cape Haze Service Contract: Now: Cape Haze Trading Co., successor to Cape Haze Marine Village, Inc. Original Contract between Fiveland and Marina Village, Inc., 12/20/95.
	4/21/98	First Amendment.

P:\wpdata\errett\fiveland\details.1/LR98-361

AGREEMENT

THIS AGREEMENT made and entered into this _____ day of _____, 1997, by and between WHATEVER PARTNERS, A Florida General Partnership, whose mailing address is 8400 Manasota Key Road, Englewood, FL 34223 (the "Developer"), and FIVELANDS INVESTMENTS, INC., a Florida corporation, whose mailing address is 400 Madison Drive, Sarasota, Florida 34236 (the "Service Company").

WITNESSETH:

WHEREAS, Service Company owns and operates in Charlotte County, Florida, a Water System (as defined in F.S. Section 367) and provides potable water to properties and the occupants thereof in its certificated area of service; and

WHEREAS, Developer has or will develop lands located in Charlotte County, Florida and described in Exhibit "A" attached hereto and thereby made a part hereof as if fully set out in this paragraph (the "Property"), the Property consisting of a single-family residential complex (the "Complex") and Developer will be developing the Property by erecting improvements and buildings thereon; and

WHEREAS, in order to meet the financing and general requirements of certain private agencies and certain federal, state, and local governmental agencies, such as, but not limited to the Florida Department of Environmental Protection, the Florida Public Service Commission (the "PSC"), the U.S. Environmental Protection Agency, the Veterans' Administration, the Federal Housing Administration, and private lending institutions, it is necessary that adequate potable water facilities and services be provided to serve the Property and to serve the occupants of each building or other structure constructed on the Property; and

WHEREAS, Developer is not desirous of providing water facilities to serve the Property, but is desirous of promoting the expansion of central potable water facilities by Service Company so that the occupants of each building constructed thereon will receive adequate potable water service; and

WHEREAS, Service Company is willing to provide, in accordance with the provisions and stipulations hereinafter set out, central water facilities, and to provide for the extension of such facilities by way of water transmission lines, and to thereafter operate such facilities so that the occupants of each building constructed on the Property will receive potable water service from Service Company; and

WHEREAS, Developer has or will install the necessary transmission lines and related appurtenances to facilitate potable water service to the Property;

NOW, THEREFORE, for and in consideration of the premises, the mutual undertaking and agreements herein contained and assumed, Developer and Service Company hereby covenant and agree as follows:

1. GRANT TO SERVICE COMPANY OF RIGHTS TO SERVE THE PROPERTY.

Developer hereby grants and gives to Service Company, its successors, and assigns, the exclusive and perpetual right or privilege, to construct, own, maintain, operate, and expand the water system to serve the Property; and, the exclusive and perpetual right, privilege, easement, and right-of-way, subject to assignment, to construct, reconstruct, install, lay, own, operate, maintain, repair, replace, renew, improve, alter, extend, remove, relocate, and inspect all water transmission lines and laterals, connections, and all related and appurtenant facilities and equipment in, under, through, over, upon, and across all present and future streets, avenues, roads, terraces, places, courts, alleys, ways, easements, reserved utility strips and utility sites, rights-of-way, and other public, quasi-public, and reserved ways, areas, places, and locations, including but not limited to any lake, canal, or other water area shown on any plat or plats of the Property, or any part thereof, which may be recorded from time to time, or which may be provided for in private easement agreements independent of such plat or plats, or in dedications or otherwise (all of the foregoing hereafter being called "Easement Areas"), together with the full use, occupation, and enjoyment thereof for such purposes and all rights and privileges incident or appertaining or appurtenant thereto, including but not limited to the right of ingress and egress for such purposes throughout such Easement Areas and to and within every lot and parcel of land shown on any such plat or plats or to any part of the Property. Simultaneously with the recording of any plat or plats, or thereafter, at the option and upon request of Service Company or its successors or assigns, Developer shall execute and deliver a grant or grants of easement in recordable form, which form shall be subject to the prior approval of Service Company, designating or describing the Easement Areas granted by this Section. All easements granted to Service Company by this Section shall contain legal descriptions of the said Easement Areas described in metes and bounds or otherwise delineating the exact area of the Property included as the Easement Areas.

2. RESTRICTIVE COVENANT.

Developer, as further consideration of this Agreement, and in order to effectuate the foregoing grants to Service Company, hereby places the following covenant, as a covenant running with the land, upon the Property thereby subjecting it to a reservation, limitation, condition, or restriction in favor of Service Company as follows:

FIVELANDS INVESTMENTS, INC., a Florida corporation, or its successors or assigns, has the sole and exclusive right to provide all potable water facilities and service to the Property described in Exhibit "A" and to any property to which potable water service is actually rendered pursuant to this Agreement. All occupants of any building or improvements erected on the Property, and all subsequent or future owners or purchasers of the Property, or any portion thereof, shall receive their potable water service from the aforesaid corporation, or its assigns, and shall pay for the same in accordance with the terms, conditions, tenor, and intent of this Agreement, for so long as the aforesaid corporation, or its successors or assigns, provide such service to the Property, and all occupants of any building or improvement erected or located on the Property, and all subsequent or future owners or purchasers of the Property, or any portion thereof, agree by occupying any premises on the Property, or by recording any deed of conveyance with respect to the Property, that they will not construct, dig, build, or otherwise make available or use potable water service from any source other than that provided by Service Company. Service Company or its assigns shall have access at all reasonable times to every water transmission line or lateral and appurtenant facilities for the purposes of operating, maintaining, repairing, and replacing the said potable water service facilities.

3. GRANT TO SERVICE COMPANY OF ADDITIONAL EASEMENT RIGHTS.

Developer and Service Company covenant that each will use due diligence in ascertaining all easement locations; however, should Developer or Service Company install any water facilities outside an Easement Area, Developer, the successors, and assigns of Developer, covenant and agree that Service Company will not be required to move or relocate any facilities lying outside said Easement Area so long as the facilities do not interfere with the then or proposed use of the private property in which the facilities have been installed.

4. RESERVATION TO DEVELOPER TO GRANT EASEMENT RIGHTS FOR OTHER UTILITY SERVICES.

Nothing contained in this Agreement shall prevent Developer, or any subsequent owner of the Property, or of any part thereof, from granting exclusive or nonexclusive rights, privileges, easements, and rights-of-way in the Easement Areas for the furnishing of utility services other than potable water service. Provided, however, that every such other grant shall be on the express condition that the Grantee therein shall not impair or interfere with the use, occupation, and enjoyment of the Easement

Areas by Service Company nor require Service Company to move, replace, adjust, alter, or change any of its facilities.

5. COVENANT BY SERVICE COMPANY TO SERVE THE PROPERTY.

Upon the continued accomplishment of all the prerequisites contained in this Agreement to be performed by Developer or by Service Company, Service Company covenants and agrees that it will provide water service in accordance with the terms and intent of this Agreement, so that the Property will receive adequate potable water services. Service Company agrees that once it provides potable water services to the Property, or any portion thereof, that thereafter Service Company will continuously provide, at its cost and expense, but in accordance with the other provisions of this Agreement, including rules and regulations and rate schedules, potable water service to the Property in a manner to conform with all reasonable requirements of the U.S. Environmental Protection Agency, Florida Department of Environmental Protection, the PSC, and other governmental agencies having jurisdiction over the potable water operations of Service Company.

6. INCLUSION OF PROPERTY IN CERTIFICATED AREA.

Service Company represents to Developer that the Property is within the confines of the certificated area granted to Service Company by the PSC.

7. TITLE.

At the request of Service Company, Developer, at its sole cost and expense, shall furnish Service Company with an opinion of title from a qualified attorney at law with respect to the right of Service Company to utilize all Easement Areas in the manner provided herein.

8. DEVELOPMENT PLAN.

It is the intention of the parties in entering into this Agreement that Developer grants to Service Company the exclusive right and privilege to provide all of the land set forth in Exhibit "A" with potable water facilities and services and that the Property will be developed as a single-family residential complex substantially in accordance with the Master Plan annexed as Exhibit "B."

9. DEVELOPER NOT TO ENGAGE IN WATER BUSINESS ON THE PROPERTY.

Developer, as a further and essential consideration of this Agreement, agrees that Developer, or the successors and assigns of Developer, shall not (the words "shall not" being used in a mandatory definition) engage in the business or businesses of providing potable water service to the Property during the period

of time Service Company, its successors, and assigns, provide potable water service to the Property, it being the intention of the parties hereto that under the foregoing provision and also other provisions of this Agreement, Service Company shall have the sole and exclusive right and privilege to provide potable water service to the Property and to the occupants of each building or structure constructed thereon.

10. RATES, RULES, AND REGULATIONS.

Service Company agrees that the initial rates to be charged to consumers of potable water service shall be those shown in the rate schedule annexed hereto, made a part hereof, and marked Exhibit "C." However, notwithstanding any provision in this Agreement, Service Company may establish, amend, or revise from time to time in the future and enforce different rates or rate schedules reflecting rates other than those shown in Exhibit "C." However, any such lower or higher rates or rate schedules so established and enforced shall at all times be reasonable and subject to such regulation as may be allowed by law.

Developer shall be bound by Service Company's Rules and Regulations and Service Availability Policy made a part hereof and marked Exhibit "D" (hereinafter referred to as Rules and Regulations") and any amendment or modifications thereto, which may be approved by the PSC in the future, as though fully set forth herein to the extent that the said Rules and Regulations relate to potable water services and facilities.

Any such initial or future rates, rate schedules, and rules and regulations established, amended, or revised and enforced by Service Company from time to time in the future, shall be binding upon Developer, upon any person or other entity holding by, through, or under Developer, and upon any user or consumer of the potable water service provided to the Property by Service Company.

11. PAYMENT OF CAPACITY FEES.

(a) Developer shall pay to Service Company capacity fees in the amount of Eleven Thousand Dollars ($11,000.00) which shall be equivalent to ten (10) equivalent dwelling units ("EDUs") or 225 gallons per day per dwelling unit. The approved capacity fee of Service Company is that shown on Exhibit "C" annexed. Concurrently with the execution hereof, Developer shall pay to Service Company Two Thousand Dollars ($2,000.00), which is equivalent to the fee for ten (10) meter installations, one to serve each of the ten (10) EDUs.

(b) Developer desires to reserve, <u>en toto</u>, the lesser of ten (10) EDUs or 225 gallons per day for each such residential unit. Accordingly, Developer shall pay to Service Company concurrently

with the execution hereof the approved capacity fee for such additional dwelling units.

12. DEFERRED STANDBY FEES.

Developer agrees to pay to Service Company deferred standby fees from the date of this Agreement as shown on Exhibit "C" annexed hereto.

13. GROUNDS FOR WORK STOPPAGE BY SERVICE COMPANY.

In the event Developer shall fail or refuse to pay Service Company within fifteen (15) days of its maturity, and after notice from Service Company to Developer, any sum provided to be paid by Developer to Service Company under the terms of this Agreement, then Service Company, upon ten (10) days written notice to Developer may, at its option, stop any work provided for under this Agreement until such sums have been paid.

14. POINTS OF CONNECTION.

Service Company shall make available for the Property the above-specified amount of potable water by means of a connection to an existing transmission line located as shown on Exhibit "B" annexed hereto, hereinafter referred to as the Point of Connection.

15. RESERVATION OF POTABLE WATER CAPACITY FOR DEVELOPER.

Service Company agrees to reserve potable water capacity in the amount set forth above for up to ten (10) equivalent dwelling units ("EDUs").

If all or any part of the Property as a result of additional construction, zoning or density changes requires additional potable water capacity and/or facilities to provide the necessary adequate service, Developer, its successors or assigns, shall provide new engineering plans and specifications, submit them to Service Company for its approval and if approved, a new Service Agreement shall be executed prior to development of all or any part of the Property and appropriate adjustment of all capacity fees and other fees shall be made.

16. LIMITATION ON RESERVATION OF CAPACITY.

It is mutually agreed and understood by Service Company and Developer that the aforesaid reservation of potable water capacity by Service Company does not guarantee connections to Service Company's water system or guarantee the ability of Service Company provide water service to the Property in the event that Service Company is prohibited, limited, or restricted, though no fault of its own, from making such connections or from reserving capacity by local, state, or federal governmental agencies having jurisdiction

over such matters until such time as said prohibition, limitation, or restriction is revoked or amended. In such event, Developer agrees that Service Company shall not be liable or in any way responsible for any costs or losses incurred by Developer as a result of local, state, or federal governmental regulation, intervention, or control; except that should Service Company be prohibited, limited, or otherwise restricted from making connections, reserving capacity, or providing potable water service to the Property or any portion thereof, Service Company's sole obligation and responsibility and Developer's sole remedy shall be, at Developer's option, to refund to Developer within sixty (60) days after receipt of notice, the capacity fees paid by Developer pursuant to Exhibit "C" hereof to the extent that they are applicable to that portion of the Property for which service cannot be rendered.

Further, it is understood by Service Company that Developer may develop the Property in a manner not contemplated in the Master Plan, and, if this be the case, the Developer may, by written notice to Service Company, request a refund of any portion of the Advances which will not be utilized by Developer and Service Company will refund the same, without interest, within sixty (60) days of such notice.

17. NOTICE TO SERVICE COMPANY REQUIRED FOR ASSIGNMENT OF CAPACITY.

No right to any capacity provided for in this Agreement shall be transferred, assigned, or otherwise conveyed to any other party by Developer without written notice to Service Company and such consent shall not be unreasonably withheld; however, while notice shall be required, such consent and agreement of Service Company shall not be required in connection with the sale, lease, or other conveyance of the Property to a bona fide purchaser, lessee, resident or occupant.

18. ENGINEERING OF ON-SITE AND OFF-SITE IMPROVEMENTS.

Developer shall at its own cost and expense cause MARY E. LUKE, P.E. 8400 Manasota Key Rd. Englewood, FL 34223, a registered professional engineering firm of the State of Florida regularly engaged in the practice of utility engineering (hereinafter referred to as Developer's Engineer), to prepare and seal detailed engineering plans and specifications for construction of all of the water transmission lines, including but not limited to any required pumping stations, and all equipment or facilities incident thereto which shall be necessary to provide potable water within the Property and outside of the Property to the extent necessary to connect to the Point of Connection (collectively, the "Improvements"), including the Service Control Fixtures referred to hereinafter. A conceptual layout of the potable water system is attached hereto as Exhibit "B" and made a part hereof. All plans

and specifications covering the Improvements shall conform to Service Company's standard specifications and detail sheets.

19. ENGINEERING PLANS AND SPECIFICATIONS SUBJECT TO SERVICE COMPANY'S REVIEW AND APPROVAL.

Developer, at its sole cost and expense, shall cause Developer's Engineer to transmit the detailed plans and specifications for the Improvements to Service Company for its review and approval. All Improvements shall be of the quality, make, type, brand, and/or design as already in place and in use by Service Company throughout the System unless no longer available or a different product or material is specified by Service Company. Service Company, at the cost and expense of the Developer shall review the said plans and specifications expeditiously, and furnish Developer's Engineer with any proposed changes relating thereto, and Developer's Engineer shall then modify the said plans and specifications to comply with Service Company's proposed changes. No construction of the Improvements shall commence unless and until Service Company has given its final approval of the said plans and specifications.

Upon final approval of the plans and specifications by Service Company, Service Company shall execute such applications as may be required for the submission of the said plans and specifications to state and local regulatory agencies for approval for construction. Developer shall cause Developer's Engineer to prepare the applications for all necessary permits needed for construction of the Improvements with Developer, or its assignee, shown as the "Agent for Operation and Maintenance."

20. DEVELOPER TO SECURE APPROVALS FOR CONSTRUCTION OF IMPROVEMENTS.

Developer or its agents shall be fully responsible for obtaining all required approvals from governmental agencies and for obtaining all necessary construction permits for construction of the Improvements contemplated in this Agreement.

21. DEVELOPER TO CONSTRUCT IMPROVEMENTS.

Upon receipt by Developer's Engineer of all regulatory agency approvals which are a prerequisite to the construction of the Improvements, Developer shall solicit bids for construction of the said Improvements, and Developer shall select a duly licensed construction contractor, or contractors, experienced in the installation of underground water facilities, to construct and install the said Improvements at Developer's sole cost and expense, and to connect the said Improvements to existing facilities of Service Company, all in accordance with plans previously approved by Service Company.

22. CONSTRUCTION MEETINGS.

Service Company reserves the right to call for a construction meeting(s) with Developer's representatives (Engineer, Project Manager, Construction Superintendent, etc.) with respect to matters relating to the construction of the Improvements. Said meeting(s) shall be given twenty-four (24) hours notice and is (are) to be held at the offices of Service Company in Charlotte County or at a place convenient to the project as designated by Service Company.

23. INSPECTION AND TESTING.

At all times during construction of the Improvements, Service Company shall have the absolute right to inspect such construction and installation, and the right to request Developer's Engineer and Developer's contractor(s) to perform standard tests for infiltration, line, and grade, and such other engineering tests as may be necessary to determine that the Improvements have been installed in accordance with the approved plans and specifications and good engineering practice. If any of the Improvements appear to Service Company not to be installed in accordance with the approved plans and specifications and/or good engineering practice, Service Company shall have the right to require Developer's contractor(s) to stop work, and shall request inspection and testing of the work by Developer's Engineer. Developer agrees to pay all costs of inspection, testing and leak location and any repair deemed necessary by Service Company as a result thereof.

At such times during construction of the Improvements when Developer's Engineer requests inspection and/or testing, Service Company's authorized representative, together with Developer's contractor(s), shall jointly be present to witness said inspections and/or tests for determination of conformance with the approved plans and specifications and good engineering practice. Developer shall notify Service Company a minimum of forty-eight (48) hours in advance of said inspections and/or tests so that Service Company may make arrangements to witness the said inspections and/or tests.

The presence of Service Company's representatives during any inspection and/or testing shall not be construed to constitute any guarantee on the part of Service Company as to materials or workmanship, nor shall they relieve Developer of responsibility for proper construction of the Improvements in accordance with the approved plans and specifications, nor shall they relieve Developer of the warranties specified herein as to the quality and condition of the materials and workmanship.

In the event Service Company fails to witness any inspection or test provided for herein, Developer may proceed with construction provided the results of the said inspection and/or tests were found to be in conformance with the plans and

specifications approved by Service Company and good engineering practice.

Developer shall cause Developer's Engineer to furnish Service Company with a report on the results of all inspection and testing performed hereunder. Any work stopped shall not recommence without written direction from Service Company to do so.

24. FINAL INSPECTION AND ACCEPTANCE OF IMPROVEMENTS.

Upon final inspection and approval of the Improvements or any phase thereof by both Service Company and Developer's Engineer, and provided that the Improvements have been installed in accordance with the approved plans and specifications, Service Company shall accept the Improvements, or any phase thereof, which acceptance shall be evidenced by a certificate of final acceptance.

25. CONVEYANCE OF IMPROVEMENTS.

To induce Service Company to provide the potable water facilities, and service to the Property, Developer hereby agrees to convey to Service Company, or its assignee, free and clear of all claims, liens, and encumbrances, by a duly executed bill of sale in recordable form, legal title to all of the Improvements located in dedicated rights of way and Easement Areas constructed by Developer pursuant to this Agreement. Said bill of sale shall also be accompanied by a verified itemized statement, in form and detail satisfactory to Service Company, indicating the itemized installed costs of the various elements of the said Improvements for recordation on the books and records of Service Company.

26. CONTRIBUTIONS NOT REFUNDABLE.

Payment of the capacity fees set forth in Section 11 hereof and the conveyances required by Section 25 hereof (collectively, the "Contributions") does not and will not result in Service Company waiving any of its rates, rate schedules, or rules and regulations, the enforcement of which shall not be affected in any manner whatsoever by Developer making the Contributions. Except as provided in Section 16 hereof, Service Company shall not be obligated to refund Developer, its successors, and assigns, any portion of the Contributions for any reason whatsoever, nor shall Service Company pay any interest upon said Contributions.

27. DEVELOPER'S SUCCESSORS AND ASSIGNS HAVE NO CLAIMS.

No person or other entity holding any of the Property by, through, or under Developer, or otherwise, shall have any present or future right, title, claim, or interest in and to any of the potable water facilities and properties of Service Company.

28. NO OFFSET OF OTHER OBLIGATIONS PERMITTED.

Any user or consumer of water service shall not be entitled to offset any bill or bills rendered by Service Company for such service or services against any payments or Contributions made by Developer hereunder and Developer shall not be entitled to offset the said items against any claim or claims which Developer may have against Service Company.

29. INSPECTION FEE.

Upon completion of construction of the Improvements and prior to the rendering of water service, Developer shall pay to Service Company a reasonable inspection fee of up to $500 based upon the actual cost incurred by Service Company to make the inspection(s).

30. SERVICE COMPANY'S RIGHT TO INSPECT DEVELOPER'S BOOKS AND RECORDS.

Upon request by Service Company to Developer, Developer shall furnish Service Company with reasonable and satisfactory evidence of the said costs, including back-up documents to verify such costs, including but not limited to construction contracts, paid bills, invoices, etc. and related records.

31. DEVELOPER TO FURNISH SERVICE COMPANY EVIDENCE THAT IMPROVEMENTS PAID FOR IN FULL.

Upon completion of construction of the Improvements and prior to the rendering of potable water service, Developer shall furnish Service Company with evidence satisfactory to Service Company that all of the Improvements referred to herein to be transferred to Service Company have been paid for in full.

32. EXCLUSIVE OWNERSHIP OF IMPROVEMENTS VESTED IN SERVICE COMPANY.

Developer agrees that all potable water facilities used, useful, or held for use in connection with providing water service to the Property, shall at all times remain in the sole, complete, and exclusive ownership of Service Company, its successors, and assigns, and any person or entity owning any part of the Property or any building constructed or located thereon, shall not have any right, title, claim, or interest in and to such facilities, or any part of them for any purpose. If any portion of said lines are installed within or on any part of the Property or any building thereon, Developer shall provide easements to Service Company as required elsewhere in this Agreement. Water line extensions which are installed in public dedicated rights of way or Easement Areas connecting the mains of Service Company to the Consumer Installation as defined herein, of any building constructed or located on the Property, shall become the property of Service Company except as provided elsewhere in this Agreement.

33. IMPROVEMENTS MAY BE USED BY SERVICE COMPANY TO SERVE OTHERS.

Developer agrees that Service Company shall have the right and privilege to use all potable water facilities used, useful, and held for use in connection with providing water service to the Property, including but not limited to all of the Improvements installed by Developer, for any purpose, including providing by means of other, further, and additional extensions thereof, the furnishing of water service to other persons, firms, developers, corporations, or entities located within or beyond the limits of the Property. All easement grants made to Service Company pursuant to this Agreement shall contain provisions satisfactory to Service Company adopting the provisions of this Section.

34. WARRANTIES COVERING THE IMPROVEMENTS.

Developer warrants that the Improvements to be conveyed hereunder to Service Company as well as those specified in Section 36 below shall be free from any and all defects in materials and workmanship. Developer also warrants that once the Improvements are installed to serve the Property or any part thereof, Developer will exercise due diligence to ensure that the said Improvements are protected from damage and that Developer shall be solely responsible for the repair of any damages to the said Improvements which result from the actions of any vendors, subcontractors, agents, representatives, or employees of Developer, including but not limited to any damage caused in connection with the installation of water, telephone, electric, cable, gas, and/or other utility or related services. Said warranties shall remain in full force and effect for a period of one year from the date of final acceptance by Service Company of the Improvements, which final acceptance shall be evidenced by a certificate of final acceptance.

In the event that Developer is required by Service Company to repair or replace any of the said Improvements during the said warranty period, then the warranty as to those items repaired shall continue to remain in effect for a period of one (1) additional year from the date of final acceptance by Service Company of those repairs or replacements which Developer has performed or caused to be performed.

Developer hereby agrees to pay all costs and expenses incurred by Service Company by reason of any breach of any of the warranties referred to herein.

35. AS-BUILT ENGINEERING PLANS.

Developer shall furnish Service Company with one (1) set of mylars and (3) sets of prints or approved equal as-built drawings

showing specific locations of all potable water, and depths, including "cut sheets," as located by a licensed surveyor, sealed by the surveyor and certified by surveyor to the Service Company, and containing a certification by Developer's Engineer that the Improvements have been constructed in compliance with the plans and specifications as approved by Service Company; and (b) three (3) sets of the appropriate manuals for operation of any pumping station and all mechanical and electrical equipment.

36. OVERSIZING CREDITS AND REFUNDING AGREEMENT.

In the event that Service Company requires that any of the Improvements contemplated herein shall be oversized in order to serve other properties in the certificated area, Developer will construct the same to the Service Company's specifications and the additional cost thereof, based upon the actual cost of the oversized lines over the actual cost of the standard line required by Service Company, based on hydraulic capacity, shall be repaid to Developer, without interest, as capacity fees are received from owners or occupants of such other properties benefitting from such oversizing but this obligation of repayment by Service Company shall terminate seven (7) years from the date hereof.

37. SERVICE CONTROL FIXTURE.

Developer, its successors, or assigns, shall cause to be provided, at its sole cost and expense, to each individual building, or other separate building unit or improvement which is to receive individual water service billing by Service Company, a separate fixture (hereinafter called the "Service Control Fixture"), which shall be designed and constructed in accordance with Service Company's standard engineering details and shall appear on the plans and specifications prepared pursuant hereto by Developer's Engineer. Said Service Control Fixtures shall always be located in Easement Areas, easily accessible to personnel of Service Company.

Developer, or any subsequent owner of the Property, or any part thereof, and all occupants of any separate building unit or improvement, and all subsequent or future owners or purchasers thereof, shall accept potable water service from Service Company upon the express condition that in the event of nonpayment of past-due bills and penalties, and after written notice, Service Company may interrupt service at the Service Control Fixture by whatever practical and legal means are permitted to Service Company.

38. CONSUMER INSTALLATIONS.

Developer, or any owner of any parcel of the Property, or any building located thereon, shall not have the right to and shall not connect any facilities on the consumer's private property (hereinafter referred to as a Consumer Installation) to the potable

water facilities of Service Company until formal written application has been made to Service Company by the prospective consumer in accordance with the then effective rules and regulations of Service Company and approval for such connection has been granted.

The responsibility for connecting the Consumer Installation to the main lines of Service Company at the Point of Delivery is that of Developer or others than Service Company and with reference to such connections Developer, its successors, or assigns agree as follows:

(a) Consumer Installation connections to the main lines of Service Company must be inspected and approved by Service Company before backfilling and covering up the connecting pipes.

(b) The building or plumbing contractor engaged by Developer, its successors, or assigns to install the Consumer Installation connections shall give Service Company three (3) days' prior written notice when the connecting lines have been installed and Service Company shall inspect such lines on the date so specified and in the event Service Company fails to make such inspection, Developer, its successors, or assigns may proceed with construction provided construction is in accordance with the plans and specifications as approved by Service Company and is not in violation of any regulation of governmental authorities.

If Developer, its successors, or assigns do not comply with the foregoing inspection provisions, Service Company may refuse service to a connection that has not been inspected until the provisions of this Section have been complied with.

The parties hereto further agree that the costs or expense of constructing all Consumer Installations and all costs and expenses of operating, repairing, and maintaining any Consumer Installation shall be that of Developer, its successors, or assigns, or others than Service Company.

39. [Intentionally Deleted]

40. PREREQUISITES TO RENDERING SERVICE.

Developer agrees that Service Company shall have the right to refuse to provide water service to any lot or building within the Property until Developer, its successors, or assigns comply with all of the terms and conditions of this Agreement. Further, Service Company shall not be required to provide service until all of the following conditions have been performed by Developer, or its successors or assigns:

(a) Developer has delivered to Service Company a final development plan and, if applicable, three (3) copies of an

approved plat which has been duly recorded among the public records of Charlotte County, dividing the Lots into parcels in substantial accordance with the plan as described and set out in Exhibit "B."

(b) Developer has executed and delivered to Service Company in recordable form, approved by Service Company, all necessary easements in the Property required for the installation of facilities and service by Service Company.

(c) Developer has submitted all plans and specifications for the construction of any of the Improvements for the review and approval by Service Company. Such plans and specifications shall have been approved, subject to conformance of the final design to the standard specifications and detail sheets of Service Company.

(d) Developer has furnished to Service Company for each portion of the Property to which potable water service is requested the "as-built" reproducible drawings in "mylar" or approved equal, the surveyor's sealed "cut-sheets", the certificate from Developer's Engineer, and operation manuals to be provided to Service Company herein.

(e) Developer has paid to Service Company all Contributions provided herein, including any authorized increases thereof which may have been approved by the PSC together with all other fees or payments then due and owing hereunder.

(f) All Consumer Installation connections, including the Service Control Fixtures, have been inspected and approved by Service Company.

(g) Developer has performed and carried out all other terms and conditions of this Agreement which are conditions precedent to the rendering of potable water service hereunder.

To the extent that the Property is developed in phases by Developer, the foregoing provisions, as well as all other provisions of this Agreement relating to installation and construction of Improvements, shall be applicable to each such phase as the same is commenced and completed.

41. DEVELOPER'S INITIAL RESPONSIBILITY FOR POTABLE WATER SERVICE CHARGES.

Developer, its successors, or assigns shall pay or cause to be paid such charges for potable water service to individual buildings and improvements within the Property as may be applicable until the responsibility for payment of said charges is properly transferred, in accordance with Service Company's regulations, to the lessees, renters, or buyers of said improvements. The said service charges shall be as provided in Exhibit "C" or as subsequently amended, subject to the approval of the PSC.

42. SERVICE COMPANY'S SERVICE AGREEMENTS WITH CONSUMERS.

Service Company may require the owner or occupant of any buildings or improvements within the Property to enter into a written service contract or agreement for water service pursuant to Service Company's approved Rules and Regulations.

43. ASSIGNMENT OF AGREEMENT.

This Agreement shall be binding on and shall inure to the benefit of Developer, Service Company, and their respective personal representatives, assigns, and corporate successors by merger, consolidation, or conveyance. However, in the event Developer has not paid and delivered to Service Company all of the Contributions provided to be paid to Service Company by Developer under the terms of this Agreement, then this Agreement shall not be sold, conveyed, assigned, transferred, or otherwise disposed of by Developer without the written consent of Service Company first having been obtained. Service Company is hereby granted the right to assign this Agreement to any of its subsidiaries now in existence or hereafter formed or to assign or transfer this Agreement and its Franchise to any successor approved by the PSC.

44. NOTICES PURSUANT TO THE AGREEMENT.

Until further written notice by either party to the other, all notices provided for herein shall be in writing and transmitted by messenger, by mail, or by telegram, and if to Developer, shall be mailed or delivered to Developer at:

8400 Manasota Key Road
Englewood, FL 34223

and, if to Service Company, shall be mailed or delivered to it at:

400 Madison Drive, Suite 200
Sarasota, Florida 34236

45. SURVIVAL OF RIGHTS, PRIVILEGES, OBLIGATIONS, AND COVENANTS.

The rights, privileges, obligations, and covenants of Developer and Service Company shall survive the completion of the work of the parties with respect to the installation of the water facilities and services to the Property.

46. AGREEMENT IS ENTIRE.

This Agreement supersedes all previous agreements or representations, either oral or written, heretofore in effect between Developer and Service Company, made with respect to the matters herein contained, and when duly executed, constitutes the entire Agreement between Developer and Service Company. No

additions, alterations, or variations of the terms of this Agreement shall be valid, nor shall provisions of this Agreement be waived by either party unless such additions, alterations, variations, or waivers are expressed in writing and duly signed by both parties. This Agreement shall not be more strongly construed against any party by virtue of the fact that such party prepared same.

47. CONTINGENCIES.

Notwithstanding any provision in this Agreement to the contrary, all obligations of Service Company under this Agreement shall be contingent upon: (a) the acquisition by Service Company of all necessary properties, rights, leases, easements, appertaining thereto and all rights-of-way and easements necessary for the extension of its potable water system to serve the Property, as aforesaid; (b) the issuance of Service Company and/or Developer by Charlotte County, the State of Florida, or the applicable governmental entity, commission, board, agency, or official of all necessary approvals, authorizations, franchises, and permits as are now or thereafter may be required by statute, ordinance, resolution, regulation, rule, or ruling; (c) that no laws shall be passed forcing Service Company to convey title to any of its assets to any entity in order to obtain required permits to perform hereunder; and (d) the approval of this Agreement by the PSC.

Developer hereby assumes all risk and/or loss resulting from any denial or revocation or withdrawal of a prior approval by any concerned governmental agency, department or body and/or caused by any act of any governmental agency, department or body affecting Service Company's ability to provide the water service to Developer, which act was not within the sole control and by due diligence of Service Company it could not overcome.

48. FORCE MAJEURE.

In the event that performance of this Agreement by any party is prevented or interrupted as a result of any cause beyond the control of said party including but not limited to acts of God or of the public enemy, war, national emergency, allocation of or other governmental restriction upon the use or availability of labor or materials, rationing, civil insurrection, riot, racial or civil disorder or demonstration, strike, embargo, flood, tidal wave, fire, explosion, bomb detonation, nuclear fallout, windstorm, hurricane, earthquake or other casualty or disaster or catastrophe, failure or breakdown of pumping, transmission or other facilities, exercise of the power of eminent domain, governmental rules, acts, orders, restrictions, regulations, or requirements, act or action of any governmental public or governmental authority, commission, board, agency, agent, official or officer, the enactment of passage or adoption heretofore or hereafter or the enforcement of any

statute or resolution, decree, judgment, restraining order or injunction of any court, said party shall not be liable for such nonperformance.

49. PERFORMANCE ENFORCEABLE WITHOUT WAIVER OF RIGHTS.

The parties hereto hereby agree that in the event of failure of performance hereunder, this Agreement shall be specifically enforceable without waiver of any rights which either party may elect by law.

50. SECTION HEADINGS FOR CONVENIENCE ONLY.

The Section headings used in this Agreement are for convenience only and have no significance in the interpretation of the body of this Agreement, and the parties hereto agree that they shall be disregarded in construing the provisions of this Agreement.

51. PAYMENT OF ATTORNEY'S FEES INCURRED IN PREPARATION.

Concurrently with the full execution hereof, Developer shall pay to Service Company attorney's fees incurred by Service Company relative to the preparation and negotiation of this Agreement which sum shall not exceed $1500.00, in the absence of any unusual or extenuating circumstances.

52. WARRANTY OF AUTHORITY TO EXECUTE AGREEMENT.

The signature of any person to this Agreement shall be deemed a personal warranty by that person that he has the power and authority to bind any corporation or partnership or any other business entity for which he purports to act.

53. LAWS OF FLORIDA APPLY/ATTORNEY'S FEES.

This Agreement shall be governed by the laws of the State of Florida and it shall be and become effective immediately upon execution by all parties hereto. Any party failing to comply with the terms hereof shall pay all attorney's fees, paralegal fees, court costs and costs of a similar nature incurred by the non-defaulting party.

IN WITNESS WHEREOF, Developer and Service Company have executed or have caused this Agreement with the named Exhibits attached to be duly executed in several counterparts, each of which counterpart shall be considered an original executed copy of this Agreement.

55. LAWS OF FLORIDA APPLY/ATTORNEY'S FEES.

This Agreement shall be governed by the laws of the State of Florida and it shall be and become effective immediately upon execution by all parties hereto. Any party failing to comply with the terms hereof shall pay all attorney's fees, paralegal fees, court costs and costs of a similar nature incurred by the non-defaulting party.

IN WITNESS WHEREOF, Developer and Service Company have executed or have caused this Agreement with the named Exhibits attached to be duly executed in several counterparts, each of which counterpart shall be considered an original executed copy of this Agreement.

WITNESS as to Service Company:

Pam Cutrone

Print Name Pam Cutrone

Kelli Horton

Print Name Kelli Horton

FIVELANDS INVESTMENTS, INC.
A Florida corporation

By: _____

as its: Project Mgr for Receiver

"Service Company"

STATE OF FLORIDA
COUNTY OF SARASOTA

The foregoing instrument was acknowledged before me this 5th day of August, 1997, by Jeanne Smith as Project Mgr for Receiver of Fiveland Investments, Inc., a Florida corporation, on behalf of the corporation. He/she is personally known to me or has produced N/A as identification and who did/did not take an oath.

Kelli Horton
NOTARY PUBLIC SIGNATURE

KELLI HORTON
MY COMMISSION # CC 452996
EXPIRES: April 16, 1999
Bonded Thru Notary Public Underwriters

Kelli Horton
NOTARY'S NAME TYPED, PRINTED OR STAMPED

COMMISSION NUMBER

Witnesses as to Developer:

Print Name Robert Hill

Linda L. Tucker

Print Name Linda Tucker

Print Name Robert Hill

Linda L. Tucker

Print Name Linda Tucker

WHATEVER PARTNERS, A Florida General Partnership

By: Mary E. Luke

Mary E. Luke
(Print Name)
General Partner

By: Michael K. Sprague

Michael K. Sprague
(Print Name)
General Partner

STATE OF ~~FLORIDA~~ MICHIGAN
COUNTY OF Montcalm

The foregoing instrument was acknowledged before me this 25th day of September, 1997, by Mary Luke &Michael Sprague, as Partner of _____, a Florida General Partnership, on behalf of the partnership. He/she is personally known to me or has produced Drivers License as identification and who did/did not take an oath.

NOTARY PUBLIC SIGNATURE

Robert Hill
NOTARY'S NAME TYPED, PRINTED OR STAMPED

ROBERT HILL
Notary Public, Montcalm Co., MI
My Comm. Expires May 3, 2000

COMMISSION NUMBER

STATE OF ~~FLORIDA~~ MICHIGAN
COUNTY OF Montcalm

The foregoing instrument was acknowledged before me this 25th day of September, 1997, by Mary Luke & Michael Sprague, as Partners of _____, a Florida General Partnership, on behalf of the partnership. He/she is personally known to me or has produced Drivers License as identification and who did/did not take an oath.

NOTARY PUBLIC SIGNATURE

ROBERT HILL
Notary Public, Montcalm Co., MI
My Comm. Expires May 3, 2000

Robert Hill
NOTARY'S NAME TYPED, PRINTED OR STAMPED

5-3-2000
COMMISSION NUMBER

EXHIBIT A
DESCRIPTION OF PROPERTY

LEGAL DESCRIPTION

All of Lots 106 through 137 inclusive, all of Lots 140 through 171 inclusive, and all of Lots 174 through 205 inclusive, according to the plat of 'FIRST ADDITION TO SHAMROCK SHORES' as recorded in Plat Book 7, pages 22A and 22B, of the Public Records of Charlotte County, Florida.

SUBJECT TO the following easements as recorded as part of the 'FIRST ADDITION TO SHAMROCK SHORES' as recorded in Plat Book 7, pages 22A and 22B:

There are expressly reserved for the county, easements of 5 feet along the rear lines of all lots for underground and overhead utilities, surface and underground drainage, and easements of 5 feet on each side lot line for the same purposes, but limited if used to one side of any one lot. Where more than one lot is intended as a building site, the outside boundaries of said building site shall carry said easement.

ALSO

All that part of EVELYN ROAD, a 50 foot unimproved public right-of-way, bounded on the West by the East Plat line of 'SHAMROCK SHORES SUBDIVISION' as recorded in Plat Book 16, Pages 74A and 74B, of the Public Records of Charlotte County, Florida, and bounded on the East by the West Right of way line of and un-named 25 foot unimproved county right of way according to the plat of 'FIRST ADDITION TO SHAMROCK SHORES' as recorded in Plat Book 7, Page 22A and 22B of the Public Records of Charlotte County, Florida

ALSO

All that part of SPRING VALLEY ROAD, a 50 foot unimproved public right-of-way, bounded on the West by the East Plat line of 'SHAMROCK SHORES SUBDIVISION' as recorded in Plat Book 16, Pages 74A and 74B, of the Public Records of Charlotte County, Florida, and bounded on the East by the West Right of way line of and un-named 25 foot unimproved county right of way according to the plat of 'FIRST ADDITION TO SHAMROCK SHORES' as recorded in Plat Book 7, Page 22A and 22B of the Public Records of Charlotte County, Florida

ALSO

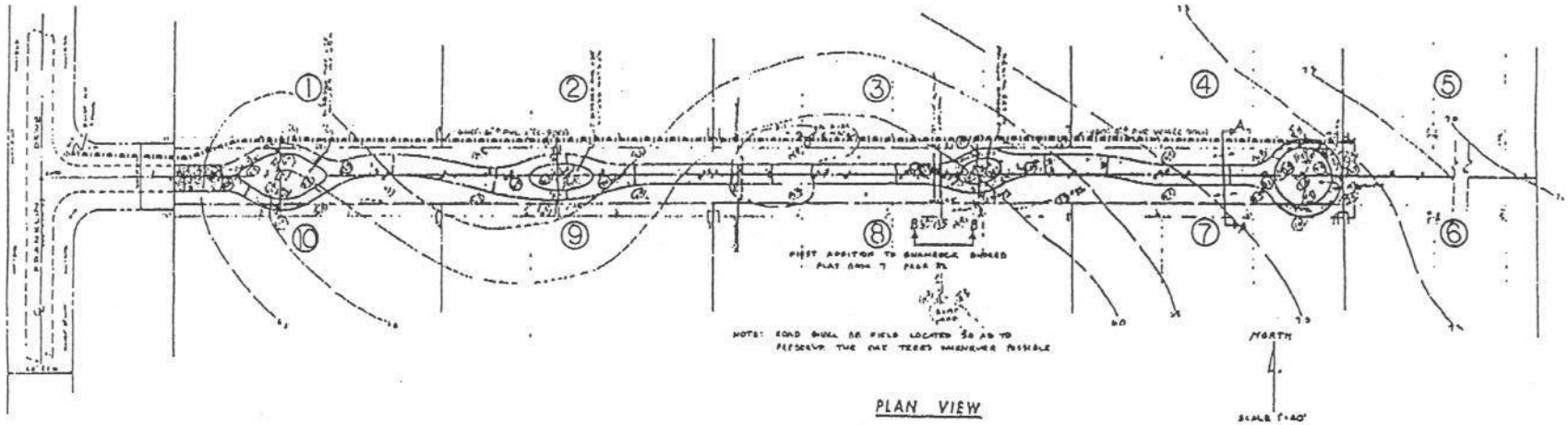
All that part of PARKMOOR ROAD, a 50 foot unimproved public right-of-way, bounded on the West by the East Plat line of 'SHAMROCK SHORES SUBDIVISION' as recorded in Plat Book 16, Pages 74A and 74B, of the Public Records of Charlotte County, Florida, and bounded on the East by the West Right of way line of and un-named 25 foot unimproved county right of way according to the plat of 'FIRST ADDITION TO SHAMROCK SHORES' as recorded in Plat Book 7, Page 22A and 22B of the Public Records of Charlotte County, Florida.

ALSO

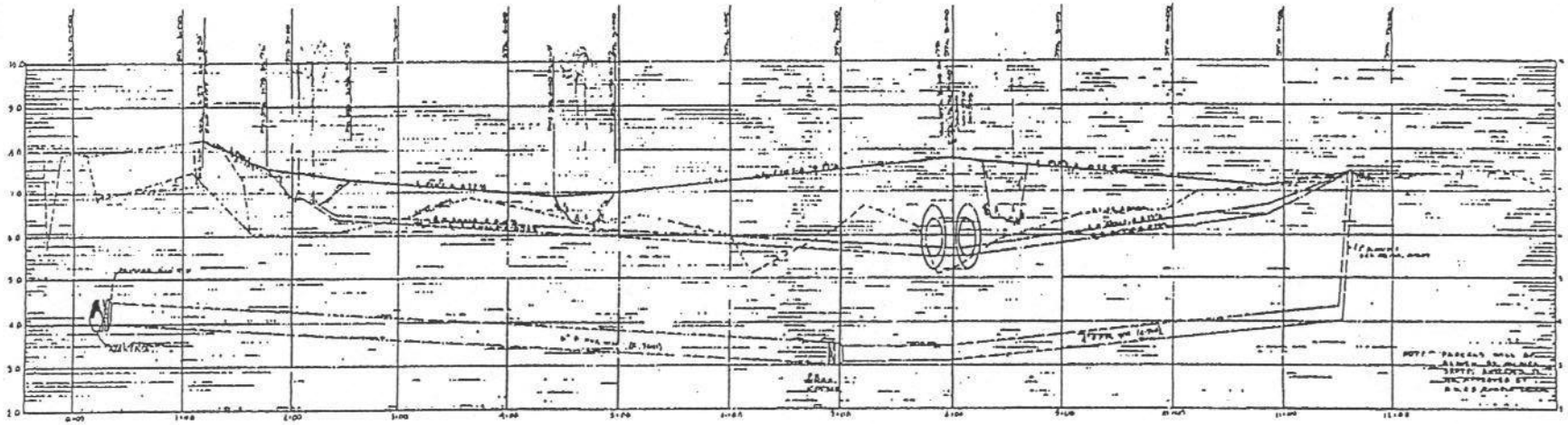
All that part of the un-named 25 foot county road right of way, along the East plat limits of the 'FIRST ADDITION TO SHAMROCK SHORES' as recorded in Plat Book 7, Page 22A and 22B, of the Public Records of Charlotte County, Florida.

EXHIBIT B

MASTER PLAN/POINTS OF CONNECTION/UTILITY LAYOUT



PLAN VIEW



PROFILE

SCALE 1"=40' HORIZ
1"=4' VERT

MARY E. LUKE, P.E.
1400 MANASOTA KEY ROAD
ENGLEWOOD, FL 34223
Phone (941) 474-0899 • Facsimile (941) 475-4487

CONSTRUCTION PLANS FOR:
SPRING VALLEY ROAD
SHAMROCK SHORES
ENGLEWOOD, FL

SHEET 24

EXHIBIT C
RATES AND SCHEDULES

NAME OF COMPANY FIVELAND INVESTMENTS, INC.

WATER TARIFF

RESIDENTIAL SERVICE

RATE SCHEDULE RS

AVAILABILITY - Available throughout the area served by the Company.

APPLICABILITY - For water service for all purposes in private residences and individually metered apartment units.

LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - Monthly

RATE - BASE FACILITY CHARGE:

Meter Size	
All Meter Sizes	$ 16.42
GALLONAGE CHARGE PER 1,000 G	$ 5.69

MINIMUM CHARGE - Applicable Base Facility Charge per month.

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days' written notice is mailed to the customer separate and apart from any other bill, service may then be discontinued.

EFFECTIVE DATE - For Services Rendered on or after February 25, 1995

TYPE OF FILING - Original Application

Theodore C. Steffens
ISSUING OFFICER
Receiver
TITLE

EXHIBIT D
RULES AND REGULATIONS

See Chapter 25-30, Florida Administrative Code

SERVICE AGREEMENT

THIS AGREEMENT, made and entered into this 7th day of April, 1990, by and between SHAMROCK SHORES, PHASE 11, c/o Elbert C. & Shirley M. Weaver, whose mailing address is 200 W. Dearborn St., Englewood, FL 3422, hereinafter called "Developer", and FIVELAND INVESTMENTS, INC., a Florida corporation whose mailing address is 1100 S. Tamiami Trail Suite 2, Sarasota, FL 34236, hereinafter called "Service Company

WITNESSETH:

WHEREAS, Developer owns certain real property in Charlotte County, Florida, which is more specifically described as follows:

Real property located in Charlotte County, Florida, described on "Exhibit A" attached hereto.

hereinafter referred to as "Developer's Property", and is about to develop said property by developing a ~~residential/multifamily/commercial~~ area along with ancillary improvements thereon, and

WHEREAS, Developer desires the extension of Service Company's WATER system, hereinafter called "Service Company's Utility System"; and

WHEREAS, Service Company is willing to expand Service Company's Utility System and thereafter to operate such system so that Sixty (60) single family ERC's constructed on Developer's Property by, through, or under Developer may have an adequate potable water system, subject to the terms and conditions of this Agreement; and

WHEREAS, the Developer recognizes and agrees that the Service Company's obligations to provide water service to the Developer are at all times subject to governmental regulations, prohibitions, limitations and restrictions and that these factors are beyond the control and responsibility of the Service Company;

NOW, THEREFORE, in consideration of the promises and the mutual undertakings and agreements herein contained and assumed, Developer and Service Company hereby covenant and agree as follows:

1. Developer shall, in accordance with the terms of this Agreement, construct and convey to Service Company, free and clear of all encumbrances and at no cost to Service Company, the complete water distribution system, including valves, fittings, laterals, hydrants and all appurtances necessary to provide water utility service to the Developer's Property as shown on engineering plans and specifications designed by Landmark Land Consultants. Developer's specifications and the installation of Developer's Utility System must be in strict accordance with the latest revision of Service Company's standard specifications which are attached to this Agreement. In case of any and all conflicts, Service Company's specifications shall govern.

2. All engineering plans and specifications prepared by Developer's engineer as provided in Paragraph 1 above shall be reviewed and approved by Service Company's Engineer prior to Developer submitting said plans and specifications to any governmental agencies. Service Company shall have the right but not the obligation, to make inspections as installations progresses.

3. Service Company shall have the right to refuse to accept title to Developer installed utility system or initiate any services until Developer installed utility system has passed tests arranged by Smally, Wellford & Nalven, Inc., engineers, to determine whether the Developer installed utility system is constructed in accordance with the approved engineering plans and specifications. Said tests may be performed two times, the first test upon completion of the system and the second test upon completion of all

buildings, roads paving, drainage, and all construction within the right-of-way easement area of adjacent areas. In addition to the costs herein described, Developer agrees to pay all costs of testing and leak location and any repair deemed necessary by Service Company as a result of any of said tests.

4. Service Company shall not be liable or responsible to Developer except as provided for in its approved tariff.

5. Service Company's obligations under this Agreement are contingent upon Service Company and Developer obtaining all necessary approvals from all governmental agencies. Developer hereby assumes the risk or loss as a result of the denial or withdrawal of the approva of any concerned governmental agencies or caused by any act of any governmental agency, for any reason whatsoever, which affects the ability of the Service Company to provide water service to Developer, including the DER which must approve the application which is being filed upon the signing of this contract.

6. This Agreement supersedes all previous agreements or representations either verbal or written heretofore in effect between developer and Service Company and made with respect to the matters contained herein, and when duly executed constitutes the complete agreement between Developer and Service Company.

7. Service Company shall not be liable to Developer for the inability or failure of Service Company either to obtain governmental approvals or permits or to complete timely the construction of facilities required of Service Company.

8. Prior to the Service Company certifying and accepting Developer's Utility System, Developer shall provide to Service Company lien waivers, together with the breakdown of the actual cost of the Developer's Utility System. Developer must furnish Service Company with the plat of the Developer's Property, if any, and a mylar sepia copy of as-built drawings acceptable to Service Company showing specific locations of all facilities, including all valves, lateral locations, fittings, hydrants and all other appurtances within the Developer's Utility System, before any service is issued by Service Company.

9. The Developer stalled utility system i alled and conveyed to Service Company pursuant to the terms hereof shall at all times remain the sole, complete and exclusive property of Service Company, its successors and assigns, and under the exclusive control of Service Company.

10. This Agreement shall not prohibit or prevent Service Company from extending Service Company's Utility System in or to areas not referred to herein to serve other developers or consumers.

11. The provisions of this Agreement shall not be construed as establishing a precedent in connection with the amount of connection fees or contributions made by a developer or other customer, or the acceptance thereof on the part of the Service Company for other water utility extensions that may be requested hereafter by Developer and are not the subject of this Agreement.

12. Developer warrants that Developer installed utility system will be constructed in accordance with the plans and specifications referred to herein and that the same will be free from any defects in materials or workmanship for a period of one (1) year following the date of completion and final acceptance of Developer installed utility system.

13. Developer agrees to pay all costs and expenses incurred by the Service Company by reason of any breach of the warranties referred to in the previous paragraph.

14. Developer agrees to grant at no cost to Service Company any and all easements and restrictive covenants as required for the operation and maintenance of Developer installed utility system. The easements for water mains shall be as shown on engineering plans.

15. REFUNDABLE DEVELOPER ADVANCE - Service Company and Developer hereby agree that it is necessary for the Service Company to construct certain water facilities prior to the actual connection of the additional units proposed by Developer. Furthermore, Developer agrees to advance the sum of One Hundred Thousand Dollars ($100,000) to the Service Company towards the cost of the construction of these water facilities. With respect to the above monies advanced by Developer for water utility facilities, Service Company shall refund to Developer, or Developer's successors or assigns, solely from capacity fees collected from future users which will connect to the water system owned by the Service Company, except for the Developers proposed units and the prior agreed to units comprising the development known as Lemon Bay Golf and Country Club Estates

and Sea Gull Marina Village Developers, Inc., One Hundred Twenty Five Dollars ($125) per equivalent residential connection for every new user who connects to the system and for which a connection fee payment has been received by the Service Company. The refund obligation of Service Company and the benefits to Developer related thereto shall begin when the total Developers Advance of One Hundred Thousand Dollars ($100,000.00 has been received by the Service Company, and shall expire eight (8) years from the date that the One Hundred Thousand Dollars ($100,000.00) Developers Advance is received in full by the Service Company. Said refund shall be made to Developer solely from funds collected from future capacity fees received by Service Company and shall be paid within thirty (30) days of the installation of a permanent meter by the Service Company for a future customer for which a capacity fee has been paid. Sixty Five Thousand Dollars ($65,000.00) of the Developers Advance shall be paid by Developer to Service Company upon the execution of this Agreement. The balance of Thirty Five Thousand Dollars ($35,000.00) shall be paid by Developer to Service Company one year, or sooner, from the execution of this Agreement.

16. The water capacity to be reserved by this Agreement is Sixty (60) water connections according to the Service Company's approved tariff. Each connection fee to be paid prior to commencement of construction of a residence in Shamrock Shores, Phase 11. Both parties have heretofore apreed that it is necessary that the Service Company be able to construct additional water facilities prior to the actual connection of the additional units proposed by the Developer.

17. The Developer agrees to pay Sixty Five Thousand Dollars ($65,000.00) of the Developers Advance concurrently with the execution of this Agreement. The balance of Thirty Five Thousand Dollars ($35,000.0 is to be paid one year from the execution of this Agreement.

Developer and Service Company agree that the Service Company is not obligated to begin repayment of the One Hundred Thousand Dollars ($100,000.00) Refundable Developer Advance until all the One Hundred Thousand Dollars ($100,000.00) has been received by the Service Company.

Service Company's obligation to provide utility service to the Property is expressly conditioned upon Developers fulfilling each of the covenants and agreements set forth in this Agreement. Service Company shall have the right to refuse to provide service, the right to terminate service to any lot or building within the Property and the right, after thirty (30) days written notice to Developer, to terminate this Agreement in the event that Developer fails to comply with any of the terms and conditions of this Agreement in a timely manner.

18. The sixty (60) water connections referred to herein must be used within two years after the signing of this contract. In the event that Developer does not use the connections to which Developer would be entitled, within the two (2) year term set forth above, Developer shall have the option to commence making payments to the Utility for each such connection in the amount of the then existing base rate each month, and, so long as such payments are made, the connection fee rights of Developer shall be honored.

19. In no event shall Service Company be obligated to provide service to Developer's Property in excess of the water treatment capacity to service 60 units. In the event that all or part of Developer's Property as a result of a zoning or density change requires additional water capacity or facilities to provide service to the Developer's Property, new engineering plans and specifications shall be prepared by Developer, or its assigns or successors, approved by Service Company's engineer and a new Service Agreement negotiated and executed prior to granting additional capacity or the installation of the additional facilities. Any said new agreement shall be properly executed prior to the development of all or parts of Developer's Property and shall be in conformance with the Rules and Regulations that are in effect at the time of the execution of the said new agreement.

20. Developer shall pay to the Service Company the full actual amount of the surveying, engineering, consulting, legal, administrative and review fees incurred by Service Company in preparing and executing this Agreement; in extending the certificated area of Service Company to include all of Developer's Property; in conducting the review of the engineering plans and specifications; and in conducting the inspection and testing of the installation of Developer's Extension. In particular,

Developer shall pay, at the execution of this Agreement, an estimated inspection and testing fee in the amount of two percent (2%) of the estimated job cost ($500.00) minimum, which amount shall be increased or decreased, as appropriate, when the full actual cost of such inspection and testing is known. Prior to the acceptance of Developer's Extension and provision of water service by Service Company, Developer shall have paid to Service Company the full amount of said surveying and engineering fees and said legal, administrative and review fees.

21. Charlotte County Ordinance Number 87-11, a copy of which is attached hereto as "Exhibit B", shall be used to determine the tax impace to Service Company of accepting the water facilities referred to in this Agreement. Within 14 days of notification to Developer by Service Company of the amount which must be placed in an escrow account by the Service Company, Developer will pay to the Service Company the amount requested. These funds will then be placed in an escrow account by the Service Company. If these funds are not delivered within the 14 day period, then this Agreement will be null and void and the Service Company shall have no obligation to repay the Developer Advance or provide water to the property which is the subject of this Agreement.

22. It is the intention of the parties in entering into this Agreement that the Developer grants to Service Company the exclusive right to provide all the land set forth in "Exhibit A" with potable water facilities and services.

23. The Service Company agrees to abide by the terms and conditions of its certificate and to use reasonable diligence to at all times be able to comply with the terms and conditions of this Agreement to be performed by the Service Company.

24. This Agreement shall inure to the benefit of and be binding upon the parties, their legal representatives, heirs, successors and assigns.

25. All duties, responsibilities, and obligations of both parties to this Agreement will become null and void and unenforceable after eight (8) calendar years following the execution date of this Agreement.

Signed, sealed and delivered
in the presence of:

SHAMROCK SHORES, PHASE 11

BY: Elbert C. Weaver
Elbert C. Weaver

Shirley M. Weaver
Shirley M. Weaver

As to Developer

FIVELAND INVESTMENTS, INC.

BY: _____

Melvin Steinbaum, President

As to Service Company

Effective Date May 1, 187

ORDINANCE "EXHIBIT B"
NUMBER 87-11

RECEIVED
MAY 4 10

AN ORDINANCE AMENDING ORDINANCE #86-25 RELATING TO SETTING RATES FOR WATER AND SEWER SERVICE; AUTHORIZING UTILITIES TO COLLECT WITH RELATION TO CONTRIBUTIONS IN AID OF CONSTRUCTION AN AMOUNT EQUAL TO THE TAX IMPACT OF THE CONTRIBUTION OF THE UTILITY; AND PROVIDING A METHOD OF CALCULATION OF TAX IMPACT AMOUNT.

FINDINGS

1. The United States Congress has repealed former section 118(d) of the Internal Revenue Code which had excluded contributions in aid of construction of utility projects from the taxable gross income of the utility. After January 1, 1987, contributions in aid of construction paid by a developer to a utility must be included within the utility's income and the utility must pay a federal tax thereon.

2. The consequence of this federal tax law change in rate regulation by Charlotte County is that the County must recognize this new expense to the utility and make provision for the allocation of the expense within general rate making procedures.

NOW, THEREFORE BE IT ORDAINED, by the Board of County Commissioners of Charlotte County, Florida:

SECTION 1. Section 46 of Ordinance 86-25 is amended by redesignating the present text of section 46 as 46(a) and by the addition of sub-sections (b),(c),(d) to read as follows:

SECTION 46(b). After January 1, 1987, any water and sewer utility regulated under this ordinance may collect from developers and others who transfer property and amounts to a utility as contributions in aid of construction an amount equal to the tax impact under the United States Internal Revenue Code resulting from the repeal of former section 118(b) of that code. The tax impact amount to be collected by each utility shall be determined by using this formula: Tax Impact = $\frac{R}{1.0-R}$ X (F + p).

R = The applicable marginal rate of federal income tax and state corporate income tax, if one is payable, on the value of CIAC which must be included in taxable income of the utility.

R shall be determined as follows:

R = ST + FT (1-ST)

ST = Applicable marginal rate of State Corporate Income Tax.

FT = The appli[illegible]

F = The dollar amount of charges paid to a utility as contributions in aid of construction which must be included in taxable income of the utility, which had been excluded from taxable income pursuant to former section 118(b) of the Internal Revenue Code.

P = The dollar amount of property conveyed to the utility which must be included in taxable income of the utility, which had been excluded from taxable income pursuant to Section 118(b) of the Internal Revenue Code.

(c) The CIAC tax impact amounts, as determined in this section of this ordinance, shall be deposited as received into a fully funded interest bearing escrow account, hereinafter referred to as the "CIAC Tax Impact Account", established with a local financial institution. Monies in the CIAC Tax Impact Account may be withdrawn periodically for the purpose of paying that portion of the estimated federal and state income tax expense which can be shown to be directly attributable to the repeal of Section 118(b) of the Internal Revenue Code and the inclusion of CIAC in taxable income. Annually, following the preparation and filing of the utility's annual federal and state income tax returns, a determination shall be made as to the actual federal and state income tax expense that is directly attributable to the inclusion of CIAC in taxable income for the tax year. CIAC tax impact monies received during the tax year that are in excess of the actual amount of tax expense that is attributable to the receipt of CIAC, together with interest earned on such excess monies held in the CIAC Tax Impact Account must be refunded on a pro rata basis to the parties who made the contribution and paid the tax impact amounts during the tax year. The utility will be required to maintain adequate records to account for the receipt, deposit, and withdrawal of monies in the CIAC Tax Impact escrow account. A detailed statement of the CIAC Tax Impact Account, including the annual determination of actual tax expense attributable to the repeal of Section 118(b) of the Internal Revenue Code shall be submitted as a part of the annual financial report required of the utility.

(d) The CIAC Tax Impact amount collected pursuant to this section shall not be considered as contributions in aid of construction.

SECTION 2. EFFECTIVE DATE. This Ordinance shall take effect upon receipt of acknowledgement of its filing in the Office of the Secretary of State of Florida.

PASSED AND DULY ADOPTED this 21st day of April, 1987.

BOARD OF COUNTY COMMISSIONERS
OF CHARLOTTE COUNTY, FLORIDA

ATTEST:
Barbara T. Scott, Clerk
Circuit Court and Ex-officio
Clerk to the Board of County
Commissioners

By Becky E. Rodriguez
Deputy Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

William D. Moore, County Attorney

IN THE CIRCUIT OF THE TWELFTH JUDICIAL CIRCUIT
IN AND FOR SARASOTA COUNTY, FLORIDA, CIVIL DIVISION

FIVELAND INVESTMENTS, INC. a Florida Corporation, EUGENE SCHWARTZ, individually and as a stockholder of FIVELAND INVESTMENTS, INC., and HELENE SCHWARTZ, individually and as a stockholder of FIVELAND INVESTMENTS INC.,	)	
Plaintiffs	)	CASE NO.: DIVISION C 91 4506-CA-01
vs.	)	
MELVIN A. STEINBAUM and VILMA STEINBAUM,	)	
Defendants	)	

ORDER APPROVING MODIFICATION OF SERVICE AGREEMENTS

Pursuant to the Receiver's Motion for approval of modification of service agreements and no party to this suit having objected to said motion by 30 November 1997,

IT IS HEREBY ordered and adjudged:

1. The Receiver is authorized to enter into and execute the second amendment to the service agreements dated 25 April 1989 and 29 November 1989 between Lemon Bay Golf and Country Club Estates and Fiveland Investments, Inc.

2. The Receiver is authorized to enter into and execute the second amendment to the service agreement dated 7 April 1990 between Shamrock Shores, Phase II and Fiveland Investments, Inc.

DONE AND ORDERED in Chambers at Sarasota County, Florida this 9 day of ~~November~~ Mar 1998.

CIRCUIT JUDGE

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that copies of the foregoing have been furnished by mail to the following Counsel of Record:

Thomas D. Shults, Esq.
Hogreve & Shults
3700 S. Tamiami Trail
Suite 201
Sarasota, FL 34239-6015

Theodore C. Steffens, Receiver
400 Madison Drive, Suite 200
St. Armands Circle
Sarasota, FL 34236
(P) 941-388-3585
(F) 941-388-5526

COURTESY COPY

Mr. Eugene Schwartz
245 Great Neck Rd.
Great Neck, NY 11022

Anthony Abate, Esq.
Abel, Band, Russell, Collier
Pitchford & Gordon
240 S. Pineapple Ave. 9th FL
Sarasota, FL 34236

Judge's Secretary

EXHIBIT A

SECOND AMENDMENT TO AGREEMENT

This Second Amendment to Agreement is made as of the dates set forth on the signature lines hereby by and between Shamrock Shores, Phase II (the "Developer") and Fivelands Investments, Inc., a Florida corporation (the "Utility").

SECTION 1. RECITATION OF FACTS.

1.1 Developer and Utility entered into that certain Service Agreement dated April 7, 1990 (the "Original Agreement") and that certain Amendment to Agreement dated November 4, 1993 (the "Amendment").

1.2 Utility is operated by Theodore C. Steffens, as receiver, pursuant to the receivership authorized by the Circuit Court in and for the Twelfth Judicial Circuit in Case No: Division C, 91 4506-CA-01.

1.3 The parties wish to amend the Original Agreement and the Amendment in the manner provided herein.

SECTION 2. AMENDMENT OF ORIGINAL AGREEMENT AND AMENDMENT.

2.1 Effective as of the dates of the Original Agreement and the Amendment, all sums heretofore paid by Developer to Utility, (other than meter charges and payment for utility services rendered) and however denominated, shall be considered as paid for (i) prepaid capacity fees and (ii) guaranteed revenues. Such amounts have been allocated as set forth below.

2.2 As of the date hereof, Developer has paid to Utility a sum sufficient for the prepaid capacity of 54 lots out of 60 lots in the Shamrock Shores Subdivision. No capacity charges have been paid for the remaining 6 lots. When Developer requests service for any of the remaining 6 lots, the applicable capacity fees shall be required and paid.

2.3 As of the date hereof, guaranteed revenues on all 60 lots within the project have been paid through January 1, 2001.

2.4 Developer acknowledges that Developer has previously waived any claim for refund of any advances paid to Utility pursuant to the Original Agreement and the Amendment.

SECTION 3. CONTINUING EFFECT.

As modified herein, the Original Agreement and the Amendment shall remain in full force and effect.

SECTION 4. CONDITION PRECEDENT.

It is understood by the parties that this Second Amendment to Agreement is subject to approval by the Court having jurisdiction of the receivership as specified above and will not be binding upon Utility until such approval has been received.

Executed as of the dates set forth below.

Witness

Print Name Jeanine Arnold

Witness

Print Name

Shamrock Shores, Phase II

By:

As its:

Address:

Date: July 15th, 1997

Witness

Print Name Sharon Baird

Witness

Print Name Deborah A. Becker

Fivelands Investments, Inc., a Florida corporation

By:

As its Receiver

Address:

Date: , 1997

EXHIBIT B

SECOND AMENDMENT TO AGREEMENT

This Second Amendment to Agreement is made as of the dates set forth on the signature lines hereby by and between Lemon Bay Golf and Country Club Estates, a joint venture (the "Developer") and Fivelands Investments, Inc., a Florida corporation (the "Utility").

SECTION 1. RECITATION OF FACTS.

1.1 Developer and Utility entered into that certain Service Agreement dated November 29, 1989 (the "Original Agreement") and that certain Amendments to Agreement dated February 16, 1993 (the "Amendment").

1.2 Utility is operated by Theodore C. Steffens, as receiver, pursuant to the receivership authorized by the Circuit Court in and for the Twelfth Judicial Circuit in Case No: Division C, 91 4506-CA-01.

1.3 The parties wish to amend the Original Agreement and the Amendment in the manner provided herein.

SECTION 2. AMENDMENT OF ORIGINAL AGREEMENT AND AMENDMENT.

2.1 Effective as of the dates of the Original Agreement and the Amendment, all sums heretofore paid by Developer to Utility, (other than meter charges and payment for utility services rendered) and however denominated, shall be considered as paid for (i) prepaid capacity fees and (ii) guaranteed revenues. Such amounts have been allocated as set forth below.

2.2 As of the date hereof, Developer has paid to Utility a sum sufficient for the prepaid capacity fees of 75 lots in the Eagle Preserve project. Lots which have been provided service or to which commitments have been made to provide service, are described as follows:

> Phase I - Lots 1-34; Phase II - Lots 1-18, Lots 20, 21, 25, 26, 27, 31, 37, 40, 42, 43, 44, 50, 54, 58 and 59 for a total of 67 lots. These designated lots will be deemed to have prepaid their capacity fees. In addition, the next 8 lots for which Developer requests service or designates to the utility as having a prepaid capacity fee shall not be liable for the payment of such capacity fee. After the next eight lots have been served or designated as prepaid, the applicable capacity fee shall be required for each lot up to a maximum of the 93 lots in the Eagle Preserve project.

2.3 As of the date hereof, guaranteed revenues on those lots owned by Developer and those lots whose owners are currently not paying guaranteed revenues have been paid through January 1, 2001.

2.4 The above amounts include a credit to Developer relative to certain monies paid by Developer to Utility in the amount of $100,000.00 as specified in the Original Agreement and any obligations of Utility to Developer relative thereto are null and void.

SECTION 3. CONTINUING EFFECT.

As modified herein, the Original Agreement and the Amendment shall remain in full force and effect.

SECTION 4. CONDITION PRECEDENT.

It is understood by the parties that this Second Amendment to Agreement is subject to approval by the Court having jurisdiction of the receivership as specified above and will not be binding upon Utility until such approval has been received.

Executed as of the dates set forth below.

Print Name _____

Print Name _____

Lemon Bay Golf and Country Club Estates, a joint venture

By: _____

As its: _____

Address: _____

Date: _____, 1997

Print Name _____

Print Name _____

Fivelands Investments, Inc., a Florida corporation

By: _____

As its Receiver

Address: _____

Date: _____, 1997

#211046.2

IN THE CIRCUIT OF THE TWELFTH JUDICIAL CIRCUIT
IN AND FOR SARASOTA COUNTY, FLORIDA, CIVIL DIVISION

FIVELAND INVESTMENTS, INC. a Florida Corporation, EUGENE SCHWARTZ, individually and as a stockholder of FIVELAND INVESTMENTS, INC., and HELENE SCHWARTZ, individually and as a stockholder of FIVELAND INVESTMENTS INC.,	
Plaintiffs	CASE NO.: DIVISION C 91 4506-CA-01
vs.	
MELVIN A. STEINBAUM and VILMA STEINBAUM,	
Defendants	

ORDER APPROVING MODIFICATION OF SERVICE AGREEMENT

Pursuant to the Receiver's Motion for approval of modification of service agreement and no party ot this suit having objected to said Motion by 29 October 1993,

IT IS HEREBY ordered and adjudged:

1. That the Receiver is authorized to enter into and execute the Amendment to the original service agreement dated 7 April 1990 between Shamrock Shores and Fiveland Investments, Inc.

DONE AND ORDERED in Chambers at Sarasota County, Florida this 1st day of ~~October~~ NOV. 1993.

JAMES W. WHATLEY

CIRCUIT JUDGE

AMENDMENT TO AGREEMENT

THIS AMENDMENT TO AGREEMENT made and entered into this the 4th day of ~~October~~ November, 1993 by and between Shamrock Shores, Phase II whose mailing address is c/o GTC General Partners, 1505 South McCall Road, Englewood, Florida 34223 (Elbert C. & Shirley M. Weaver, 200 W. Dearborn St., Englewood, FL 34224) as "Developer" and FIVELAND INVESTMENTS, INC., whose mailing address is c/o Theodore C. Steffens, Receiver, 5550 26th Street West, Suite 6, Bradenton, Florida 34207 as "Service Company".

W I T N E S S E T H:

WHEREAS, Developer and Service Company have heretofore entered into a service agreement dated 7 April 1990 dealing with the provision of water service by the Service Company to Shamrock Shores Subdivision, Phase II, Developer's project located in Charlotte County, Florida; and

WHEREAS, the parties hereto wish to amend the aforesaid Service Agreement as hereinafter set out.

NOW THEREFORE, in consideration of the mutual undertakings and agreements herein contained and assumed, Developer and Service Company hereby covenant and agree as follows:

1. Arrangement shall be that Developer shall pay to Service Company $10,000.00 simultaneously with the execution of this agreement.

2. The balance of the Developer advance shall be $20,000.00. This is a reduction of $5,000.00 from the $35,000.00 due. The remaining $20,000.00 will be paid at six (6) percent simple interest; $10,000.00 one year from the execution of this agreement together with interest compounded annually; $10,000 two years from the execution of this agreement together with interest compounded annually.

3. Service Company will not refund Developer $125.00 pursuant to the terms of the original service agreement, paragraph #15.

4. Developer understands that there will be a $1,100 tap-in fee plus a $200.00 charge for a meter at the time any lot is to be hooked up to water. This amount may change if county and other regulations permit the utility to charge a larger amount.

5. Service Company agrees to waive the $16.42 minimum monthly charge for lots that are unconnected to the water system and designated as "tap-ins" both prior and future as long as all of the provisions of this amendment are met. It is the understanding of both parties that there is not a time limit in this paragraph of the Agreement.

6. If Developer should sell more than ten (10) lots in any twelve (12) month period beginning with the first 12 months after execution of this agreement, on the 11th and all months following, a principal payment in the amount of $1,000.00 will be paid on the balance owed.

7. If the developer fails to make payments scheduled in this amendment, the amendment will be null and void and all original amounts shall be fully due and payable.

8. It is understood and agreed that Service Company will present this Amendment to Agreement for approval to the Court having jurisdiction over the Receivership under which Service Company is currently operating. In the event, Service Company is unable to obtain such Court approval this amendment will be considered null and void. The original service agreement terms will apply.

9. This Amendment shall be binding upon the parties hereto and their respective successors and assigns.

10. The Receiver has delivered this document from a business standpoint but all parties agree that the Receiver has no responsibility for the legal correctiveness of said document. Each party to the litigation shall ask his attorney to verify the legal corrrectiveness of the Amendment to Agreement.

This Amendment to Agreement is executed by the undersigned Receiver solely in his capacity as Receiver and said Receiver shall assume and incur no personal liability and no personal liability shall ever be asserted or enforced against the undersigned Receiver.

IN WITNESS WHEREOF, the parties have executed this Amendment to Agreements as of the day and year first above written.

Signed, sealed and delivered in the presence of:

Alberta Hicks
ALBERTA HICKS
(Print Name of Witness)

Dorothy Westerman
Dorothy Westerman
(Print Name of Witness)

SHAMROCK SHORES, PHASE II

By: _____
Its: GTC Partner

"Developer"

FIVELAND INVESTMENTS, INC.

By: _____
Its: Receiver

"Service Company"

Jessie Smith
Jessie Smith
(Print Name of Witness)

Landy Cain
Landy Cain
(Print Name of Witness)

TCS:jls

SERVICE AGREEMENT

THIS AGREEMENT, dated this 12th day of January, 1984, by and between FIVELAND INVESTMENTS, INC., hereinafter referred to as "UTILITY", and Charlotte Harbor Land Company, Inc. hereinafter referred to as "DEVELOPER".

W I T N E S S E T H :

WHEREAS, Developer is the owner of certain real property located in Charlotte County, Florida, described on Exhibit "A" annexed hereto, and

WHEREAS, said real property constitutes the site for improvements which will consist of 31 residential units and 150 seat restaurant being the equivalent of 46 residential dwelling units for connection fee purposes, said project to be hereinafter referred to as "Initial Development", and

WHEREAS, Developer owns other properties adjacent to that described on Exhibit "A" which developer may develop in the future, said other properties being referred to as "Future Development", and

WHEREAS, Developer wishes to assure that Developer will have water service to the initial development, and

WHEREAS, utility is willing to furnish such water service on certain terms and conditions, and

WHEREAS, the parties hereto wish to define their respective rights and obligations concerning the same,

NOW, THEREFORE, for a valuable consideration, receipt of which is hereby acknowledged, the parties hereto do hereby agree as follows:

1.
Installation of System

Developer shall design, install, inspect and test the complete water distribution system within the initial development and connect the same to the existing service facility of utility, all at Developer's expense. The term "complete water distribution system" as used herein shall include all component parts of a water distribution system, including valves, fittings, laterals, hydrants and all appurtenances as shown upon the approved design of such water distribution system.

Before Developer proceeds with construction of the system, the

plans and specifications for the same shall be submitted by Developer to Utility for the examination and approval of Utility, which approval shall not unreasonably be withheld and shall be given or denied, as the case may be within a reasonable time, taking into consideration the time normally required for proper engineering evaluation of the plans submitted. Developer shall pay for the cost of engineering services incurred by utility relative to such examination and approval.

Once the plans and specifications for the system have been approve pursuant to the foregoing, Developer covenants to promptly and properly commence and pursue installation of the same. Utility shall have the right but not the obligation of on-site inspection at all reasonable times in order to verify that such system is being properly installed. Developer shall pay for the inspection costs incurred by Utility.

The Developer at its cost shall extend the said water system from its internal distribution access point to the nearest existing suitable line of Utility. Developer's specifications and the installation of Developer's Utility System must be in strict accordance with the latest revision of Service Corporations Standard specifications which are attached to this agreement as Exhibit "B".

2.
Conveyance of System

Upon completion of installation of the water distribution system, Developer shall convey the same to Utility free and clear of all liens and encumbrances by good and sufficient bill of sale containing the usual covenants and warranties to title. In addition, Developer shall convey to Utility, adequate easements by good and sufficient Warranty Deed containing the usual covenants and warranties of title, which easements shall be for the purpose of access to, repair, maintenance and replacement of that portion of the system which will be maintained by utility pursuant to paragraph 3 below. There shall be no outstanding bills for labor, services or materials owing at the time of such conveyance. Developer shall furnish satisfactory evidence thereof to utility.

3.
Maintenance of System

Upon acceptance by Utility of the Bill of Sale and Easement Deed, Utility shall become responsible for the maintenance and repair

of the water distribu .on system excluding all i tallations on the customer side of the meter, subject however to a one year warranty by Developer commencing upon the accpetance of the system, guaranteeing the materials and proper installation of the system.

4.
Service By Utility

Upon acceptance of the water distribution system pursuant to the foregoing, Utility shall commence servicing and shall service individual users of such system in accordance with the approved franchise rates, rules and regulations as the same exist or are modified from time to time, provided however, that Utility shall not be obliated to furnish said service until all meter boxes and valve boxes are exposed at proper finish grade and valves are operational and it has received a set of "as-built" plans of the system duly certified by the project engineer or developer as to accuracy.

5.
Plant Capacity/Connection Fees

Developer is hereby subscribing and Utility agreeing to deliver 46 residential dwelling unit equivalents. The connection fees for such equivalents are $975 for each dwelling unit equivalent which means a total of $ 44,850.00 for service in the Initial Development. In addition, Developer is also pre-paying $ 22,425.00 representing payment for connection fees for 23 residential dwelling unit equivalents for the Future Development, credit for which shall be given by Utility to Develope: when Developer contracts with Utility for connections in the Future Development. Provided however, all connections paid for by Developer (whether for current or Future Development) must be made and become active within two (2) years from the date hereof. Any fees paid for connection which are not made and activated within said two (2) years shall be retained by Utility as damages and no credit against future connections given Developer. The total payment to be made by Developer to Utility pursuant to the foregoing shall be the sum of $67,275.00, which shall be payable $14,625 upon the execution hereof, (which will entitle Developer to 15 immediate connections) and the balance in cash within ten (10) days after notice by the Utility to Developer of the resolution of the question of discharge described in paragraph 13 below.

The parties acknowledge that the purpose of pre-paying for connections in Future Develoments is to provide Utility with some of the

funds needed to increase its capacity to provide service to Developer for the Initial Development. Utility is contracting with two other parties, Fiddler's Green Condo's, Inc. GRANICZ ENTERPRISES, INC. and JOSEPH G. GRANICZ and , in the same manner as this agreement. The total funds to be raised by Utility through the use of prepaid connection fees for Future Development of all three (3) projects is estimated to be the total of the funds that will be needed by Utility for the expansion of its capacity and related expenses. Accordingly, if either of the other two developers or if Developer hereunder defaults in payment of such prepaid connection fees, the remaining fees to be paid will not be ample for the purpose of expanding capacity and Utility may thereupon cancel and rescind this agreement. Additionally, if in the future Developer requires further connections and such requests will require plant expansion and if the connections requested by Developer will not result in adequate funds to cover the expansion, Developer shall prepay at the then existing rates connection fees in an adequate amount to fund such expansion, limited in all events to the total projected needs (number of connections) of Developer's project. "Adequate" shall mean all hard and soft costs and fees relating to such expansion. The credits derived from additional connections must be used within two years after the payments in the manner provided in paragraph 5. Such requirement to purchase additional connections shall not impair the normal requirement of Developer paying connections fees for any capacity Developer wishes to reserve.

6.
Unused Connection Credits/Minimum Fees

In the event that Developer does not use the connection fee credits to which Developer would be entitled by virtue of prepayments thereof in accordance with the foregoing within the two (2) year terms set forth above, rather than lose the credit for pre-payment, Developer shall have the option to commence making payments to the Utility for each such connection in the amount of the then existing minimum usage rate each month, and, so long as such payments are made, the connection fee credit shall be honored.

7.
County Franchise

The parties hereto acknowledge that the Utility furnishes service under the authority of and pursuant to a franchise awarded by Charlotte County, Florida and that all obligations and rights hereunder are subject to automatic modification by virtue of any change in the franchise rules, regulations, approved rates and fees, except that the connection fees stated herein for the initial development and pre-payments made relative to the Initial Development prior to February 1 1984 shall bind Utility as to the amount of such connection fees. Utility's obligation under this agreement are contingent on Utility obtaining all necessary approvals from all governmental agencies.

8.
Successors and Assigns

This Agreement shall be binding upon the parties hereto, their respective successors and assigns.

9.
Notices

All notices required or permitted hereunder shall be delivered to the parties in writing, certified or registered mail, return receipt requested, postage pre-paid, addressed to the parties at the addresses set forth below:

Fivelands Investments, Inc. 1100 S. Tamiami Trail
Sarasota, Florida 33577

Charlotte Harbor Land Company, Inc.
7092 Placida Road
Cape Haze, Florida 33946

Either party may change this address for receipt of notices by notice to the other party of a new mailing address.

10.
Headings

Headings to various paragraphs set forth herein are used as a matter of convenience only and shall not be used for the purpose of construing or limiting the content of the various paragraphs.

11.
Call Rights

Notwithstanding the foregoing provisions concerning connection fees and time of payment, the utility shall have the right to be exercised one time only to require of developer to pre-pay for three (3) additional connections for future development, which pre-payment shall be made within ten (10) days after request therefore by Utility.

12.
Fire Flow

The parties hereto do acknowledge that part of the plant expansion hereinabove mentioned shall consist of improvements or modifications installed for the purpose of increasing fire flow capability in accordance with appropriate governmental regulations and requirements.

13.
Discharge of Effluent/Conditions Subsequent

In the event that any governmental agency requires that the effluent of the water plant be discharged and/or treated in a manner different than that currently employed, and such requirement creates the need of any additional investment by utility, Developer shall purchase additional connections for future development totaling a sum equal to what would be the pro-rata share of the cost of such different discharge/treatment attributable to developer. Such purchase to be made within thirty (30) days after request therefore by utility. "The pro-rata share" of such cost attributable to Developer shall be determined by dividing the total investment required to comply with the governmental requisites relative to such discharge by the total number of units in the present and future development phases of the projects planned by Developer and the other developers mentioned in paragraph 5 above and then apportioning to Developer his share based upon his proportionate share of the total units. In the event that Developer fails or refuses to make such additional connection fee purchase and timely payment for the same, then this contract shall thereupon be deemed cancelled and rescinded as to any connections for which Developer has not theretofore paid, which cancellation or rescision shall be the sole remedy of utility relative to the same.

14.
Modifications

No modification hereof shall be valid or binding upon the parties

hereto, their respective successors or assigns unless in writing and executed with the formalities hereof.

IN WITNESS WHEREOF, the parties hereto have hereunto caused their respective signatures and seals to be affixed the day and year first above written.

Witnesses:

Cynthia K. Seymour

Dorothy J. DeHart

FIVELANDS INVESTMENTS, INC.

by _____ - President

"UTILITY"

Witnesses:

Patricia A. Baker

Wanda Wagner

CHARLOTTE HARBOR LAND COMPANY, INC.

by _____

"DEVELOPER"

AGREEMENT

THIS AGREEMENT made and entered into this 20 day of Dec, 1995, by and between CAPE HAZE MARINA VILLAGE Incorporated, a Florida corporation, whose mailing address is P.O.Box 326 PLACIDA, FLA 33946 (the "Developer"), and FIVELANDS INVESTMENTS, INC., a Florida corporation, whose mailing address is 400 Madison Dr., Sarasota, Florida 34236 (the "Service Company").

WITNESSETH:

WHEREAS, Service Company owns and operates in Charlotte County, Florida, a Water System (as defined in F.S. Section 367) and provides potable water to properties and the occupants thereof in its certificated area of service; and

WHEREAS, Developer has or will develop lands located in Charlotte County, Florida and described in Exhibit "A" attached hereto and thereby made a part hereof as if fully set out in this paragraph (the "Property"), the Property consisting of a multi-family residential complex (the "Complex") and Developer will be developing the Property by erecting improvements and buildings thereon; and

WHEREAS, in order to meet the financing and general requirements of certain private agencies and certain federal, state, and local governmental agencies, such as, but not limited to the Florida Department of Environmental Regulation, the Florida Public Service Commission (the "PSC"), the U.S. Environmental Protection Agency, the Veterans' Administration, the Federal Housing Administration, and private lending institutions, it is necessary that adequate potable water facilities and services be provided to serve the Property and to serve the occupants of each building or other structure constructed on the Property; and

WHEREAS, Developer is not desirous of providing water facilities to serve the Property, but is desirous of promoting the expansion of central potable water facilities by Service Company so that the occupants of each building constructed thereon will receive adequate potable water service; and

WHEREAS, Service Company is willing to provide, in accordance with the provisions and stipulations hereinafter set out, central water facilities, and to provide for the extension of such facilities by way of water transmission lines, and to thereafter operate such facilities so that the occupants of each building constructed on the Property will receive potable water service from Service Company; and

WHEREAS, Developer has or will install the necessary transmission lines and related appurtenances to facilitate potable water service to the Property;

NOW, THEREFORE, for and in consideration of the premises, the mutual undertaking and agreements herein contained and assumed, Developer and Service Company hereby covenant and agree as follows:

1. GRANT TO SERVICE COMPANY OF RIGHTS TO SERVE THE PROPERTY.

Developer hereby grants and gives to Service Company, its successors, and assigns, the exclusive and perpetual right or privilege, to construct, own, maintain, operate, and expand the water system to serve the Property; and, the exclusive and perpetual right, privilege, easement, and right-of-way, subject to assignment, to construct, reconstruct, install, lay, own, operate, maintain, repair, replace, renew, improve, alter, extend, remove, relocate, and inspect all water transmission lines and laterals, connections, and all related and appurtenant facilities and equipment in, under, through, over, upon, and across all present and future streets, avenues, roads, terraces, places, courts, alleys, ways, easements, reserved utility strips and utility sites, rights-of-way, and other public, quasi-public, and reserved ways, areas, places, and locations, including but not limited to any lake, canal, or other water area shown on any plat or plats of the Property, or any part thereof, which may be recorded from time to time, or which may be provided for in private easement agreements independent of such plat or plats, or in dedications or otherwise (all of the foregoing hereafter being called "Easement Areas"), together with the full use, occupation, and enjoyment thereof for such purposes and all rights and privileges incident or appertaining or appurtenant thereto, including but not limited to the right of ingress and egress for such purposes throughout such Easement Areas and to and within every lot and parcel of land shown on any such plat or plats or to any part of the Property. At the option and upon request of Service Company or its successors or assigns, Developer shall execute and deliver a grant or grants of easement in recordable form, which form shall be subject to the prior approval of Service Company, designating or describing the Easement Areas granted by this Section. All easements granted to Service Company by this Section shall contain legal descriptions of the said Easement Areas described in metes and bounds or otherwise delineating the exact area of the Property included as the Easement Areas.

2. RESTRICTIVE COVENANT.

Developer, as further consideration of this Agreement, and in order to effectuate the foregoing grants to Service Company, hereby places the following covenant, as a covenant running with the land, upon the Property thereby subjecting it to a reservation,

limitation, condition, or restriction in favor of Service Company as follows:

> FIVELANDS INVESTMENTS, INC., a Florida corporation, or its successors or assigns, has the sole and exclusive right to provide all potable water facilities and service to the Property described in Exhibit "A" and to any property to which potable water service is actually rendered pursuant to this Agreement. All occupants of any building or improvements erected on the Property, and all subsequent or future owners or purchasers of the Property, or any portion thereof, shall receive their potable water service from the aforesaid corporation, or its assigns, and shall pay for the same in accordance with the terms, conditions, tenor, and intent of this Agreement, for so long as the aforesaid corporation, or its successors or assigns, provide such service to the Property, and all occupants of any building or improvement erected or located on the Property, and all subsequent or future owners or purchasers of the Property, or any portion thereof, agree by occupying any premises on the Property, or by recording any deed of conveyance with respect to the Property, that they will not construct, dig, build, or otherwise make available or use potable water service from any source other than that provided by Service Company. Service Company or its assigns shall have access at all reasonable times to every water transmission line or lateral and appurtenant facilities for the purposes of operating, maintaining, repairing, and replacing the said potable water service facilities.

3. GRANT TO SERVICE COMPANY OF ADDITIONAL EASEMENT RIGHTS.

Developer and Service Company covenant that each will use due diligence in ascertaining all easement locations; however, should Developer or Service Company install any water facilities outside an Easement Area, Developer, the successors, and assigns of Developer, covenant and agree that Service Company will not be required to move or relocate any facilities lying outside said Easement Area so long as the facilities do not interfere with the then or proposed use of the private property in which the facilities have been installed.

4. RESERVATION TO DEVELOPER TO GRANT EASEMENT RIGHTS FOR OTHER UTILITY SERVICES.

Nothing contained in this Agreement shall prevent Developer, or any subsequent owner of the Property, or of any part thereof, from granting exclusive or nonexclusive rights, privileges, easements, and rights-of-way in the Easement Areas for the furnishing of utility services other than potable water service.

Provided, however, that every such other grant shall be on the express condition that the Grantee therein shall not impair or interfere with the use, occupation, and enjoyment of the Easement Areas by Service Company nor require Service Company to move, replace, adjust, alter, or change any of its facilities.

5. COVENANT BY SERVICE COMPANY TO SERVE THE PROPERTY.

Upon the continued accomplishment of all the prerequisites contained in this Agreement to be performed by Developer or by Service Company, Service Company covenants and agrees that it will provide water service in accordance with the terms and intent of this Agreement, so that the Property will receive adequate potable water services. Service Company agrees that once it provides potable water services to the Property, or any portion thereof, that thereafter Service Company will continuously provide, at its cost and expense, but in accordance with the other provisions of this Agreement, including rules and regulations and rate schedules, potable water service to the Property in a manner to conform with all reasonable requirements of the U.S. Environmental Protection Agency, Florida Department of Environmental Protection, the PSC, and other governmental agencies having jurisdiction over the potable water operations of Service Company.

6. INCLUSION OF PROPERTY IN CERTIFICATED AREA.

Service Company represents to Developer that the Property is within the confines of the certificated area granted to Service Company by the PSC.

7. PUMPING STATION SITES.

To the extent not already accomplished, Developer covenants and agrees to provide Service Company, at no cost to Service Company, all the pumping station sites, if any, Service Company may need to operate its pumping stations to serve the Property.

8. TITLE.

At the request of Service Company, Developer, at its sole cost and expense, shall furnish Service Company with an opinion of title from a qualified attorney at law with respect to the right of Service Company to utilize all Easement Areas in the manner provided herein.

9. DEVELOPMENT PLAN.

It is the intention of the parties in entering into this Agreement that Developer grants to Service Company the exclusive right and privilege to provide all of the land set forth in Exhibit "A" consisting of approximately _____ acres with potable water facilities and services and that the Property will be developed as

a multi-family residential complex substantially in accordance with the Master Plan annexed as Exhibit "B."

10. DEVELOPER NOT TO ENGAGE IN WATER BUSINESS ON THE PROPERTY.

Developer, as a further and essential consideration of this Agreement, agrees that Developer, or the successors and assigns of Developer, shall not (the words "shall not" being used in a mandatory definition) engage in the business or businesses of providing potable water service to the Property during the period of time Service Company, its successors, and assigns, provide potable water service to the Property, it being the intention of the parties hereto that under the foregoing provision and also other provisions of this Agreement, Service Company shall have the sole and exclusive right and privilege to provide potable water service to the Property and to the occupants of each building or structure constructed thereon.

11. RATES, RULES, AND REGULATIONS.

Service Company agrees that the initial rates to be charged to consumers of potable water service shall be those shown in the rate schedule annexed hereto, made a part hereof, and marked Exhibit "C." However, notwithstanding any provision in this Agreement, Service Company may establish, amend, or revise from time to time in the future and enforce different rates or rate schedules reflecting rates other than those shown in Exhibit "C." However, any such lower or higher rates or rate schedules so established and enforced shall at all times be reasonable and subject to such regulation as may be allowed by law.

Developer shall be bound by Service Company's Rules and Regulations and Service Availability Policy made a part hereof and marked Exhibit "D" (hereinafter referred to as Rules and Regulations") and any amendment or modifications thereto, which may be approved the PSC in the future, as though fully set forth herein to the extent that the said Rules and Regulations relate to potable water services and facilities.

Any such initial or future rates, rate schedules, and rules and regulations established, amended, or revised and enforced by Service Company from time to time in the future, shall be binding upon Developer, upon any person or other entity holding by, through, or under Developer, and upon any user or consumer of the potable water service provided to the Property by Service Company.

12. PAYMENT OF CAPACITY FEES.

(a) As of the date hereof, Developer has paid to Service Company capacity fees in the amount of Thirty Six Thousand Dollars ($36,000.00) which, at the time of payment, was equivalent to the lesser of forty (40) equivalent residential connections ("ERCs") or

225 gallons per day per residential unit. Since the date of such payment, the approved capacity fee of Service Company has been increased to that shown on Exhibit "C" annexed. Concurrently with the execution hereof, Developer shall pay to Service Company such differential and Developer will then have reserved the lesser of the said forty (40) ERCs or 225 gallons per day per residential unit.

(b) Developer desires to reserve, en toto, the lesser of fifty nine (59) ERCs or 225 gallons per day for each such residential unit. Accordingly, Developer shall pay to Service Company concurrently with the execution hereof the approved capacity fee for such additional dwelling units.

(c) The deferred standby fees applicable to the Property as of September 23, 1995 are in arrears in the amount of Twenty Four Thousand Three Hundred and One Dollars and 60/100 ($24,301.60) which such amount, together with any further amounts accruing since September 23, 1995 shall be payable concurrently with the execution hereof.

13. DEFERRED STANDBY FEES.

Developer agrees to pay to Service Company deferred standby fees from the date of this Agreement as shown on Exhibit "C" annexed hereto.

14. GROUNDS FOR WORK STOPPAGE BY SERVICE COMPANY.

In the event Developer shall fail or refuse to pay Service Company within fifteen (15) days of its maturity, and after notice from Service Company to Developer, any sum provided to be paid by Developer to Service Company under the terms of this Agreement, then Service Company, upon ten (10) days written notice to Developer may, at its option, stop any work provided for under this Agreement until such sums have been paid.

15. POINTS OF CONNECTION.

Service Company shall make available for the Property the abovespecified amount of potable water by means of a connection to an existing transmission line located as shown on Exhibit "B" annexed hereto, hereinafter referred to as the Point of Connection.

16. RESERVATION OF WATER CAPACITY FOR DEVELOPER.

Service Company agrees to reserve water capacity in the amount set forth above.

If all or any part of the Property as a result of additional construction, zoning or density changes requires additional potable water capacity and/or facilities to provide the necessary adequate

service, Developer, its successors or assigns, shall provide new engineering plans and specifications, submit them to Service Company for its approval and if approved, a new Service Agreement shall be executed prior to development of all or any part of the Property and appropriate adjustment of all capacity fees and other fees shall be made.

17. LIMITATION ON RESERVATION OF CAPACITY.

It is mutually agreed and understood by Service Company and Developer that the aforesaid reservation of potable water capacity by Service Company does not guarantee connections to Service Company's water system or guarantee the ability of Service Company provide water service to the Property in the event that Service Company is prohibited, limited, or restricted, though no fault of its own, from making such connections or from reserving capacity by local, state, or federal governmental agencies having jurisdiction over such matters until such time as said prohibition, limitation, or restriction is revoked or amended. In such event, Developer agrees that Service Company shall not be liable or in any way responsible for any costs or losses incurred by Developer as a result of local, state, or federal governmental regulation, intervention, or control; except that should Service Company be prohibited, limited, or otherwise restricted from making connections, reserving capacity, or providing potable water service to the Property or any portion thereof, Service Company's sole obligation and responsibility and Developer's sole remedy shall be, at Developer's option, to refund to Developer within sixty (60) days after receipt of notice, the capacity fees paid by Developer pursuant to Exhibit "C" hereof to the extent that they are applicable to that portion of the Property for which service cannot be rendered.

Further, it is understood by Service Company that Developer may develop the Property in a manner not contemplated in the Master Plan, and, if this be the case, the Developer may, by written notice to Service Company, request a refund of any portion of the Advances which will not be utilized by Developer and Service Company will refund the same, without interest, within ten (10) days of such notice.

18. NOTICE TO SERVICE COMPANY REQUIRED FOR ASSIGNMENT OF CAPACITY.

No right to any capacity provided for in this Agreement shall be transferred, assigned, or otherwise conveyed to any other party by Developer without written notice to Service Company and such consent shall not be unreasonably withheld; however, while notice shall be required, such consent and agreement of Service Company shall not be required in connection with the sale, lease, or other conveyance of the Property to a bona fide purchaser, lessee, resident or occupant.

19. ENGINEERING OF ON-SITE AND OFF-SITE IMPROVEMENTS.

Developer shall at its own cost and expense cause Dufresne-Henry, Inc., a registered professional engineering firm of the State of Florida regularly engaged in the practice of utility engineering (hereinafter referred to as Developer's Engineer), to prepare and seal detailed engineering plans and specifications for construction of all of the water transmission lines, including but not limited to any required pumping stations, and all equipment or facilities incident thereto which shall be necessary to provide potable water within the Property and outside of the Property to the extent necessary to connect to the Point of Connection (collectively, the "Improvements"), including the Service Control Fixtures referred to hereinafter. A conceptual layout of the potable water system is attached hereto as Exhibit "B" and made a part hereof. All plans and specifications covering the Improvements shall conform to Service Company's standard specifications and detail sheets.

20. ENGINEERING PLANS AND SPECIFICATIONS SUBJECT TO SERVICE COMPANY'S REVIEW AND APPROVAL.

Developer, at its sole cost and expense, shall cause Developer's Engineer to transmit the detailed plans and specifications for the Improvements to Service Company for its review and approval. All Improvements shall be of the quality, make, type, brand, and/or design as already in place and in use by Service Company throughout the System unless no longer available or a different product or material is specified by Service Company. Service Company, at the cost and expense of the Developer shall review the said plans and specifications expeditiously, and furnish Developer's Engineer with any proposed changes relating thereto, and Developer's Engineer shall then modify the said plans and specifications to comply with Service Company's proposed changes. No construction of the Improvements shall commence unless and until Service Company has given its final approval of the said plans and specifications.

Upon final approval of the plans and specifications by Service Company, Service Company shall execute such applications as may be required for the submission of the said plans and specifications to state and local regulatory agencies for approval for construction. Developer shall cause Developer's Engineer to prepare the applications for all necessary permits needed for construction of the Improvements with Developer, or its assignee, shown as the "Agent for Operation and Maintenance."

21. DEVELOPER TO SECURE APPROVALS FOR CONSTRUCTION OF IMPROVEMENTS.

Developer or its agents shall be fully responsible for obtaining all required approvals from governmental agencies and for

obtaining all necessary construction permits for construction of the Improvements contemplated in this Agreement.

22. DEVELOPER TO CONSTRUCT IMPROVEMENTS.

Upon receipt by Developer's Engineer of all regulatory agency approvals which are a prerequisite to the construction of the Improvements, Developer shall solicit bids for construction of the said Improvements, and Developer shall select a duly licensed construction contractor, or contractors, experienced in the installation of underground water facilities, to construct and install the said Improvements at Developer's sole cost and expense, and to connect the said Improvements to existing facilities of Service Company, all in accordance with plans previously approved by Service Company.

23. CONSTRUCTION MEETINGS.

Service Company reserves the right to call for a construction meeting(s) with Developer's representatives (Engineer, Project Manager, Construction Superintendent, etc.) with respect to matters relating to the construction of the Improvements. Said meeting(s) shall be given twenty-four (24) hours notice and is (are) to be held at the offices of Service Company in Charlotte County or at a place convenient to the project as designated by Service Company.

24. INSPECTION AND TESTING.

At all times during construction of the Improvements, Service Company shall have the absolute right to inspect such construction and installation, and the right to request Developer's Engineer and Developer's contractor(s) to perform standard tests for infiltration, line, and grade, and such other engineering tests as may be necessary to determine that the Improvements have been installed in accordance with the approved plans and specifications and good engineering practice. If any of the Improvements appear to Service Company not to be installed in accordance with the approved plans and specifications and/or good engineering practice, Service Company shall have the right to require Developer's contractor(s) to stop work, and shall request inspection and testing of the work by Developer's Engineer. Developer agrees to pay all costs of testing and leak location and any repair deemed necessary by Service Company as a result thereof.

At such times during construction of the Improvements when Developer's Engineer requests inspection and/or testing, Service Company's authorized representative, together with Developer's contractor(s), shall jointly be present to witness said inspections and/or tests for determination of conformance with the approved plans and specifications and good engineering practice. Developer shall notify Service Company a minimum of twenty-four (24) hours in

advance of said inspections and/or tests so that Service Company may make arrangements to witness the said inspections and/or tests.

The presence of Service Company's representatives during any inspection and/or testing shall not be construed to constitute any guarantee on the part of Service Company as to materials or workmanship, nor shall they relieve Developer of responsibility for proper construction of the Improvements in accordance with the approved plans and specifications, nor shall they relieve Developer of the warranties specified herein as to the quality and condition of the materials and workmanship.

In the event Service Company fails to witness any inspection or test provided for herein, Developer may proceed with construction provided the results of the said inspection and/or tests were found to be in conformance with the plans and specifications approved by Service Company and good engineering practice.

Developer shall cause Developer's Engineer to furnish Service Company with a report on the results of all inspection and testing performed hereunder. Any work stopped shall not recommence without written direction from Service Company to do so.

25. FINAL INSPECTION AND ACCEPTANCE OF IMPROVEMENTS.

Upon final inspection and approval of the Improvements or any phase thereof by both Service Company and Developer's Engineer, and provided that the Improvements have been installed in accordance with the approved plans and specifications, Service Company shall accept the Improvements, or any phase thereof, which acceptance shall be evidenced by a certificate of final acceptance.

26. CONVEYANCE OF IMPROVEMENTS.

To induce Service Company to provide the potable water facilities, and service to the Property, Developer hereby agrees to convey to Service Company, or its assignee, free and clear of all claims, liens, and encumbrances, by a duly executed bill of sale in recordable form, legal title to all of the Improvements located in dedicated rights of way and Easement Areas constructed by Developer pursuant to this Agreement. Said bill of sale shall also be accompanied by a verified itemized statement, in form and detail satisfactory to Service Company, indicating the itemized installed costs of the various elements of the said Improvements for recordation on the books and records of Service Company.

27. DEVELOPER'S SUCCESSORS AND ASSIGNS HAVE NO CLAIMS.

No person or other entity holding any of the Property by, through, or under Developer, or otherwise, shall have any present or future right, title, claim, or interest in and to the any of the potable water facilities and properties of Service Company.

28. NO OFFSET OF OTHER OBLIGATIONS PERMITTED.

Any user or consumer of water service shall not be entitled to offset any bill or bills rendered by Service Company for such service or services against the any payments or contributions made by Developer hereunder and Developer shall not be entitled to offset the said items against any claim or claims which Developer may have against Service Company.

29. INSPECTION FEE.

Upon completion of construction of the Improvements and prior to the rendering of water service, Developer shall pay to Service Company a reasonable inspection fee of up to $500 based upon the actual cost incurred by Service Company to make the inspection(s).

30. SERVICE COMPANY'S RIGHT TO INSPECT DEVELOPER'S BOOKS AND RECORDS.

Upon request by Service Company to Developer, Developer shall furnish Service Company with reasonable and satisfactory evidence of the said costs, including back-up documents to verify such costs, including but not limited to construction contracts, paid bills, invoices, etc. and related records.

31. DEVELOPER TO FURNISH SERVICE COMPANY EVIDENCE THAT IMPROVEMENTS PAID FOR IN FULL.

Upon completion of construction of the Improvements and prior to the rendering of potable water service, Developer shall furnish Service Company with evidence satisfactory to Service Company that all of the Improvements referred to herein to be transferred to Service Company have been paid for in full.

32. EXCLUSIVE OWNERSHIP OF IMPROVEMENTS VESTED IN SERVICE COMPANY.

Except as provided herein, Developer agrees that all potable water facilities used, useful, or held for use in connection with providing water service to the Property, shall at all times remain in the sole, complete, and exclusive ownership of Service Company, its successors, and assigns, and any person or entity owning any part of the Property or any building constructed or located thereon, shall not have any right, title, claim, or interest in and to such facilities, or any part of them for any purpose. If any portion of said lines are installed within or on any part of the

Property or any building thereon, Developer shall provide easements to Service Company as required elsewhere in this Agreement. Water line extensions which are installed in public dedicated rights of way or Easement Areas connecting the mains of Service Company to the Consumer Installation as defined herein, of any building constructed or located on the Property, shall become the property of Service Company except as provided elsewhere in this Agreement.

33. IMPROVEMENTS MAY BE USED BY SERVICE COMPANY TO SERVE OTHERS.

Developer agrees that Service Company shall have the right and privilege to use all potable water facilities used, useful, and held for use in connection with providing water service to the Property, including but not limited to all of the Improvements installed by Developer, for any purpose, including providing by means of other, further, and additional extensions thereof, the furnishing of water service to other persons, firms, developers, corporations, or entities located within or beyond the limits of the Property. All easement grants made to Service Company pursuant to this Agreement shall contain provisions satisfactory to Service Company adopting the provisions of this Section.

34. WARRANTIES COVERING THE IMPROVEMENTS.

Developer warrants that the Improvements to be conveyed hereunder to Service Company as well as those specified in Section 37 below shall be free from any and all defects in materials and workmanship. Developer also warrants that once the Improvements are installed to serve the Property or any part thereof, Developer will exercise due diligence to ensure that the said Improvements are protected from damage and that Developer shall be solely responsible for the repair of any damages to the said Improvements which result from the actions of any vendors, subcontractors, agents, representatives, or employees of Developer, including but not limited to any damage caused in connection with the installation of water, telephone, electric, cable, gas, and/or other utility or related services. Said warranties shall remain in full force and effect for a period of one year from the date of final acceptance by Service Company of the Improvements, which final acceptance shall be evidenced by a certificate of final acceptance.

In the event that Developer is required by Service Company to repair or replace any of the said Improvements during the said warranty period, then the warranty as to those items repaired shall continue to remain in effect for a period of one (1) additional year from the date of final acceptance by Service Company of those repairs or replacements which Developer has performed or caused to be performed.

Developer hereby agrees to pay all costs and expenses incurred by Service Company by reason of any breach of any of the warranties referred to herein.

35. AS-BUILT ENGINEERING PLANS.

Developer shall furnish Service Company with (a) one (1) set of reproducible "mylar" or approved equal as-built drawings showing specific locations of all potable water, and depths, including "cut sheets," as located by a licensed surveyor, sealed by the surveyor, and containing a certification by Developer's Engineer that the Improvements have been constructed in compliance with the plans and specifications as approved by Service Company; and (b) three (3) sets of the appropriate manuals for operation of any pumping station and all mechanical and electrical equipment.

36. OVERSIZING CREDITS AND REFUNDING AGREEMENT.

In the event that Service Company requires that any of the Improvements contemplated herein shall be oversized in order to serve other properties in the certificated area, Developer will construct the same to the Service Company's specifications and the additional cost thereof, based upon the actual cost of the oversized lines over the actual cost of the standard line required by Service Company, based on hydraulic capacity, shall be repaid to Developer, without interest, as capacity fees are received from owners or occupants of such other properties benefitting from such oversizing but this obligation of repayment by Service Company shall terminate seven (7) years from the date hereof.

37. INSTALLATION OF LINES ADJACENT TO COMPLEX.

Certain Improvements to be installed and located adjacent to the Complex will require removal of existing underground storage tank(s). This work shall be accomplished pursuant to the direction and approval of Service Company's engineer.

38. SERVICE CONTROL FIXTURE.

Developer, its successors, or assigns, shall cause to be provided, at its sole cost and expense, to each individual building, or other separate building unit or improvement which is to receive individual water service billing by Service Company, a separate fixture (hereinafter called the "Service Control Fixture"), which shall be designed and constructed in accordance with Service Company's standard engineering details and shall appear on the plans and specifications prepared pursuant hereto by Developer's Engineer. Said Service Control Fixtures shall always be located in Easement Areas, easily accessible to personnel of Service Company.

Developer, or any subsequent owner of the Property, or any part thereof, and all occupants of any separate building unit or improvement, and all subsequent or future owners or purchasers thereof, shall accept potable water service from Service Company upon the express condition that in the event of nonpayment of past-due bills and penalties, and after written notice, Service Company may interrupt service at the Service Control Fixture by whatever practical and legal means are permitted to Service Company.

39. CONSUMER INSTALLATIONS.

Developer, or any owner of any parcel of the Property, or any building located thereon, shall not have the right to and shall not connect any facilities on the consumer's private property (hereinafter referred to as a Consumer Installation) to the potable water facilities of Service Company until formal written application has been made to Service Company by the prospective consumer in accordance with the then effective rules and regulations of Service Company and approval for such connection has been granted.

The responsibility for connecting the Consumer Installation to the main lines of Service Company at the Point of Delivery is that of Developer or others than Service Company and with reference to such connections Developer, its successors, or assigns agree as follows:

(a) Consumer Installation connections to the main lines of Service Company must be inspected and approved by Service Company before backfilling and covering up the connecting pipes.

(b) The building or plumbing contractor engaged by Developer, its successors, or assigns to install the Consumer Installation connections shall give Service Company three (3) days' prior written notice when the connecting lines have been installed and Service Company shall inspect such lines on the date so specified and in the event Service Company fails to make such inspection, Developer, its successors, or assigns may proceed with construction provided construction is in accordance with the plans and specifications as approved by Service Company and is not in violation of any regulation of governmental authorities.

If Developer, its successors, or assigns do not comply with the foregoing inspection provisions, Service Company may refuse service to a connection that has not been inspected until the provisions of this Section have been complied with.

The parties hereto further agree that the costs or expense of constructing all Consumer Installations and all costs and expenses of operating, repairing, and maintaining any Consumer Installation shall be that of Developer, its successors, or assigns, or others than Service Company.

40. [Intentionally omitted].

41. PREREQUISITES TO RENDERING SERVICE.

Developer agrees that Service Company shall have the right to refuse to provide water service to any lot or building within the Property until Developer, its successors, or assigns comply with all of the terms and conditions of this Agreement. Further, Service Company shall not be required to provide service until all of the following conditions have been performed by Developer, or its successors or assigns:

(a) Developer has delivered to Service Company a final development plan and, if applicable, three (3) copies of an approved plat which has been duly recorded among the public records of Charlotte County, dividing the Lots into parcels in substantial accordance with the plan as described and set out in Exhibit "B."

(b) Developer has executed and delivered to Service Company in recordable form, approved by Service Company, all necessary easements in the Property required for the installation of facilities and service by Service Company.

(c) Developer has submitted all plans and specifications for the construction of any of the Improvements for the review and approval by Service Company. Such plans and specifications shall have been approved, subject to conformance of the final design to the standard specifications and detail sheets of Service Company.

(d) Developer has furnished to Service Company for each portion of the Property to which potable water service is requested the "as-built" reproducible drawings in "mylar" or approved equal, the certificate from Developer's Engineer, and operation manuals to be provided to Service Company herein.

(e) Developer has paid to Service Company all Contributions provided herein, including any authorized increases thereof which may have been approved by the PSC together with all other fees or payments then due and owing hereunder.

(f) All Consumer Installation connections, including the Service Control Fixtures, have been inspected and approved by Service Company.

(g) Developer has paid Service Company security deposits as provided herein.

(h) Developer has performed and carried out all other terms and conditions of this Agreement which are conditions precedent to the rendering of potable water service hereunder.

To the extent that the Property is developed in phases by Developer, the foregoing provisions, as well as all other provisions of this Agreement relating to installation and construction of Improvements, shall be applicable to each such phase as the same is commenced and completed.

42. DEVELOPER'S INITIAL RESPONSIBILITY FOR POTABLE WATER SERVICE CHARGES.

Developer, its successors, or assigns shall pay or cause to be paid such charges for potable water service to individual buildings and improvements within the Property as may be applicable until the responsibility for payment of said charges is properly transferred, in accordance with Service Company's regulations, to the lessees, renters, or buyers of said improvements. The said service charges shall be as provided in Exhibit "C" or as subsequently amended, subject to the approval the PSC.

43. SERVICE COMPANY'S SERVICE AGREEMENTS WITH CONSUMERS.

Service Company may require the owner or occupant of any buildings or improvements within the Property to enter into a written service contract or agreement for water service pursuant to Service Company's approved Rules and Regulations.

44. ASSIGNMENT OF AGREEMENT.

This Agreement shall be binding on and shall inure to the benefit of Developer, Service Company, and their respective personal representatives, assigns, and corporate successors by merger, consolidation, or conveyance. However, in the event Developer has not paid and delivered to Service Company all of the Contributions provided to be paid to Service Company by Developer under the terms of this Agreement, then this Agreement shall not be sold, conveyed, assigned, transferred, or otherwise disposed of by Developer without the written consent of Service Company first having been obtained. Service Company is hereby granted the right to assign this Agreement to any of its subsidiaries now in existence or hereafter formed or to assign or transfer this Agreement and its Franchise to any third party approved by the PSC.

45. NOTICES PURSUANT TO THE AGREEMENT.

Until further written notice by either party to the other, all notices provided for herein shall be in writing and transmitted by messenger, by mail, or by telegram, and if to Developer, shall be mailed or delivered to Developer at:

and, if to Service Company, shall be mailed or delivered to it at:
400 Madison Drive, Suite 200, Sarasota, Florida 34236

46. SURVIVAL OF RIGHTS, PRIVILEGES, OBLIGATIONS, AND COVENANTS.

The rights, privileges, obligations, and covenants of Developer and Service Company shall survive the completion of the work of the parties with respect to the installation of the water facilities and services to the Property.

47. AGREEMENT IS ENTIRE.

This Agreement supersedes all previous agreements or representations, either oral or written, heretofore in effect between Developer and Service Company, made with respect to the matters herein contained, and when duly executed, constitutes the entire Agreement between Developer and Service Company. No additions, alterations, or variations of the terms of this Agreement shall be valid, nor shall provisions of this Agreement be waived by either party unless such additions, alterations, variations, or waivers are expressed in writing and duly signed by both parties. This Agreement shall not be more strongly construed against any party by virtue of the fact that such party prepared same.

48. CONTINGENCIES.

Notwithstanding any provision in this Agreement to the contrary, all obligations of Service Company under this Agreement shall be contingent upon: (a) the acquisition by Service Company of all necessary properties, rights, leases, easements, appertaining thereto and all rights-of-way and easements necessary for the extension of its potable water system to serve the Property, as aforesaid; (b) the issuance of Service Company and/or Developer by Charlotte County, the State of Florida, or the applicable governmental entity, commission, board, agency, or official of all necessary approvals, authorizations, franchises, and permits as are now or thereafter may be required by statute, ordinance, resolution, regulation, rule, or ruling; (c) that no laws shall be passed forcing Service Company to convey title to any of its assets to any entity in order to obtain required permits to perform hereunder; and (d) the approval of this Agreement by the PSC.

Developer hereby assumes all risk and/or loss resulting from any denial or revocation or withdrawal of a prior approval by any concerned governmental agency, department or body and/or caused by any act of any governmental agency, department or body affecting Service Company's ability to provide the water service to Developer, which act was not within the sole control and by due diligence of Service Company it could not overcome.

49. FORCE MAJEURE.

In the event that performance of this Agreement by any party is prevented or interrupted as a result of any cause beyond the control of said party including but not limited to acts of God or of the public enemy, war, national emergency, allocation of or other governmental restriction upon the use or availability of labor or materials, rationing, civil insurrection, riot, racial or civil disorder or demonstration, strike, embargo, flood, tidal wave, fire, explosion, bomb detonation, nuclear fallout, windstorm, hurricane, earthquake or other casualty or disaster or catastrophe, failure or breakdown of pumping, transmission or other facilities, exercise of the power of eminent domain, governmental rules, acts, orders, restrictions, regulations, or requirements, act or action of any governmental public or governmental authority, commission, board, agency, agent, official or officer, the enactment of passage or adoption heretofore or hereafter or the enforcement of any statute or resolution, decree, judgment, restraining order or injunction of any court, said party shall not be liable for such nonperformance.

50. PERFORMANCE ENFORCEABLE WITHOUT WAIVER OF RIGHTS.

The parties hereto hereby agree that in the event of failure of performance hereunder, this Agreement shall be specifically enforceable without waiver of any rights which either party may elect by law.

51. TABLE OF CONTENTS AND SECTION HEADINGS FOR CONVENIENCE ONLY.

The Table of Contents and Section headings used in this Agreement are for convenience only and have no significance in the interpretation of the body of this Agreement, and the parties hereto agree that they shall be disregarded in construing the provisions of this Agreement.

52. PAYMENT OF ATTORNEY'S FEES INCURRED IN PREPARATION.

Concurrently with the full execution hereof, Developer shall pay to Service Company the reasonable attorney's fees incurred by Service Company relative to the preparation and negotiation of this Agreement.

53. WARRANTY OF AUTHORITY TO EXECUTE AGREEMENT.

The signature of any person to this Agreement shall be deemed a personal warranty by that person that he has the power and authority to bind any corporation or partnership or any other business entity for which he purports to act.

54. LAWS OF FLORIDA APPLY/ATTORNEY'S FEES.

This Agreement shall be governed by the laws of the State of Florida and it shall be and become effective immediately upon execution by all parties hereto. Any party failing to comply with the terms hereof shall pay all attorney's fees, paralegal fees, court costs and costs of a similar nature incurred by the non-defaulting party.

IN WITNESS WHEREOF, Developer and Service Company have executed or have caused this Agreement with the named Exhibits attached to be duly executed in several counterparts, each of which counterpart shall be considered an original executed copy of this Agreement.

Witnesses as to Developer:

CAPE HAZE MARINA VILLAGE, INCORPORATED, A Florida corporation

By: _____

Title: President

"Developer"

Witnesses as to Service Company:

FIVELANDS INVESTMENTS, INC. A Florida corporation

By: _____

Title: Court Receiver

"Service Company"

EXHIBIT

A

ALL-STATE® INTERNATIONAL

Legal Description
for a parcel of land
lying in Section 28, Township 41 South
Range 20 East, Charlotte County, Florida

Commence at the Northeast corner of Lot 24, Grove City Land Company Subdivision of Section 28, Township 41 South, Range 20 East, as recorded in Plat Book 1, Page 19, of the Public Records of Charlotte County, Florida; thence with the East line of said Lot 24 and referring all courses of this description to said line (being S.01°02'17"W. - assumed) S.01°02'17"W., a distance of 25.00 feet to a Concrete Monument found on the South right of way line of Esther Street (50' wide) and for a Point of Beginning; thence continuing with said East line S.01°02'17"W., a distance of 642.00 feet to the South line of said Lot 24, as monumented; thence with said South line and the extension, thereof, S.89°56'02"W., a distance of 1080.77 feet to the Mean High Water Line of Lemon Bay; thence with the sinuosities of the Mean High Water Line in a Northerly direction 370 feet, more or less, to a point in the mangroves; thence leaving the Mean High Water Line and running with the Bay side of a strip of mangroves in a Northeasterly direction 215 feet, more or less; thence leaving said mangroves and crossing the channel to this marina in a Northeasterly direction 115 feet, more or less, to the seaward face and the Westerly end of an existing concrete seawall; thence with the seaward face of said seawall the eight following courses:

1) S.50°20'45"E., a distance of 42.31 feet to a drill hole set; thence
2) S.25°47'05"E., a distance of 54.45 feet to a drill hole set; thence
3) S.52°36'39"E., a distance of 5.92 feet to a drill hole set; thence
4) N.89°59'25"E., a distance of 234.57 feet to a drill hole set; thence
5) S.02°08'20"W., a distance of 24.04 feet to a drill hole set; thence
6) S.42°32'11"E., a distance of 48.10 feet to a drill hole set; thence
7) S.74°53'44"E., a distance of 42.46 feet to a drill hole set; thence
8) N.40°52'11"E., a distance of 80.01 feet to a drill hole set; thence

leaving the seaward face of the seawall N.00°00'39"E., a distance of 2.76 feet to a concrete monument found (PLS.No. 3889) at the Southwest corner of Parcel One, as shown on the Condominium Plat of Seagull Moorings, as recorded in Condominium Plat Book 5, Pages 8-A and 8-B of the aforementioned Public Records; thence with the South line of Parcel One S.89°54'58"E., a distance of 1.21 feet to the Northwest corner of Parcel Two as shown on said Condominium Plat; thence with said Parcel Two, the three following courses: S.00°05'02"W., a distance of 28.50 feet; thence S.89°54'58"E., a distance of 440.04 feet to the seaward face of a seawall; thence along said face of seawall N.00°00'39"E., a distance of 28.50 feet to the Southeast corner of Parcel One; thence with the East line of Parcel One N.00°00'39"E., a distance of 105.77 feet to a monument found on the aforementioned South right of way line of Esther Street; thence with said right of way line East a distance of 109.51 feet to the Point of Beginning.

Containing approximately 12.82 acres, more or less, of which approximately 4.95 acres are submerged (lake not included - intended to be filled). The approximate upland area is 7.87 acres of land, more of less.

NOTE: The above described parcel may include submerged lands of the State of Florida of which lie South of the existing concrete seawall, West of the Westerly lot line of Lot 24, per plat and North of the Mean High Water Line.

SUBJECT TO: a 37.5 foot wide non-Exclusive Easement as described on the aforementioned Seagull Moorings Condominium Plat.

Together with non-exclusive easement described as:

Commence at the Northeast corner of Lot 24, Grove City Land Company Subdivision of Section 28, Township 41 South, Range 20 East, as recorded in Plat Book 1, Page 19 of the public records of Charlotte County, Florida, thence along the East line of Lot 24, S 01°02'17" W 25.00 feet, thence parallel to the North line of said Lot 24, West 109.51 feet, thence S 00°00'39" W 149.52 feet to point of beginning being the centerline of a 37.5 foot wide easement thence along the centerline thereof N 89°54'58" W 414 feet more or less, thence S 54°00'00" W 80 feet thence N 89°54'58" W 306 feet thence N 26°10'00" W 180 feet thence N 71°10'00" W 57 feet thence S 61°30'00" W 308 feet more or less to intersect the eastern most R/W line of the intercoastal waterway.

ORIGINAL
FIVELANDS

4/21/98

FIRST AMENDMENT TO SERVICE AGREEMENT

THIS FIRST AMENDMENT TO THE AGREEMENT, made and entered into as of the last date set forth on the signature lines below, by and between CAPE HAZE TRADING COMPANY, INC. a Florida corporation whose mailing address is P.O. Box 326, Placida, FL 33946 (the "Developer") and FIVELANDS INVESTMENTS, INC. a Florida corporation, whose mailing address is 400 Madison Drive, Suite 200, Sarasota, FL 34236 (the "Service Company").

WITNESSETH

WHEREAS, the Service Company owns and operates in Charlotte County, Florida, a Water System as defined in Florida Statutes, Chapter 367, and provides potable water to properties and the occupants thereof in its certificated area of service (the "Company System"; and

WHEREAS, the Service Company and the Developer's predecessor in title, (Cape Haze Marina Village, Inc.) entered into a Service Agreement dated December 20, 1995, (the "Agreement") relative to the Property which said Agreement contains the terms and conditions under which Service Company is rendering potable water to the entire Property; and

WHEREAS, pursuant to the Agreement, Developer, or his predecessor in title, prepaid to Service Company capacity fees for forty (40) residential service connections and has used twenty-eight (28) of these prepaid connections (two (2) serving residential units and twenty-six (26) serving boat docks and irrigation points) leaving Developer with twelve (12) remaining prepaid service connections for the construction of Phase I (54 units) as shown on Exhibit "B" as amended hereby ("Phase I");

WHEREAS, the Developer wishes to modify the Agreement to provide for an additional forty (40) prepaid potable water service connections for Phase I and for individual metering of the residential units within the Property.

NOW, THEREFORE, for and in consideration of these premises, the mutual undertaking and agreements herein contained and assumed, the Developer and the Service Company hereby covenant and agree as follows:

SECTION 1. CONVEYANCE AND MAINTENANCE.

The Developer and the Service Company desire to amend the Service Agreement for their mutual economic benefit as follows:

1.1 Section 1, GRANT TO SERVICE COMPANY OF RIGHTS TO SERVE THE PROPERTY, is hereby amended to add a second paragraph which shall read as follows:

"Notwithstanding anything herein to the contrary, Developer acknowledges that with the exception of certain segments of the watermain serving the Property, Developer's predecessor in title, constructed the watermain one (1) to two (2) feet below pavement and/or within six (6) to seven (7) feet of buildings or roads. Accordingly, and in the event of a break in the watermain or other required repair or maintenance to maintain the existing level of service, Developer and Service Company agree to allocate the cost to maintain, repair or replace these segments of the watermain as follows:

"(a) Developer agrees to expeditiously and promptly undertake and pay for the cost of locating the watermain, excavating the watermain, filling the excavated area and returning the area around the excavated area to the condition in which it existed prior to the excavation; and

"(b) Service Company agrees to expeditiously and promptly undertake and pay the cost of maintenance, repair or replacement of the watermain.

"Developer further agrees, in consideration of Service Company's agreement to maintain, repair or replace the watermain as provided herein, to indemnify and hold harmless Service Company from and against any and all losses, liabilities, including strict liability, damages, injuries, expenses, including reasonable attorneys fees, paralegal fees and legal assistant fees incurred or suffered by reason or damage or injury to persons (including loss of life) or property which may arise or be claimed to have arisen as a result of Developer's excavation or filling of the excavation area. This indemnification shall not extend to liability of Service Company for the negligent acts of its officers, agents or employees arising out of Service Company's maintenance, repair or replacement of the watermain."

1.2 Section 9, DEVELOPMENT PLAN, is hereby amended to replace Exhibit "B", the Water Meter Plan for Cape Haze Marina Village, dated December 25, 1995 (master meter) with Exhibit "B", the Water Meter Plan for Cape Haze Marina Village, dated 12/4/95 and attached hereto, showing meter connections to each residential unit in Phase I (54 residential units).

1.3 Section 12, PAYMENT OF CAPACITY FEES, is hereby amended to add three (3) new subsections which shall read as follows:

"(d) Developer desires to reserve, en toto, the lesser of fifty-two (52) ERCs or 225 gallons per day for Phase I (twelve (12) ERCs previously prepaid and reserved at the execution of the Agreement plus an additional forty (40) ERCs for the completion of Phase I). Developer shall pay to Service Company concurrently with the execution hereof the approved capacity fee of $1,100.00 for

each of the forty (40) additional ERCs required for Phase I, for a total of $44,000.00.

Developer shall pay to Service Company one-half the reserve capacity fee ($22,000.00) upon execution of this Agreement, and shall pay the balance of the reserve capacity fee ($22,000.00) not later than September 7, 1998. In the event Developer fails to pay the balance of $22,000.00 by September 7, 1998, Developer agrees that Service Company will not hold the reserve capacity for the remaining twenty (20) ERCs.

"(e) Developer shall pay to Service Company a guaranteed revenue in the amount of $16.42 per unit per month for each of the fifty-two (52) prepaid ERCs, which sum will be collected as each residential unit is connected to the Service Company's system.

"(f) Developer represents that it contemplates the future construction of sixteen (16) additional residential units on this Property, which units are not part of Phase I. However, Developer expressly agrees that nothing herein specifically reserves additional quantities of potable water for such residential units and that the reservation of and provision of potable water to any additional units will be the subject of a subsequent amendment to this Agreement."

1.4 Section 40, METERING, is hereby added, which shall read as follows:

"The Service Company and the Developer agree that each residential unit in Phase I, including the two (2) existing prepaid ERCs, shall each be metered individually. Developer shall pay to Service Company $200.00 for each meter as each residential unit (ERC) is connected to the Service Company's system. The twenty-six (26) ERCs currently used for boat docks and irrigations points shall remain as currently metered for the purposes of billing and collection of revenue.

"The Developer further agrees that all new metering facilities to measure the amounts of potable water transmitted to the Property pursuant hereto are to be selected by the Service Company and shall remain the property of the Service Company."

SECTION 2. MISCELLANEOUS

2.1 All other terms and conditions of the Agreement shall remain the same.

2.2 In the event of any conflict or inconsistency between the provisions of this First Amendment to Agreement and the Agreement, the provisions of the Agreement shall control to the extent of such conflict or inconsistency.

SECTION 3. CONDITION PRECEDENT

It is understood by all parties that this First Amendment to Agreement is subject to approval by the Court having jurisdiction of the receivership and will not be binding upon the Service company until such approval has been received.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year set forth below.

Witnesses as to Developer:

Print Name Jeffrey R. Jones

Print Name JOSEPH A. MANTZ

CAPE HAZE TRADING COMPANY, a Florida corporation

By: Kerry Keathley

Title: VICE PRESIDENT

Date: March 9, 1998.

"Developer"

STATE OF FLORIDA
COUNTY OF Charlotte

The foregoing instrument was acknowledged before me this 9th day of March, 1997, by Kerry H. Keathley of Cape Haze Trading Co., Inc., a Florida corporation, on behalf of the corporation. He/she is personally known to me or has produced Personally Known as identification and who did/did not take an oath.

Cynthia R. DuBose
NOTARY PUBLIC SIGNATURE

NOTARY'S NAME TYPED, PRINTED OR STAMPED

Cynthia R DuBose
My Commission CC668693
Expires August 03, 2001

COMMISSION NUMBER

Witnesses as to GRANTEE

Print Name JoAnne Smith

Print Name Kelli Horton

FIVELANDS INVESTMENTS, INC., a Florida corporation

By:

Theodore C. Steffens

Title: Receiver

Date: April 21, 1998

PROMISSORY NOTE

$22,000.00

Cafe Haze Trading Co

APRIL
~~March~~ 14, 1998
Sarasota County, Fl

For value received, the undersigned, hereinafter referred to as "Borrower," (jointly and severally if more than one) promises to pay to Fivelands Investments, Inc., a Florida Corporation, whose mailing address is 400 Madison Drive, Suite 200, Sarasota, Florida, 34236, hereinafter referred to as "Lender," or order, in lawful money of the United States of America, at Lender's Offices, or such other place as Lender may hereafter designate in writing, the principal sum of $22,000.00, together with interest on the principal balance hereof from time to time existing at the following per annum rate, to wit:

eight percent (8%)

All agreements between Borrower and Lender are expressly limited so that in no contingency or event whatsoever, whether by reason of advancement of the proceeds hereof, acceleration of maturity of the unpaid principal balance hereof, or otherwise, shall the amount paid or agreed to be paid to Lender for the use, forbearance or extension of the money to be advanced hereunder exceed the highest lawful rate permissible under applicable law. If, from any circumstances whatsoever, fulfillment of any provision hereof or of any security agreement, if any, at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by applicable law, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity, and, if from any circumstance Lender shall receive as interest an amount which would exceed the highest lawful rate allowable under applicable law, such amount which would be excessive interest shall be applied to the reduction of the unpaid principal balance due hereunder and not to the payment of interest or, if such excessive interest exceeds the unpaid balance of principal, the excess shall be refunded to Borrower. This provision shall control every other provision of all agreements between Borrower and Lender.

The Principal and interest hereunder shall be payable in the following manner:

> Borrower shall pay to Lender the sum of Twenty-Two Thousand Dollars ($22,000.00), plus accrued interest, in full, not later than August 28, 1998.

Borrower shall have the right to prepay this Note in full or in part at any time, with interest to abate accordingly.

Time is of the essence hereto.

In the event of default, Borrower agrees that Lender is not obligated to hold the reserve capacity for the remaining 20 Equivalent Residential Connections as agreed to by the parties in the First Amendment to Service Agreement, dated MARCH 9, 1998.

In the event it becomes necessary to enforce the collection of this Note, Borrower and all liable hereon, hereby agree to pay (and there shall be included in any judgment or decree related to the same) all costs of such enforcement, including but not limited to, court costs, appellate costs, reasonable attorneys' fees, paralegals' fees, legal assistants' fees and costs together with any other such similar fees and costs which may be incurred by Lender subsequent to the rendition of a judgment or decree in connection with the collection of any sums due thereunder including, by way of illustration and not by way of limitation, attorneys' fees, paralegals' fees, legal assistants' fees and costs related to a determination of the amount of such fees and costs to which Lender is entitled, and subpoenas for depositions in aid of execution, court reporters' fees and all costs associated with the delivery or execution upon assets or funds sought to be recovered in satisfaction of said judgment or decree. The foregoing shall also include but not be limited to such similar costs and fees incurred by Lender in connection with the acts or actions taken by Lender in any Bankruptcy Court having jurisdiction over the Borrower's obligations to Lender or over property securing such obligations.

Borrower, surety, guarantor or endorser, each hereby severally waives all rights of presentment, demand for payment, protest, notice of protest and notice of dishonor.

This Note is unsecured by agreement between Borrower and Lender and is given, not in payment or discharge of, but for the purpose of and in consideration of the extension of the time for payment reserved capacity for 20 ERC's in Lender's utility company in accordance with the First Amendment to Service Agreement dated MARCH 9, 1998.

This Note shall be construed in accordance with the laws of the State of Florida.

CAPE HAZE TRADING COMPANY, a Florida corporation

Cynthia R. DuBose

Print Name Cynthia R. DuBose

By: Kerry Keathley

Kerry Keathley

Title: VICE PRESIDENT

Date: April 14, 1998

Joseph A. Martz

Print Name JOSEPH A. MARTZ

"Borrower"

Guaranty

The undersigned hereby guarantee(s) the payment of the within Note.

Kerry Keathley

(BBL\PN.2)

AGREEMENT

This Agreement has been entered into this 9th day of September, 1997, by and between Fiveland Investments, Inc., a Florida corporation ("Fiveland") and Peggy Delbridge, a single woman ("Delbridge").

W I T N E S S E T H

WHEREAS, Fiveland is a service provider of potable water ("Utility Services");

WHEREAS, Delbridge is the owner of that certain real property commonly known as 7085 York Street, Englewood, Florida 34224 (the "Property");

WHEREAS, Delbridge has paid $5,030.00 to Leland Plumbing for an extension of a 4 inch water main for approximately 480 feet (the "Extension") to enable the Property to receive Utility Services;

WHEREAS, there are approximately two (2) to four (4) vacant lots (depending upon how these lots are eventually divided), four (4) homes and one (1) duplex in the Property's immediate area located on York Street (in the singular, the "Adjacent Property" and collectively, the "Adjacent Properties") that currently do not receive Utility Services and that will benefit from the Extension, if the owners of the Adjacent Properties seek to receive Utility Services;

WHEREAS, Fiveland and Delbridge agree that Fiveland shall partially reimburse Delbridge, for a limited period of time, for Delbridge's payment for the Extension as and if each Adjacent Property is connected to the Extension to receive Utility Services, under the terms and conditions set forth below;

AGREEMENT

Now, therefore, in consideration of the sum of Ten and No/100 Dollars ($10.00), the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Reimbursement Agreement**. Fiveland shall reimburse Delbridge fifty percent (50%) of any capacity fee that Fiveland collects from an Adjacent Property owner who connects to the Extension to receive Utility Services; provided however, that in no event shall Fiveland be responsible for reimbursing Delbridge for more than $3,772.50 total. Payments are to be made to Delbridge at the Property within fifteen (15) days of Fiveland's actual receipt of each such capacity fee.

Delbridge hereby acknowledges receipt of $550.00 reimbursed by Fiveland to Delbridge pursuant to this paragraph prior to execution of this Agreement, which sum represents 50% of the $1,100 capacity fee for 7046 York Street. Delbridge and Fiveland agree the total remaining reimbursement due Delbridge pursuant to this paragraph is $3,222.50.

2. **Sale of the Extension**. As a condition precedent to Fiveland's joinder in this Agreement, simultaneously herewith, Delbridge shall sell, transfer and convey the Extension to Fiveland.

3. **Termination of Agreement**. This Agreement shall automatically terminate three (3) years from the date hereof, regardless of the total amount of reimbursement, if any, that Delbridge has collected at the time of termination.

4. **Attorneys' Fees**. In connection with any litigation arising out of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs, including those incurred in connection with appellate proceedings.

5. **Entire Agreement**. This Agreement embodies the entire agreement and understanding of the parties hereof, supersedes any prior agreements, negotiations and understandings, oral and written, between the parties, and may not be changed, altered or modified except by an instrument in writing signed by the party against whom the enforcement of any such change, alternation or modification is sought. There have been no representations, warranties or conditions other than those set forth in this Agreement.

6. **Construction**. If any provision of this Agreement shall require judicial interpretation, then it is agreed that the court interpreting or construing the provision shall not apply a presumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who itself or through its agent prepared the document. Any handwritten or typed additions to this Agreement which have been initialed by the parties shall control over any inconsistent printed terms.

7. **Choice of Law and Venue**. This Agreement is executed and delivered in the State of Florida, the law of the State of Florida shall govern its interpretation and enforcement, and any action emanating from this Agreement shall be brought in Charlotte County, Florida.

8. **Successors and Assigns**. Each and all of the conditions, covenants and agreements herein contained shall be binding on and inure to the benefit of the parties hereto, and their respective heirs, personal representatives, successors and assigns.

9. Counterpart Signature. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall together constitute one agreement between the parties.

10. Gender. Whenever used herein the singular number shall include the plural, the plural the singular and the use of any gender shall include all genders.

IN WITNESS WHEREOF, the undersigned have executed this Agreement the day and year first set forth above.

WITNESSES:

Print Name: Jeanne Smith

Print Name: Kelli Horton

Print Name: John E. Milken

Print Name: Jacqulyn Mack

Fiveland Investments, Inc., a Florida corporation

By: _____
Print Name: Theodore C. Steffens
As Its: Receiver

"Fiveland"

By: _____
Print Name: Peggy Delbridge

"Delbridge"

(sla/JSR/4628-5)

SERVICE AGREEMENT

THIS AGREEMENT, made and entered into this 25th day of April, 1989, by and between LEMON BAY GOLF & COUNTRY CLUB ESTATES, A JOINT VENTURE, whose mailing address is 1800 Second Street, Sarasota, FL 34236, hereinafter called "Developer", and FIVELAND INVESTMENTS, INC., a Florida corporation whose mailing address is 1100 SOUTH TAMIAMI TRAIL, SUITE 2, SARASOTA, FL 34236, hereinafter called "Service Company"

WITNESSETH:

WHEREAS, Developer owns certain real property in Charlotte County, Florida, which is comprised of ~~approximately~~ 34 residential dwelling unit and is more particularly described as follows:

REAL PROPERTY LOCATED IN CHARLOTTE COUNTY, FLORIDA, DESCRIBED ON "EXHIBIT A" attached hereto.

hereinafter referred to as "Developer's Property", and is about to develop said property by developing a residential/~~multifamily~~/commercial area along with ancillary improvements thereon, and

WHEREAS, Developer desires the extension of Service Company's WATER system, hereinafter called "Service Company's Utility System"; and

WHEREAS, Service Company is willing to expand Service Company's Utility System and thereafter to operate such system so that 34 residential dwelling units constructed on Developer's Property by, through, or under Developer may have an adequate potable water system, subject to the terms and conditions of this Agreement; and

WHEREAS, the Developer recognizes and agrees that the Service Company's obligations to provide water service to the Developer are at all times subject to ~~such~~ governmental regulations, prohibitions, limitations and restrictions and that these factors are beyond the control and responsibility of the Service Company;

NOW, THEREFORE, in consideration of the promises and the mutual undertakings and agreements herein contained and assumed, Developer and Service Company hereby covenant and agree as follows:

1. Developer shall, in accordance with the terms of this Agreement, construct and convey to Service Company, free and clear of all encumbrances and at no cost to Service Company, the complete water distribution system, including valves, fittings, laterals, hydrants and all appurtances necessary to provide water utility service to the Developer's Property as shown on engineering plans and specifications designed by Smally, Wellford & Nalven, Inc. Developer's specifications and the installation of Developer's Utility System must be in strict accordance with the latest revision of Service Company's standard specifications which are attached to this Agreement. In case of any and all conflicts, Service Company's specifications shall govern.

2. All engineering plans and specifications prepared by Developer's engineer as provided in Paragraph 1 above shall be reviewed and approved by Service Company's Engineer prior to Developer submitting said plans and specifications to any governmental agencies. Service Company shall have the right but not the obligation, to make inspections as installations progresses.

3. Service Company shall have the right to refuse to accept title to Developer installed utility system or initiate any services until Developer installed utility system has passed tests arranged by Smally, Wellford & Nalven, Inc., to determine whether the Developer installed utility system is constructed in accordance with the approved engineering plans and specifications. Said tests may be performed two times, the first test upon completion of the system and the second test upon completion of all

buildings, roads paving, drainage, and all construction within the right-of-way easement area of adjacent areas. In addition to the costs herein described, Developer agrees to pay all costs of testing and leak location and any repair deemed necessary by Service Company as a result of any of said tests.

4. Service Company shall not be liable or responsible to Developer except as provided for in its approved tariff.

5. Service Company's obligations under this Agreement are contingent upon Service Company and Developer obtaining all necessary approvals from all governmental agencies. Developer hereby assumes the risk or loss as a result of the denial or withdrawal of the approval of any concerned governmental agencies or caused by any act of any governmental agency which affects the ability of the Service Company to provide water service to Developer, including the DER which must approve the application which is being filed upon the signing of this contract.

6. This Agreement supersedes all previous agreements or representations either verbal or written heretofore in effect between developer and Service Company and made with respect to the matters contained herein, and when duly executed constitutes the complete agreement between Developer and Service Company.

7. Developer shall not be liable to Service Company for the inability or failure of Developer either to obtain governmental approvals or permits or to complete timely the construction of facilities required of Developer herein.

8. Prior to the Service Company certifying and accepting Developer's Utility System, Developer shall provide to Service Company lien waivers, together with the breakdown of the actual cost of the Developer's Utility System. Developer must furnish Service Company with the plat of the Developer's Property, if any, and a mylar sepia copy of as-built drawings acceptable to Service Company showing specific locations of all facilities, including all valves, lateral locations, fittings, hydrants and all other appurtances within the Developer's Utility System, before any service is issued by Service Company.

9. The Developer installed utility system installed and conveyed to Service Company pursuant to the terms hereof shall at all times remain the sole, complete and exclusive property of Service Company, its successors and assigns, and under the exclusive control of Service Company.

10. This Agreement shall not prohibit or prevent Service Company from extending Service Company's Utility System in or to areas not referred to herein to serve other developers or consumers.

11. The provisions of this Agreement shall not be construed as establishing a precedent in connection with the amount of connection fees or contributions made by a developer or other customer, or the acceptance thereof on the part of the Service Company for other water utility extensions that may be requested hereafter by Developer and are not the subject of this Agreement.

12. Developer warrants that Developer installed utility system will be constructed in accordance with the plans and specifications referred to herein and that the same will be free from any defects in materials or workmanship for a period of one (1) year following the date of completion and final acceptance of Developer installed utility system.

13. Developer agrees to pay all costs and expenses incurred by the Service Company by reason of any breach of the warranties referred to in the previous paragraph.

14. Developer agrees to grant at no cost to Service Company any and all easements and restrictive convenants as required for the operation and maintenance of Developer installed utility system. The easements for water mains shall be as shown on engineering plans.

15. The water capacity to be reserved by this Agreement is 34 residential connections according to the Service Company's approve tariff. In consideration of reserving this capacity, the Developer will pay the Service Company as an advance 34 residential connection fees at $1100 per connection totaling Thirty Seven Thousand Four Hundred Dollars ($ 37,400.00). These connection fees will be paid concurrently with the signing of this Agreement.

16. The 34 residential connections must be used within two years after the signing of this contract. In the event that Developer does not use the connection fee credits to which Developer would be entitled by virtue of prepayments thereof in accordance with the foregoing within the two (2) year terms set forth above, rather than lose the credit for pre-payment, Developer shall have the option to commence making payments to the Utility for each such connection in the amount of the then existing minimum usage rate each month, and, so long as such payments are made, the connection fee credit shall be honored.

17. In no event shall Serv ice Company be obligated to provide service to Developer's Property in excess of the water treatment capacity to serve 34 units. In the event that all or part of Developer's Property as a result of a zoning or density change requires additional water capacity or facilities to provide service to the Developer's Property, new engineering plans and specifications shall be prepared by Developer, or its assigns or successors, approved by Service Company's engineer and a new Service Agreement negotiated and executed prior to granting additional capacity or the installation of the additional facilities. Any said new agreement shall be properly executed prior to the development of all or parts of Developer's Property and shall be in conformance with the Rules and Regulations that are in effect at the time of the execution of the said new agreement.

18. Developer shall pay to the Service Company the full actual amount of the surveying and engineering fees and legal, administrative and review fees incurred by Service Company in preparing and executing this Agreement; in extending the certificated area of Service Company to include all of Developer's Property; in conducting the review of the engineering plans and specifications; and in conducting the inspection and testing of the installation of Developer's Extension. In particular, Developer shall pay, at the execution of this Agreement, an estimated inspection and testing fee in the amount of two percent (2%) of the estimated job cost ($500.00) minimum), which amount shall be increased or decreased, as appropriate, when the full actual cost of such inspection and testing is known. Prior to the acceptance of

Developer's Extension and provision of water service by Service Company, Developer shall have paid to Service Company the full amount of said surveying and engineering fees and said legal, administrative and review fees.

19. Charlotte County Ordinance Number 87-11, a copy of which is attached hereto as "Exhibit B", shall be used to determine the tax impact to Service Company of accepting the water facilities referred to in this Agreement. Within 14 days of notification to Developer by Service Company of the amount which must be placed in an escrow account by the Service Company, Developer will pay to the Service Company the amount requested. These funds will then be placed in an escrow account by the Service Company. If these funds are not delivered within the 14 day period, then the number of connections prepaid by the Developer will be reduced by the amount of the estimated tax impact.

20. The Service Company agrees to abide by the terms and conditions of its certificate and to use reasonable diligence to at all times be able to comply with the terms and conditions of this Agreement to be performed by the Service Company.

21. This Agreement shall inure to the benefit of and be binding upon the parties, their legal representatives, heirs, successors and assigns.

22. All duties, responsibilities, and obligations of both parties to this Agreement will become null and void and unenforceable after eight (8) calendar years following the execution date of this Agreement.

Signed, sealed and delivered
in the presence of:

Pamela A. Howland

Dorothy J. O'Bryant
As to Developer

LEMON BAY GOLF & COUNTRY CLUB ESTATES, A JOINT VENTURE

BY: L. Allen Greer

Lawrence L. Gibson

Pamela A. Howland

Dorothy J. O'Bryant
As to Service Company

FIVELAND INVESTMENTS, INC.

BY:

2.1.2 The depth of cover for the pipe listed in the preceding paragraph 2.1.1 is specified as a minimum required depth. The pipe manufacturer shall determine additional wall thickness required where amount of cover exceeds the minimum requirement.

2.1.3 Pipe shall have cement lining and bituminous seal coat in accordance with ANSI Standard A21.4-1971. Pipe shall also be bituminous coated on the outside. Lining shall be standard thickness.

2.1.4 Joints for ductile iron pipe shall be push-on type designed in accordance with ANSI Standard A21.11-1972. Gasket lubricant for push-on joints shall be labeled with the trade name and the pipe manufacturer's name.

2.1.5 Ductile iron pipe shall be tested in accord with the procedure outlined in ANSI Standard A21.51 and certified records of the tests shall be submitted with each shipment of pipe.

2.1.6 Fittings for ductile iron pipe shall be manufactured of ductile iron or gray cast iron and shall conform to the requirements of ANSI Standard A21.10-1971. Fittings shall be designed so as to be compatible with the pipe and so as to provide at least equal resistance to internal and external loads on the pipe. The lining and coating of the fittings shall be as specified for the pipe. Joints for fittings shall be mechanical or push-on type except where otherwise shown on the drawings. The joint and bolts and nuts shall conform to ANSI A21.11. Shop drawings shall be furnished for harnessing. All harnessing rods, clamps, bolts and nuts shall be coated after assembly. The coating shall be a coal tar or asphalt base bituminous coating approved by the Engineer and applied to at least a 4 mil dry thickness.

2.2 Corrosion Protection

2.2.1 For protection against corrosive soils, in the locations as listed in the following paragraph and as directed by the Engineer, ductile iron pipe and fittings shall be enclosed in a polyethylene sheet or tube and each length joined with 2-inch wide polyethylene adhesive tape. The sheet or tube shall be made from polyethylene resin meeting the requirements of ASTM DI248-78 and shall be Type I, Class C, Category 5, Grade J-3 with minimum carbon black content of 2.5% and 8 mils thickness. The sheet or tube shall be as manufactured by Polytube Corp., Birmingham, Ala., or approved equal. The sheet or tube shall be in accordance with the provisions of ANSI A21.5 - AWWA C105-72. Methods shall be such as to minimize damage to the sheet or tube but where required the adhesive tape shall also be used to repair tears or punctures.

2.2.2 In the event any cathodically protected utilities are crossed, the new main shall be encased with loose polyethylene encasement for 20 feet minimum, both sides of crossing, and where cathodically protected main runs parallel to proposed main less than 10 feet distance laterally, the new main shall be encased the full length of the main.

2.2.3 Piping, valves or fittings which are made of dissimilar metals shall not be installed in-line together unless provisions to alleviate corrosion, preapproved by the Owner and Utility, are authorized.

TECHNICAL SPECIFICATIONS

WATER DISTRIBUTION SYSTEM

1. GENERAL

1.1 This specification covers the material and installation requirements for piping, valves, hydrants, fittings, specials, crossings, connections, and sterilization and testing of the water distribution system. Excavation, trenching and backfill for piping installation shall be as specified in Division 1 of the Technical Specifications.

1.2 Three copies of all required test reports shall be submitted to the Engineer. These shall include:

a. Certified record of tests on pipe made by manufacturer or a commercial testing laboratory for each shipment of pipe. Tests shall be in accord with the procedure outlined in ANSI Standard A21.51 and ANSI A21.6 or A21.8.

b. Reports on hydrostatic and leakage tests on butterfly valves in accordance with AWWA C504-70, Section 13.

c. Reports on pressure and leakage tests.

d. Reports of Bacteriological tests.

1.3 Shop drawings shall be submitted for all valves, boxes, hydrants and harnessing.

2. MATERIALS

2.1 Ductile Iron Pipe 4" through 16" Pipe

2.1.1 Ductile iron pipe for water mains installed underground and shall be manufactured in accord with American National Standard Institute, Standard A21.51-1971. Pipe shall be designed for thickness in accord with ANSI Standard A21.50-1971, subject to the following design criteria: 150 psi water pressure, ANSI laying condition B, trench width d+2 feet, and depth of cover as shown on the profile drawings. The depth of cover for water mains not shown in profile shall be a minimum of 3 feet. Where ductile iron pipe is threaded for flanges, the thickness shall be increased accordingly. In any case, the flanged pipe thickness shall not be less than Class 53. Push-on ductile iron pipe thickness shall be not less than .28" for 6" diameter, .30" for 8", .32" for 10", .34" for 12" and .37" for 16" diameter pipe.

2.3 Cast Iron Pipe 4" through 12" Pipe

2.3.1 Cast iron pipe for water mains shall be designed in accord with ANSI Standard A21.1, subject to the following design criteria: 150 psi water pressure, 3 feet depth of cover, trench condition B and trench width d+2 feet. Pipe shall be manufactured in accord with AWWA Specification C106-70 (metal molds) or C108-70 (sand-lined molds), except pipe shall have a minimum bursting tensile of 21,000 psi and minimum modules of rupture of 45,000 psi. Thickness class shall be at least Class 22.

2.3.2. Pipe shall have cement lining and bituminous seal coat in accord with ANSI Standard A21.4-1971. Pipe shall also be bituminous coated on the outside. Lining shall be standard thickness.

2.3.3 Pipe joints shall be push-on type conforming to ANSI Standard A21.11-1971. Gasket lubricant shall be as furnished by the pipe manufacturer and labeled with trade name.

2.3.4 Cast iron pipe shall be tested in accord with procedures of AWWA C106 or C108 and certified records of the tests made by the manufacturer or by a reliable commercial laboratory shall be submitted with each shipment of pipe.

2.3.5 Fittings and corrosion protection shall be as specified for ductile iron pipe in Paragraphs 2.1.6 and 2.2.respectively.

2.4 PVC Pipe 4" through 12" Pipe

2.4.1 PVC pipe for water mains shall be Type I, Class 150 and meet the requirements of AWWA C900-75 for PVC pipe in cast iron pipe equivalent O.D., Class 150 having elastomeric gasket bell ends and elastomeric seals.

2.4.2 The joints for PVC water pipe shall be rubber ring type consisting of integral, thickened, solid wall bells which maintain the same D.R. as the pipe barrel. Joint lubrication shall be furnished by the manufacturer of the pipe and joints made in accordance with the manufacturer's instructions and recommendations.

2.4.3 Where necessary, adaptor fittings shall be furnished and installed where plastic pipe is connected to pipes or fittings of other materials. Polyethylene sleeve will not be required with PVC pipe.

2.4.4 In storing pipe, units shall be protected by damage in the same way they were protected while loaded on the truck. If pipe is to be stored outside longer than 30 days, the pipe shall be covered with canvas or other opaque material to protect it from prolonged exposure to the sun.

2.4.5 An affidavit of compliance from the manufacturer shall be submitted with each shipment of pipe, to the effect that the pipe complies with all applicable requirements of AWWA C900-75. Each length of pipe shall bear the U.L. label.

2.5 Plastic Service Pipe and Fittings

2.5.1 Plastic pipe for service pipe shall conform to ASTM D-2737-74 and shall be 160 psi pipe, SDR PR 9.

2.5.2 Polyethylene extrusion compound from which the polyethylene pipe is extruded shall comply with applicable requirements for PE-3406 ultra-high molecular weight polyethylene plastic material. Material shall be as described in ASTM D-1248-78 and shall comply with the following:

a. Be of virgin quality approved for potable water service by the National Sanitation Foundation.

b. Pipe resin shall have a minimum inherent viscosity of 2.5 when run according to ASTM D-1601-78.

c. Exceed 1,000 hours on ESC as determined by ASTM D-1693-70.

d. Have a specific gravity of between 0.950 and 0.955.

e. Contain a minimum of 2% and a maximum of 3% of carbon black and shall produce a finish product that is uniformly black.

f. Finished work shall satisfactorily flare to standard brass water works flare fittings when using the hot or cold flaring methods.

2.5.3 The polyethylene pipe shall be rated for use with water at 73.4°F at a hydrostatic design stress of 630 psi and a maximum working pressure of 160 psi.

2.5.4 The Standard Dimension Ratio (SDR) shall be 9 for copper tube size. The average inside diameters, minimum wall thickness for respective tolerances for any cross section shall be as hereinafter specified, when measured in accordance with ASTM D-2122-76. Copper Tube Size: SDR 9 dimensions and tolerances shall be as shown in ASTM D-2737-74, as follows:

Nom. Pipe Size In.	Ave. Outside Diameter In.	Minimum Wall In.	Wall Tolerance In.
1	1.125 ± .005	0.125	+0.012
1-1/2	1.625 ± ,006	0.181	+0.018
2	2.125 ± .006	0.236	+0.024

2.5.5. The minimum burst pressure at 73.4°F determined in accordance with ASTM D-1599-74, latest revision, shall be 630 psi. The time of testing of each specimen shall be between 60 and 70 seconds.

2.5.6 The pipe shall not fail, balloon, burst or weep as defined in ASTM D-1598-76 when tested in accordance with the sustained pressure test method of ASTM D-2239-74 and ASTM D-2737-74 but under the test conditions hereinafter tabulated.

Temperature	Time	Pressure
73.4°F	1000 hrs.	350 psi
150°F	1000 hrs.	200 psi
190°F	300 hrs.	125 psi

2.5.7 The polyethylene pipe shall not show any loss of pressure in the six specimens tested for three hours in accordance with the requirements of ASTM D-2239-74 and ASTM D-2737-74 using the test pressure of 330 psi at 73.4°F. The PE pipe or tubing shall be homogenous throughout and free of visible cracks, holes, foreign inclusions or other injurious defects. It shall be uniform in color, opacity, density and other physical properties.

2.5.8 Marking on the pipe or tubing shall include at intervals of not more than five feet the nominal pipe or tubing size, the type of plastic material; i.e. PE 3406, the standard thermoplastic pipe dimension ratio or the pressure rating in psi for water at 73.4°F (160 psi), the ASTM designation with which the pipe complies, and manufacturer's name or trade mark and code. It shall also include the seal of approval (nsf mark) of the National Sanitation Foundation.

2.5.8.1 All coils of PE pipe or tubing shall be spirally wrapped in heavy water resistant kraft paper or packaged in cardboard boxes.

2.5.8.2 Each coil shall be labeled clearly to show the size, coil length and pressure rating of the pipe.

2.5.9 All PE pipe or tubing shall be rejected for failure to comply with any requirements of these specifications or additional tests that are specified in ASTM D-2239-74, ASTM D-2737-74 and ASTM D-1248-78.

2.6 Rigid Stainless Steel Liner

Rigid stainless steel liners shall be installed in PE service pipe at each coupling. Stainless steel liner shall be as manufactured by Mueller Co., Decatur, Ill., or approved equal.

2.7 Steel Pipe Sleeves

Pipe for sleeves to be jacked and bored under highways shall be steel conforming to ASTM A139-74, Grade A. Sleeve pipe shall be of the length and size shown on the drawings. The wall thickness shall be standard mil thickness for the required pipe diameter and as shown on the DOT permit.

2.8 Flexible Couplings

Flexible couplings shall be of cast iron for couplings installed underground and steel for above ground installation. Couplings shall be suitable for 150 psi working pressure. Flexible couplings shall be Style 53 and Style No. 38 as manufactured by Dresser Manufacturing Company, or Smith-Blair, or approved equal.

3. VALVES AND VALVE BOXES

3.1 Gate Valves

3.1.1 Gate valves for buried service shall be designed for a working pressure of not less than 150 psi. Gate valves, when fully open, shall have a clean waterway equal to the nominal diameter of the pipe. The valve shall open by turning to the left or counterclockwise when viewed from the stem. The operating nut shall have an arrow cast in the metal indicating the direction of opening. Each valve shall have the manufacturer's distinctive marking, pressure rating and year of manufacture cast on the body. Prior to shipment from the factory, each valve shall be tested by applying to it a hydraulic pressure equal to twice the specified working pressure.

3.1.2 Gate valves shall be iron body, fully bronze mounted, double disc with parallel seats. Valves shall conform to the specifications for Gate Valves or Ordinary Water Works Service, AWWA C500-61, and shall be fitted with an O-ring seal of standard manufacture. Valves to be located underground shall be the non-rising stem type designed for buried service with a 2-inch square operating nut. The valves shall have end connections to match the pipe.

3.2 Valve Boxes

Valve boxes shall be provided for all valves which are below finished grade elevations. Valve boxes shall consist of cast iron base and adjustable top section with cover which shall be marked "Water." Extensions shall be provided as required to grade.

3.3 Air Release Valves - Automatic

Air release valves shall be 1" through 16" diameter pipe and shall be the automatic type installed in a concrete box as shown on the drawing. Box and lid shall be of the necessary size to enclose the valve. Pipe, fittings and valves for the assembly shall be as specified in the preceding paragraphs. A corporation stop shall be tapped into the main using the procedures as recommended by the iron pipe manufacturer. The corporation stop shall be Mueller H-10045, or Hays 5284, or approved equal. The valve shall be Type N, Crispin, as manufactured by Multiplex Manufacturing Co., Berwick, Pa., or Model 200 APCO, as manufactured by Textron, Inc., Whittier, Calif., or approved equal.

4. FIRE HYDRANT ASSEMBLIES

4.1 Fire hydrant assemblies shall consist of the fire hydrant, the pipe connecting the hydrant to the water main, the gate valve between the hydrant and the water main, thrust blocking and gravel as shown on the drawing.

4.2 Fire hydrants shall be of the break-away traffic type construction, with a 6" pipe connection, 5-1/4" valve opening, two, 2-1/2" and one, 4-1/2" steamer connections. Hydrants shall be designed for 150 lb. working pressure and shall conform to AWWA Specification C502-73. All working parts shall be bronze. All hose threads shall be National Standard threads. The 2-1/2" outlets shall have 60° V-threads, 7-1/2 threads per inch and 3-1/16" outside diameter of the male thread. The 4-1/2" steamer nozzle shall have four threads per inch and 5-3/4" outside diameter of the male threads. Design, material and workmanship shall be of the latest stock pattern ordinarily produced by the manufacturer. Hydrants shall be painted one coat of red lead paint and two finish coats of an approved paint of the color as selected by the Owner.

4.3 Hydrants manufactured by the following are acceptable:

a. Kennedy

b. M & H

c. American Darling

4.4 Fire hydrants shall be provided with a special lubricant sealed bonnet assembly to assure lubrication of operating parts and to seal operating thread from water when the hydrant is opened. Extension sections shall be provided as required to position break flange at finished grade.

5. CONNECTIONS TO EXISTING MAINS

Where connections are required between new work and existing water mains, the connection shall be made in a thorough and first class manner, using proper specials and fittings to suit the actual conditions. In case a connection is made to an existing fitting in the line, the Contractor shall schedule his work so that digging and locating the existing fittings can be completed prior to starting trench work on the line. Cut-ins into lines shall be done at a time approved by the Owner's representative. The Contractor shall verify the dimensions of all pipe before ordering special fittings and couplings. The Contractor shall not make connections or service taps into existing transmission mains until they have been tested and accepted by the County. Verify through the Owner's representative.

6. WATER MAIN INSTALLATION

6.1 Pipe and fittings shall be strung out along the route of construction with the spigots pointing in the direction of flow. Pipe shall be placed where it will cause least interference with traffic. Pipe shall be handled by mechanical equipment. Before the pipe is lowered into the trench, it shall be swabbed or brushed out to insure that no dirt or foreign material gets into the finished line. Trench waters shall be kept out of the pipe and the pipe kept closed by means of a test plug whenever work is not in progress. The Contractor shall provide the means for dewatering the trench and the cost thereof shall be included in the price for installing the pipe.

6.1.1 Where piping installations are in the State DOT right-of-way, the State will only allow pipe to be stored on site that can be installed in 30 days. The Department of Transportation requires that their right-of-way be cleaned and restored within three weeks of pipe installation.

6.2 Deflections from a straight line or grade made necessary by vertical curves or horizontal curves or offsets shall not exceed the pipe manufacturer's recommendations. If the specified or required alignment requires deflections in excess of those recommended, the Contractor shall either provide special bends as approved by the Engineer or for iron pipe a sufficient number of shorter lengths of pipe to provide angular deflections within the required limit. Deflection of PVC pipe by bending shall not exceed the manufacturer's specifications. Bending shall be accomplished after assembly and prior to installation of the pipe in the trench.

6.3 Excavation and backfill shall conform to the requirements of TS-1. Pipe shall be laid in a level trench. Irregularities shall be smoothed out or filled in with sand and tamped. Holes shall be scooped out where the joints occur leaving the entire barrel of the pipe bearing on the pipe bed.

6.4 Laying of the pipe shall be commenced immediately after the excavation is started, and every means must be used to keep pipe laying closely behind the trenching. The Engineer may stop the trenching when, in his opinion, the trench is open too far in advance of the pipe laying operation. Pipe may be laid in the best manner adapted to securing speed and good results. It shall, however, be in accordance with the manufacturer's instructions and recommendations. Damaged or unsound pipe or fittings will be rejected. Before jointing the pipe, all lumps, blisters, excess coating material and oil shall be removed from the bell and spigot ends of pipe.

6.5 Thrust blocks shall be installed at all bends, tees, crosses, plugs, wyes and reducers as shown in details of typical thrust block placements on the drawings. Where thrust-blocking is not practical or where the Contractor elects to provide harnessing in lieu of thrust blocks, harnessing detail shall be submitted for approval of the Engineer. Unsuitable backing materials shall be stabilized or replaced with gravel or limerock.

6.6 Where there is no adequate natural foundation upon which to construct a pipe bed, the pipe shall be constructed on a prepared stabilized subgrade or rock bedding. Unsuitable subgrade materials shall be replaced or stabilized as described in the Specification TS-1.

6.7 Installation of water mains shall be in strict conformance with the latest AWWA Specifications.

6.8 The Contractor shall furnish and install a plug and blocking at the end of the water main in the event an additive item or items does not become a part of the Contract.

6.9 Where water mains are stubbed out with a reducer and valve, in lieu of thrust blocks, the stubouts shall be harnessed from the valve back to the tee.

6.10 For the protection of exposed reinforcing in anchor blocks the Contractor shall furnish and apply two coats of Koppers Bitumastic No. 505 protective coating.

6.11 All joints shall be watertight and any leaks or defects discovered shall be immediately repaired to the satisfaction of the Engineer. Any pipe which has been disturbed after being laid shall be taken up, the joints cleaned and the pipe properly relaid. Any superfluous material inside the pipe shall be flushed or removed by means of an approved follower or scraper after joints are made. Installation of fittings and pipe joints shall be in strict accordance with the manufacturer's recommendations.

7. VALVE AND HYDRANT INSTALLATION

7.1 Before installing any valve, care shall be taken to see that all foreign material is removed from the interior of the body and the valve opened and closed to see that all parts are in proper working condition. Valves shall be set plumb with valve boxes placed directly over the operators. After being correctly positioned, fill shall be carefully tamped around the valve box for a distance of four feet on all sides of the box. In unpaved areas, a concrete pad shall be poured around the top of the box as shown in the standard details. Box shall be adjusted flush with the adjoining grade.

7.2 Fire hydrants shall be set so the break ring is flush with the surface of the existing ground and shall be connected to the mains with iron or PVC pipe as appropriate, and a gate valve, all part of the assembly. After connections are made, the hydrants shall be set at such elevations that the connecting pipe and the distributing mains shall have the same depth of cover. Each hydrant shall be thrust-blocked with concrete as shown on the detail drawing. A sheet of polyethylene or neoprene shall be placed between the bolted joints of the hydrant and the concrete. If the character of the soil is such that the hydrant cannot be securely thrust-blocked, then bridle rods and rod collars shall be used and shall be of at least 3/4" stock and shall be thoroughly protected by painting with acid-resisting paint. Around the base of each hydrant shall be placed not less than 2 cubit feet of crushed gravel to insure the complete drainage of the hydrant when closed. All backfill around hydrants shall be thoroughly compacted to the surface of the ground. Before installing any hydrant or valve, care shall be taken to see that all foreign material is removed from the interior of the barrel. Stuffing boxes shall be tightened and the hydrants or valve opened and closed to see that all parts are in proper working condition.

8. HIGHWAY CROSSINGS

8.1 All pipe crossing under highways shall be installed in accordance with the Department of Transportation requirements governing the method and materials of construction. The Contractor will be held responsible for any and all expense the Department of Transportation incurs in protecting its highway while pipes are being placed under same and for any damage to the highway. The Contractor shall arrange with the Department of Transportation for the proper bracing, shoring and other necessary protection of the highway before excavation beneath any of said highway. On State right-of-ways only such pipe can be stored as can be installed in 30 days. The Department of Transportation requires that in their right-of-ways, all restoration and clean-up be completed within 3 weeks of pipe installation.

8.2 The carrier pipe shall be installed in the sleeve on longitudinal, treated lumber supports. Each support shall be 2 to 3 feet long and of sufficient thickness to raise the bell off the sleeve. The wood supports shall be positioned 3 feet from the bell and at each end of the pipe. Similar spacers shall be positioned at the top and sides of the pipe and all secured by metal straps or bands.

9. METER BOXES

9.1 Meter boxes shall be cast iron meter boxes as manufactured by Russell Pipe & Foundry Company. Cast iron boxes for 5/8" and 3/4" meters shall be Rome model and for 1", 1-1/2" and 2" meters shall be Dekalb model.

9.2 Precast reinforced concrete meter boxes with cast iron reading lid may be furnished as an alternate. Boxes for 5/8" and 3/4" meters shall be Type 33H and for 1", 1-1/2" and 2" meters shall be Type 66S as manufactured by Brooks Concrete Products Company.

9.3 Meter boxes for 3" meters shall be Type 66S as manufactured by Brooks Concrete Products Company.

9.4 The meter and meter couplings will be furnished and installed by the Owner.

9.5 Plastic meter boxes and covers with a magnetic detecting disc embedded in an inspection lid built into the cover, as manufactured by Intercontinental Plastics Company, or an approved equal, may be furnished for non-traffic areas.

10. SERVICE CONNECTIONS

10.1 1-1/2" and 2" service connections shall be connected by use of a saddle. The Contractor shall provide corporation stops and curb stops installed in accordance with the detailed drawings and specifications.

10.1.1 The corporation stops shall be Mueller Type H-10141 or approved equal, with H-15428 coupling.

10.1.2 The curb stop shall be Mueller Type 10291 or approved equal, with H-14528 coupling.

10.1.3 Where terrain and coverage require Ford angle meter valves FV 43-666 or FV 43-777, as appropriate or approved equal shall be used.

10.2 The 5/8" through 1" service connections shall be tapped into the new water mains, as shown on the drawings and as specified from 6 inch diameter pipe and larger. Double strap saddles shall be used on 4 inch diameter and smaller.

10.2.1 The corporation stop and coupling shall be Mueller H-15008 using a compression outlet and Mueller thread inlet.

10.2.2 The curb stop shall be Mueller Oriseal Mark III H-1503-2 with compression inlet and I.P. thread outlet, or approved equal, with Mueller 15074, or approved equal coupling.

10.2.3 Where terrain and coverage require Mueller angle meter valve 14258 or approved equal shall be used.

10.3 Polyethylene piping for service connections shall be as specified in paragraph 2.5 of this Specification. Service pipe shall be jacked under pavement where practical. No payment for pavement replacement will be allowed in such cases.

11. BLOW-OFF ASSEMBLIES

11.1 The Contractor shall furnish and install blow-off assemblies in the locations shown on the drawings. Each assembly shall consist of a blow-off branch, gate valve, valve box, brass hose nipple, cap, chain, galvanized pipe and fittings, tapped plug and thrust blocking. Sizes shall be as shown in the detail drawings. Pipe, fittings and valves shall be as specified in the preceding paragraphs.

11.2 The brass hose nipple shall be Crane Company No. 91-A, and the brass hose cap shall be Crane Company No. 120-A or Mueller Corp., or Kennedy Valve Mfg. Co., or approved equal. Both nipple and cap shall be 2-1/2" I.D. with hose pipe threads. A chain one foot long shall be furnished, locking the cap to the hose nipple.

12. FIELD TESTING OF WATER SYSTEM

12.1 The Contractor shall furnish and install suitable temporary testing plugs or caps for the pipe, all necessary pressure pumps, hose, pipe connections, meters, gauges and other similar equipment, and all labor required, all without additional compensation for conducting pressure and leakage tests of the new water lines. The Owner may, at his own choice, furnish a water meter and a pressure gauge for use in conducting these tests. The Contractor shall procure and pay for all water required for tests.

12.2 Tests shall be made between valves and as far as practicable in sections of approximately one thousand (1,000) feet long or as approved by the Engineer. Potable water from an existing water distribution system shall be used. The test pressure for the water lines shall be 150 psi and this pressure shall be maintained for a period of not less than two (2) hours for uncovered pipes, and for not less than twenty-four (24) hours for pipes which have been backfilled before tests are made. The amount of water forced into the line during this time shall be determined and this amount shall be taken as a basis to compute the leakage for twenty-four (24) hours. Pressure shall not vary more than two pounds from the above during the two-hour test period. Allowable leakage shall be computed on the basis of Table 3, Section 13.7, AWWA Standard C600-64, or the applicable formula for other than 18-foot lengths.

12.3 All leaks evident at the surface shall be uncovered and repaired regardless of the total leakage as indicated by the test, and all pipes, valves and fittings and other materials found defective under the test shall be removed and replaced at the Contractor's expense. Tests shall be repeated until leakage has been reduced below the allowable amount.

13. STERILIZATION AND TESTS

13.1 General

Sterilization of all equipment, pipelines, tanks and other parts of the project with which water comes in contact and which have been contaminated by the Contractor's operations shall be accomplished after completion of construction and immediately before the system or unit is placed in operation. The Contractor shall procure and pay for all water required for sterilization and tests.

13.2 Sterilizing Agent

The sterilizing agent shall be liquid chlorine or sodium hypochlorite solution conforming to Federal Specification O-S-602b Sodium Hypochlorite, Grade D. Dry hypochlorite, similar or approved equal to "HTH" may also be used as the sterilizing agent.

13.3 Sterilization Methods

13.3.1 All new piping shall be thoroughly flushed and washed prior to the time of sterilization. Clean water shall be flushed through the system for at least one-half hour or until no traces of cuttings, lead, oil, dirt, or other foreign matter is visible. This water shall be wasted at the closest points available.

13.3.2 The piping shall be sterilized by introducing the sterilizing agent into the water, which is being pumped into the system, in such manner that the entire system will be filled with water containing a minimum chlorine concentration of 50 ppm at any point. This water shall be allowed to remain in the system for a minimum contact period of eight (8) hours before the system is flushed out.

13.4 Residual Chlorine Tests

After the sterilizing agents have been permitted to remain for the specified contact periods, the pipelines and values shall be thoroughly flushed with water until the residual chlorine tests are less than .02 ppm in each instance. The determination of the amount of residual chlorine in the system shall be made at such points and in accord with standard tests by means of a standard orthotolodine test set.

13.5 Bacterial Tests

After the water system or any other units or portions of the project have been sterilized and thoroughly flushed, samples of water shall be taken from several points in suitable sterilized containers and the samples forwarded to the Florida Department of Environmental Regulation for bacterial examination. If repeated tests of such samples show the presence of coliform organisms, the sterilization shall be repeated or continued until tests indicate absence of pollution. Two consecutive daily samples shall be satisfactorily completed before the system is placed in operation.

13.6 Approval of Sterilization

The complete sterilization program and methods followed, especially if materially different from those specified, shall be in accord with directives of the State of Florida Department of Environmental Regulation, and all methods employed shall meet with their approval. Definite instructions as to the collection and shipment of the samples shall be requested from the Department of Environmental Regulation and shall be followed in all respects. Final approval of the bacterial samples shall be received from this department prior to placing the system into operation.

14. SILTATION AND BANK EROSION

The Contractor shall take adequate precautions to minimize siltation and bank erosion in crossing canals or ditches, in discharging well point systems or during other construction activities.

15. WATER SERVICE INTERRUPTIONS

Interruptions to water service shall be minimized. The Contractor shall submit plans and schedules to the Engineer for approval by the proper authority before any shutdown or any interruption in service takes place.

16. WARRANTY

The Contractor shall be responsible for all materials and workmanship for a period of One Year from the date of acceptance by the Owner. Neither the Owner nor the Engineer shall enter into the relationship as to manufacturer's warranty to the Contractor. The Engineer shall be the sole judge of performance under the warranty.

17. METHOD OF MEASUREMENT

The quantity to be paid for under this section shall be lineal feet of pipe measured in place and the number of gate valves, service connections and other items called for on the plans, satisfactorily completed and accepted.

18. BASIS OF PAYMENT

The quantities as provided above shall be paid for at the contract unit prices for each item called for on the plans or in the proposal. Payment shall be full compensation for all labor, equipment and materials necessary for the completion of the work and shall include excavation, backfilling, replacement of pavement, vegetation and testing as shown on the plans and in conformance with the specifications.

PHASE I

DESCRIPTION

"EXHIBIT ONE"

el of land lying within Sections 21 and 28; Township 41 South, 20 East, Charlotte County, Florida, being a portion of Lots 40 and all of Lot 42, Grove City Company's Subdivision of Section 21, Township 41 South, Range 20 East, recorded in Plat Book 1, and a portion of Lot 1, Ten Acre Farms of the Grove City Land y's Subdivision of Section 28, Township 41 South, Range 20 East, d in Plat Book 1, Page 19 being more particularly described as

ommence at the Northeast corner of said Section 28 (also being e Southeast corner of said Section 21); thence N-89°-33'-55"-W ong the Northerly line of said Section 28, a distance of 69.65 feet to the intersection thereof with the Westerly line County Road 775 (100' wide); thence continue N-89°-33'-55"-W ong said Northerly line, a distance of 1270.50 feet to the rtheast corner of Lot 1 of the aforementioned Ten Acre Farms; ence continue N-89°-33'-55"-W along said Northerly line, a stance of 117.50 feet; thence leaving said Northerly line -00°-52'-09"-E a distance of 650.00 feet; thence N-89°-33'-55"-W rallel with the said Northerly line, a distance of 230.89 feet the POINT OF BEGINNING; thence continue N-89°-33'-55"-W rallel with said North line, a distance of 506 feet +/- to the ersection thereof with the mean high water line of Lemon Bay; ence Northerly and Northeasterly along said mean high water e, a distance of 2022 feet +/- to POINT A; thence returning to e aforesaid POINT OF BEGINNING, thence N-16°-24'-05"-W a stance of 164.41 feet; thence N-16°-07'-34"-W a distance of .98 feet; thence N-00°-43'-17"-E a distance of 683.57 feet; ence N-16°-06'-01"-E a distance of 444.34 feet; thence -01°-16'-44"-E a distance of 189.39 feet; thence N-82°-32'-43"-E distance of 16.00 feet to the PC of a curve to the left having central angle of 26°-23'-02" and a radius of 78.00 feet; thence ng the arc in a Northeasterly direction a distance of 35.92 t to the PRC of a curve to the right having a central angle of °-23'-02" and a radius of 82.00 feet; thence along the arc in a rtheasterly direction a distance of 37.76 feet; thence 07°-27'-17"-W a distance of 50.00 feet; thence N-08°-59'-00"-W distance of 175 feet +/- to the aforementioned Point A, thus sing the description. Containing 18 +/- acres.

Effective Date May 1, 1987

ORDINANCE "EXHIBIT B"
NUMBER 87-11

AN ORDINANCE AMENDING ORDINANCE #86-25 RELATING TO SETTING RATES FOR WATER AND SEWER SERVICE; AUTHORIZING UTILITIES TO COLLECT WITH RELATION TO CONTRIBUTIONS IN AID OF CONSTRUCTION AN AMOUNT EQUAL TO THE TAX IMPACT OF THE CONTRIBUTION OF THE UTILITY; AND PROVIDING A METHOD OF CALCULATION OF TAX IMPACT AMOUNT.

MAY 4

FINDINGS

1. The United States Congress has repealed former section 118(d) of the Internal Revenue Code which had excluded contributions in aid of construction of utility projects from the taxable gross income of the utility. After January 1, 1987, contributions in aid of construction paid by a developer to a utility must be included within the utility's income and the utility must pay a federal tax thereon.

2. The consequence of this federal tax law change in rate regulation by Charlotte County is that the County must recognize this new expense to the utility and make provision for the allocation of the expense within general rate making procedures.

NOW, THEREFORE BE IT ORDAINED, by the Board of County Commissioners of Charlotte County, Florida:

SECTION 1. Section 46 of Ordinance 86-25 is amended by redesignating the present text of section 46 as 46(a) and by the addition of sub-sections (b),(c),(d) to read as follows:

SECTION 46(b). After January 1, 1987, any water and sewer utility regulated under this ordinance may collect from developers and others who transfer property and amounts to a utility as contributions in aid of construction an amount equal to the tax impact under the United States Internal Revenue Code resulting from the repeal of former section 118(b) of that code. The tax impact amount to be collected by each utility shall be determined by using this formula: Tax Impact = $\frac{R}{1.0-R} \times (F + P)$.

R = The applicable marginal rate of federal income tax and state corporate income tax, if one is payable, on the value of CIAC which must be included in taxable income of the utility.

R shall be determined as follows:

R = ST + FT (1-ST)

ST = Applicable marginal rate of State Corporate Income Tax.

FT = The applicable marginal rate of federal income tax, either corporate or individual.

F = The dollar amount of charges paid to a utility as contributions in aid of construction which must be included in taxable income of the utility, which had been excluded from taxable income pursuant to former section 118(b) of the Internal Revenue Code.

P = The dollar amount of property conveyed to the utility which must be included in taxable income of the utility, which had been excluded from taxable income pursuant to Section 118(b) of the Internal Revenue Code.

(c) The CIAC tax impact amounts, as determined in this section of this ordinance, shall be deposited as received into a fully funded interest bearing escrow account, hereinafter referred to as the "CIAC Tax Impact Account", established with a local financial institution. Monies in the CIAC Tax Impact Account may be withdrawn periodically for the purpose of paying that portion of the estimated federal and state income tax expense which can be shown to be directly attributable to the repeal of Section 118(b) of the Internal Revenue Code and the inclusion of CIAC in taxable income. Annually, following the preparation and filing of the utility's annual federal and state income tax returns, a determination shall be made as to the actual federal and state income tax expense that is directly attributable to the inclusion of CIAC in taxable income for the tax year. CIAC tax impact monies received during the tax year that are in excess of the actual amount of tax expense that is attributable to the receipt of CIAC, together with interest earned on such excess monies held in the CIAC Tax Impact Account must be refunded on a pro rata basis to the parties who made the contribution and paid the tax impact amounts during the tax year. The utility will be required to maintain adequate records to account for the receipt, deposit, and withdrawal of monies in the CIAC Tax Impact escrow account. A detailed statement of the CIAC Tax Impact Account, including the annual determination of actual tax expense attributable to the repeal of Section 118(b) of the Internal Revenue Code shall be submitted as a part of the annual financial report required of the utility.

(d) The CIAC Tax Impact amount collected pursuant to this section shall not be considered as contributions in aid of construction.

SECTION 2. EFFECTIVE DATE. This Ordinance shall take effect upon receipt of acknowledgement of its filing in the Office of the Secretary of State of Florida.

PASSED AND DULY ADOPTED this 21st day of April, 1987.

BOARD OF COUNTY COMMISSIONERS
OF CHARLOTTE COUNTY, FLORIDA

ATTEST:
Barbara T. Scott, Clerk
Circuit Court and Ex-officio
Clerk to the Board of County
Commissioners

By Becky E. Rodriguez
Deputy Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

William D. Moore, County Attorney

SERVICE AGREEMENT

THIS AGREEMENT, made and entered into this 29th day of November, 1989, by and between LEMON BAY GOLF & COUNTRY CLUB ESTATES A JOINT VENTURE, 11, whose mailing address is 1800 Second Street, Sarasota, FL 34236, hereinafter called "Developer", and FIVELAND INVESTMENTS, INC., a Florida corporation whose mailing address is 1100 SOUTH TAMIAMI TRAIL, SUITE 2, SARASOTA, FL 34236, hereinafter called "Service Compa

WITNESSETH:

WHEREAS, Developer owns certain real property in Charlotte County Florida, which is comprised of ~~approximately~~ 59 residential dwelling u and is more particularly described as follows:

REAL PROPERTY LOCATED IN CHARLOTTE COUNTY, FLORIDA, DESCRIBED ON "EXHIBIT A" attached hereto.

hereinafter referred to as "Developer's Property", and is about to develop said property by developing a residential/~~multifamily~~/commerci area along with ancillary improvements thereon, and

WHEREAS, Developer desires the extension of Service Company's WAT system, hereinafter called "Service Company's Utility System"; and

WHEREAS, Service Company is willing to expand Service Company's Utility System and thereafter to operate such system so that 59 residential dwelling units constructed on Developer's Property by, through, or under Developer m have an adequate potable water system, subject to the terms and condi tions of this Agreement; and

WHEREAS, the Developer recognizes and agrees that the Service Company's obligations to provide water service to the Developer are at all times subject to ~~such~~ governmental regulations, prohibitions, limitations and restrictions and that these factors are beyond the control and responsibility of the Service Company;

NOW, THEREFORE, in consideration of the promises and the mutual undertakings and agreements herein contained and assumed, Developer and Service Company hereby covenant and agree as follows:

1. Developer shall, in accordance with the terms of this Agreement, construct and convey to Service Company, free and clear of all encumbrances and at no cost to Service Company, the complete water distribution system, including valves, fittings, laterals, hydrants and all appurtances necessary to provide water utility service to the Developer's Property as shown on engineering plans and specifications designed by Smally, Wellford & Nalven, Inc. . Developer's specifications and the installation of Developer's Utility System must be in strict accordance with the latest revision of Service Company's standard specifications which are attached to this Agreement. In case of any and all conflicts, Service Company's specificati shall govern.

2. All engineering plans and specifications prepared by Develope engineer as provided in Paragraph 1 above shall be reviewed and approv by Service Company's Engineer prior to Developer submitting said plans and specifications to any governmental agencies. Service Company shal have the right but not the obligation, to make inspections as installations progresses.

3. Service Company shall have the right to refuse to accept titl to Developer installed utility system or initiate any services until Developer installed utility system has passed tests arranged by Smally, Wellford & Nalven, Inc. , to determine whether the Developer installed utility system is constructed in accordance with the approved engineering plans and specifications. Said tests may be performed two times, the first test upo completion of the system and the second test upon completion of all

buildings, roads paving, drainage, and all construction within the right-of-way easement area of adjacent areas. In addition to the costs herein described, Developer agrees to pay all costs of testing and leak location and any repair deemed necessary by Service Company as a result of any of said tests.

4. Service Company shall not be liable or responsible to Developer except as provided for in its approved tariff.

5. Service Company's obligations under this Agreement are contingent upon Service Company and Developer obtaining all necessary approvals from all governmental agencies. Developer hereby assumes the risk or loss as a result of the denial or withdrawal of the approva of any concerned governmental agencies or caused by any act of any governmental agency which affects the ability of the Service Company to provide water service to Developer, including the DER which must approve the application which is being filed upon the signing of this contract.

6. This Agreement supersedes all previous agreements or representations either verbal or written heretofore in effect between developer and Service Company and made with respect to the matters contained herein, and when duly executed constitutes the complete agreement between Developer and Service Company.

7. Developer shall not be liable to Service Company for the inability or failure of Developer either to obtain governmental approval or permits or to complete timely the construction of facilities required of Developer herein.

8. Prior to the Service Company certifying and accepting Developer's Utility System, Developer shall provide to Service Company lien waivers, together with the breakdown of the actual cost of the Developer's Utility System. Developer must furnish Service Company with the plat of the Developer's Property, if any, and a mylar sepia copy of as-built drawings acceptable to Service Company showing specific locations of all facilities, including all valves, lateral locations, fittings, hydrants and all other appurtances within the Developer's Utility System, before any service is issued by Service Company.

9. The Developer installed utility system installed and conveyed to Service Company pursuant to the terms hereof shall at all times remain the sole, complete and exclusive property of Service Company, its successors and assigns, and under the exclusive control of Service Company.

10. This Agreement shall not prohibit or prevent Service Company from extending Service Company's Utility System in or to areas not referred to herein to serve other developers or consumers.

11. The provisions of this Agreement shall not be construed as establishing a precedent in connection with the amount of connection fees or contributions made by a developer or other customer, or the acceptance thereof on the part of the Service Company for other water utility extensions that may be requested hereafter by Developer and are not the subject of this Agreement.

12. Developer warrants that Developer installed utility system will be constructed in accordance with the plans and specifications referred to herein and that the same will be free from any defects in materials or workmanship for a period of one (1) year following the date of completion and final acceptance of Developer installed utility system.

13. Developer agrees to pay all costs and expenses incurred by the Service Company by reason of any breach of the warranties referred to in the previous paragraph.

14. Developer agrees to grant at no cost to Service Company any and all easements and restrictive covenants as required for the operation and maintenance of Developer installed utility system. The easements for water mains shall be as shown on engineering plans.

15. REFUNDABLE DEVELOPER ADVANCE - Service Company and Developer hereby agree that it is necessary for the Service Company to construct certain water facilities prior to the actual connection of the additional units proposed by Developer. Furthermore, Developer agrees to advance the sum of One Hundred Thousand Dollars ($100,000) to the Service Company towards the cost of the construction of these water facilities. With respect to the above monies advanced by Developer for water utility facilities, Service Company shall refund to Developer, or Developer's successors or assigns, solely from capacity fees collected from future users which will connect to the water system owned by the Service Company, except for the Developers proposed units and the prior agreed to units comprising the development known as Marina Bay Village, One Hundred Twenty

Five Dollars ($125) per equivalent residential connection for every new user who connects to the system and for which a connection fee payment has been received by the Service Company. The refund obligation of Service Company and the benefits to Developer related thereto shall expire eight (8) years from ~~the date of the execution of this Agreement.~~ MARCH 15, 1990. L.S. Said refund shall be made to Developer solely from funds collected from future capacity fees received by Service Company and shall be paid within thirty (30) days of the installation of a permanent meter by the Service Company for a future customer for which a capacity fee has been paid.

16. The water capacity to be reserved by this Agreement is 59 residential connections according to the Service Company's approved tariff. In consideration of reserving this capacity, the Developer will pay the Service Company as an advance 59 residential connection fees at $1100 per connection totaling Sixty Four Thousand Nine Hundred Dollars ($64,900.00). Both parties have heretofore agreed that it is necessary that the Service Company be able to construct additional water facilities prior to the actual connection of the additional units proposed by the Developer. It is hereby agreed that the One Hundred Thousand Dollars ($100,000) Refundable Developer Advance must be received in full by the utility prior to any consideration regarding the reservation of capacity for the 59 additional residential connections.

Both parties agree to the order of the funds to be paid by the Developer as set forth in Item 17 which requires that the first One Hundred Thousand Dollars ($100,000) paid by the Developer to the utility will be credited to the Refundable Developer Advance and the subsequent funds paid by the Developer in the amount of Sixty Four Thousand Nine Hundred Dollars ($64,900) will be credited towards the reservation of the required capacity. Both parties agree that no residential connection fees will be accepted by the utility until the One Hundred Thousand Dollars ($100,000) Developers Advance is paid in full.

17. The Developer hereby agrees to pay the One Hundred Thousand Dollars ($100,000) Refundable Developers Advance and the Sixty Four Thousand Nine Hundred Dollars ($64,900) Residential Connection Fees Advance in the below mentioned order in accordance with the following schedule:

1. Concurrently with the signing of the agreement, the Developer will pay Fifty Thousand Dollars ($50,000) as the initial payment towards the One Hundred Thousand Dollar ($100,000) Refundable Developer Advance.

2. On February 15, 1990, the Developer will pay Fifty Thousand Dollars ($50,000) towards the remaining balance of the One Hundred Thousand Dollars ($100,000) Refundable Developer Advance.

3. On March 15, 1990, the Developer will pay Sixty Four Thousand Nine Hundred Dollars ($64,900), which is the Residential Connection Fee Advance required for the reservation of the water capacity for the 59 residential connections.

Developer and Service Company agree that the Service Company is no obligated to begin repayment of the One Hundred Thousand Dollars ($100, Refundable Developer Advance until all the One Hundred Sixty Four Thous Nine Hundred Dollars ($164,900) has been received by the Service Compan

Service Company's obligation to provide utility service to the Property is expressly conditioned upon Developers fulfilling each of th covenants and agreements set forth in this Agreement. Service Company shall have the right to refuse to provide service, the right to termina service to any lot or building within the Property and the right, after thirty (30) days written notice to Developer, to terminate this Agreeme in the event that Developer fails to comply with any of the terms and conditions of this Agreement in a timely manner.

18. The 59 residential connections must be used within two years after the signing of this contract. I the event that Developer does not use the connection fee credits to which Developer would be entitled by virtue of prepayments thereof i accordance with the foregoing within the two (2) year terms set fort above, rather than lose the credit for pre-payment, Developer shall have the option to commence making payments to the Utility for each such connection in the amount of the then existing minimum usage rat each month, and, so long as such payments are made, the connection f credit shall be honored.

19. In no event shall Serv ice Company be obligated to provide service to Developer's Property in excess of the water treatment cap ity to serve 59 units. In the event that all or part of Develope Property as a result of a zoning or density change requires addition water capacity or facilities to provide service to the Developer's

Property, new engineering plans and specifications shall be prepared by Developer, or its assigns or successors, approved by Service Compa engineer and a new Service Agreement negotiated and executed prior to granting additional capacity or the installation of the additional facilities. Any said new agreement shall be properly executed prior the development of all or parts of Developer's Property and shall be in conformance with the Rules and Regulations that are in effect at t time of the execution of the said new agreement.

20. Developer shall pay to the Service Company the full actual amount of the surveying, engineering, consulting, legal, administrativ and review fees incurred by Service Company in preparing and executi this Agreement; in extending the certificated area of Service Company to include all of Developer's Property; in conducting the review of t engineering plans and specifications; and in conducting the inspectio and testing of the installation of Developer's Extension. In partic- ular, Developer shall pay, at the execution of this Agreement, an est mated inspection and testing fee in the amount of two percent (2%) o the estimated job cost ($500.00) minimum), which amount shall be in- creased or decreased, as appropriate, when the full actual cost of such inspection and testing is known. Prior to the acceptance of Developer's Extension and provision of water service by Service Company, Developer shall have paid to Service Company the full amount of said surveying and engineering fees and said legal, administrative and review fees.

21. Charlotte County Ordinance Number 87-11, a copy of which is attached hereto as "Exhibit B", shall be used to determine the tax impact to Service Company of accepting the water facilities referred to in this Agreement. Within 14 days of notification to Developer by Service Company of the amount which must be placed in an escrow account by the Service Company, Developer will pay to the Service Company the amount requested. These funds will then be placed in an escrow account by the Service Company. If these funds are not delivered within the 14 day period, then the number of connections prepaid by the Developer will be reduced by the amount of the estimated tax impact.

22. The Service Company agrees to abide by the terms and conditi of its certificate and to use reasonable diligence to at all times be able to comply with the terms and conditions of this Agreement to be performed by the Service Company.

23. This Agreement shall inure to the benefit of and be binding upon the parties, their legal representatives, heirs, successors and assigns.

24. All duties, responsibilities, and obligations of both partie to this Agreement will become null and void and unenforceable after eight (8) calendar years following the execution date of this Agreeme

Signed, sealed and delivered
in the presence of:

Pamela A. Howland

Elsie M. Hargrave
As to Developer

Pamela A. Howland

Elsie M. Hargrave
As to Service Company

LEMON BAY GOLF & COUNTRY CLUB ESTATES, A JOINT VENTURE

BY: Laurence L. Gibson
L. Allen Dean

FIVELAND INVESTMENTS, INC.

BY: _____
President

TECHNICAL SPECIFICATIONS

WATER DISTRIBUTION SYSTEM

1. GENERAL

1.1 This specification covers the material and installation requirements for piping, valves, hydrants, fittings, specials, crossings, connections, and sterilization and testing of the water distribution system. Excavation, trenching and backfill for piping installation shall be as specified in Division 1 of the Technical Specifications.

1.2 Three copies of all required test reports shall be submitted to the Engineer. These shall include:

a. Certified record of tests on pipe made by manufacturer or a commercial testing laboratory for each shipment of pipe. Tests shall be in accord with the procedure outlined in ANSI Standard A21.51 and ANSI A21.6 or A21.8.

b. Reports on hydrostatic and leakage tests on butterfly valves in accordance with AWWA C504-70, Section 13.

c. Reports on pressure and leakage tests.

d. Reports of Bacteriological tests.

1.3 Shop drawings shall be submitted for all valves, boxes, hydrants and harnessing.

2. MATERIALS

2.1 Ductile Iron Pipe 4" through 16" Pipe

2.1.1 Ductile iron pipe for water mains installed underground and shall be manufactured in accord with American National Standard Institute, Standard A21.51-1971. Pipe shall be designed for thickness in accord with ANSI Standard A21.50-1971, subject to the following design criteria: 150 psi water pressure, ANSI laying condition B, trench width d+2 feet, and depth of cover as shown on the profile drawings. The depth of cover for water mains not shown in profile shall be a minimum of 3 feet. Where ductile iron pipe is threaded for flanges, the thickness shall be increased accordingly. In any case, the flanged pipe thickness shall not be less than Class 53. Push-on ductile iron pipe thickness shall be not less than .28" for 6" diameter, .30" for 8", .32" for 10", .34" for 12" and .37" for 16" diameter pipe.

2.1.2 The depth of cover for the pipe listed in the preceding paragraph 2.1.1 is specified as a minimum required depth. The pipe manufacturer shall determine additional wall thickness required where amount of cover exceeds the minimum requirement.

2.1.3 Pipe shall have cement lining and bituminous seal coat in accordance with ANSI Standard A21.4-1971. Pipe shall also be bituminous coated on the outside. Lining shall be standard thickness.

2.1.4 Joints for ductile iron pipe shall be push-on type designed in accordance with ANSI Standard A21.11-1972. Gasket lubricant for push-on joints shall be labeled with the trade name and the pipe manufacturer's name.

2.1.5 Ductile iron pipe shall be tested in accord with the procedure outlined in ANSI Standard A21.51 and certified records of the tests shall be submitted with each shipment of pipe.

2.1.6 Fittings for ductile iron pipe shall be manufactured of ductile iron or gray cast iron and shall conform to the requirements of ANSI Standard A21.10-1971. Fittings shall be designed so as to be compatible with the pipe and so as to provide at least equal resistance to internal and external loads on the pipe. The lining and coating of the fittings shall be as specified for the pipe. Joints for fittings shall be mechanical or push-on type except where otherwise shown on the drawings. The joint and bolts and nuts shall conform to ANSI A21.11. Shop drawings shall be furnished for harnessing. All harnessing rods, clamps, bolts and nuts shall be coated after assembly. The coating shall be a coal tar or asphalt base bituminous coating approved by the Engineer and applied to at least a 4 mil dry thickness.

2.2 Corrosion Protection

2.2.1 For protection against corrosive soils, in the locations as listed in the following paragraph and as directed by the Engineer, ductile iron pipe and fittings shall be enclosed in a polyethylene sheet or tube and each length joined with 2-inch wide polyethylene adhesive tape. The sheet or tube shall be made from polyethylene resin meeting the requirements of ASTM DI248-78 and shall be Type I, Class C, Category 5, Grade J-3 with minimum carbon black content of 2.5% and 8 mils thickness. The sheet or tube shall be as manufactured by Polytube Corp., Birmingham, Ala., or approved equal. The sheet or tube shall be in accordance with the provisions of ANSI A21.5 - AWWA C105-72. Methods shall be such as to minimize damage to the sheet or tube but where required the adhesive tape shall also be used to repair tears or punctures.

2.2.2 In the event any cathodically protected utilities are crossed, the new main shall be encased with loose polyethylene encasement for 20 feet minimum, both sides of crossing, and where cathodically protected main runs parallel to proposed main less than 10 feet distance laterally, the new main shall be encased the full length of the main.

2.2.3 Piping, valves or fittings which are made of dissimilar metals shall not be installed in-line together unless provisions to alleviate corrosion, preapproved by the Owner and Utility, are authorized.

2.3 Cast Iron Pipe 4" through 12" Pipe

2.3.1 Cast iron pipe for water mains shall be designed in accord with ANSI Standard A21.1, subject to the following design criteria: 150 psi water pressure, 3 feet depth of cover, trench condition B and trench width d+2 feet. Pipe shall be manufactured in accord with AWWA Specification C106-70 (metal molds) or C108-70 (sand-lined molds), except pipe shall have a minimum bursting tensile of 21,000 psi and minimum modules of rupture of 45,000 psi. Thickness class shall be at least Class 22.

2.3.2. Pipe shall have cement lining and bituminous seal coat in accord with ANSI Standard A21.4-1971. Pipe shall also be bituminous coated on the outside. Lining shall be standard thickness.

2.3.3 Pipe joints shall be push-on type conforming to ANSI Standard A21.11-1971. Gasket lubricant shall be as furnished by the pipe manufacturer and labeled with trade name.

2.3.4 Cast iron pipe shall be tested in accord with procedures of AWWA C106 or C108 and certified records of the tests made by the manufacturer or by a reliable commercial laboratory shall be submitted with each shipment of pipe.

2.3.5 Fittings and corrosion protection shall be as specified for ductile iron pipe in Paragraphs 2.1.6 and 2.2 respectively.

2.4 PVC Pipe 4" through 12" Pipe

2.4.1 PVC pipe for water mains shall be Type I, Class 150 and meet the requirements of AWWA C900-75 for PVC pipe in cast iron pipe equivalent O.D., Class 150 having elastomeric gasket bell ends and elastomeric seals.

2.4.2 The joints for PVC water pipe shall be rubber ring type consisting of integral, thickened, solid wall bells which maintain the same D.R. as the pipe barrel. Joint lubrication shall be furnished by the manufacturer of the pipe and joints made in accordance with the manufacturer's instructions and recommendations.

2.4.3 Where necessary, adaptor fittings shall be furnished and installed where plastic pipe is connected to pipes or fittings of other materials. Polyethylene sleeve will not be required with PVC pipe.

2.4.4 In storing pipe, units shall be protected by damage in the same way they were protected while loaded on the truck. If pipe is to be stored outside longer than 30 days, the pipe shall be covered with canvas or other opaque material to protect it from prolonged exposure to the sun.

2.4.5 An affidavit of compliance from the manufacturer shall be submitted with each shipment of pipe, to the effect that the pipe complies with all applicable requirements of AWWA C900-75. Each length of pipe shall bear the U.L. label.

2.5 Plastic Service Pipe and Fittings

2.5.1 Plastic pipe for service pipe shall conform to ASTM D-2737-74 and shall be 160 psi pipe, SDR PR 9.

2.5.2 Polyethylene extrusion compound from which the polyethylene pipe is extruded shall comply with applicable requirements for PE-3406 ultra-high molecular weight polyethylene plastic material. Material shall be as described in ASTM D-1248-78 and shall comply with the following:

a. Be of virgin quality approved for potable water service by the National Sanitation Foundation.

b. Pipe resin shall have a minimum inherent viscosity of 2.5 when run according to ASTM D-1601-78.

c. Exceed 1,000 hours on ESC as determined by ASTM D-1693-70.

d. Have a specific gravity of between 0.950 and 0.955.

e. Contain a minimum of 2% and a maximum of 3% of carbon black and shall produce a finish product that is uniformly black.

f. Finished work shall satisfactorily flare to standard brass water works flare fittings when using the hot or cold flaring methods.

2.5.3 The polyethylene pipe shall be rated for use with water at 73.4°F at a hydrostatic design stress of 630 psi and a maximum working pressure of 160 psi.

2.5.4 The Standard Dimension Ratio (SDR) shall be 9 for copper tube size. The average inside diameters, minimum wall thickness for respective tolerances for any cross section shall be as hereinafter specified, when measured in accordance with ASTM D-2122-76. Copper Tube Size: SDR 9 dimensions and tolerances shall be as shown in ASTM D-2737-74, as follows:

Nom. Pipe Size In.	Ave. Outside Diameter In.	Minimum Wall In.	Wall Tolerance In.
1	1.125 ± .005	0.125	+0.012
1-1/2	1.625 ± ,006	0.181	+0.018
2	2.125 ± .006	0.236	+0.024

2.5.5. The minimum burst pressure at 73.4°F determined in accordance with ASTM D-1599-74, latest revision, shall be 630 psi. The time of testing of each specimen shall be between 60 and 70 seconds.

2.5.6 The pipe shall not fail, balloon, burst or weep as defined in ASTM D-1598-76 when tested in accordance with the sustained pressure test method of ASTM D-2239-74 and ASTM D-2737-74 but under the test conditions hereinafter tabulated.

Temperature	Time	Pressure
73.4°F	1000 hrs.	350 psi
150°F	1000 hrs.	200 psi
190°F	300 hrs.	125 psi

2.5.7 The polyethylene pipe shall not show any loss of pressure in the six specimens tested for three hours in accordance with the requirements of ASTM D-2239-74 and ASTM D-2737-74 using the test pressure of 330 psi at 73.4°F. The PE pipe or tubing shall be homogenous throughout and free of visible cracks, holes, foreign inclusions or other injurious defects. It shall be uniform in color, opacity, density and other physical properties.

2.5.8 Marking on the pipe or tubing shall include at intervals of not more than five feet the nominal pipe or tubing size, the type of plastic material; i.e. PE 3406, the standard thermoplastic pipe dimension ratio or the pressure rating in psi for water at 73.4°F (160 psi), the ASTM designation with which the pipe complies, and manufacturer's name or trade mark and code. It shall also include the seal of approval (nsf mark) of the National Sanitation Foundation.

2.5.8.1 All coils of PE pipe or tubing shall be spirally wrapped in heavy water resistant kraft paper or packaged in cardboard boxes.

2.5.8.2 Each coil shall be labeled clearly to show the size, coil length and pressure rating of the pipe.

2.5.9 All PE pipe or tubing shall be rejected for failure to comply with any requirements of these specifications or additional tests that are specified in ASTM D-2239-74, ASTM D-2737-74 and ASTM D-1248-78.

2.6 Rigid Stainless Steel Liner

Rigid stainless steel liners shall be installed in PE service pipe at each coupling. Stainless steel liner shall be as manufactured by Mueller Co., Decatur, Ill., or approved equal.

2.7 Steel Pipe Sleeves

Pipe for sleeves to be jacked and bored under highways shall be steel conforming to ASTM A139-74, Grade A. Sleeve pipe shall be of the length and size shown on the drawings. The wall thickness shall be standard mil thickness for the required pipe diameter and as shown on the DOT permit.

2.8 Flexible Couplings

Flexible couplings shall be of cast iron for couplings installed underground and steel for above ground installation. Couplings shall be suitable for 150 psi working pressure. Flexible couplings shall be Style 53 and Style No. 38 as manufactured by Dresser Manufacturing Company, or Smith-Blair, or approved equal.

3. VALVES AND VALVE BOXES

3.1 Gate Valves

3.1.1 Gate valves for buried service shall be designed for a working pressure of not less than 150 psi. Gate valves, when fully open, shall have a clean waterway equal to the nominal diameter of the pipe. The valve shall open by turning to the left or counterclockwise when viewed from the stem. The operating nut shall have an arrow cast in the metal indicating the direction of opening. Each valve shall have the manufacturer's distinctive marking, pressure rating and year of manufacture cast on the body. Prior to shipment from the factory, each valve shall be tested by applying to it a hydraulic pressure equal to twice the specified working pressure.

3.1.2 Gate valves shall be iron body, fully bronze mounted, double disc with parallel seats. Valves shall conform to the specifications for Gate Valves or Ordinary Water Works Service, AWWA C500-61, and shall be fitted with an O-ring seal of standard manufacture. Valves to be located underground shall be the non-rising stem type designed for buried service with a 2-inch square operating nut. The valves shall have end connections to match the pipe.

3.2 Valve Boxes

Valve boxes shall be provided for all valves which are below finished grade elevations. Valve boxes shall consist of cast iron base and adjustable top section with cover which shall be marked "Water." Extensions shall be provided as required to grade.

3.3 Air Release Valves - Automatic

Air release valves shall be 1" through 16" diameter pipe and shall be the automatic type installed in a concrete box as shown on the drawing. Box and lid shall be of the necessary size to enclose the valve. Pipe, fittings and valves for the assembly shall be as specified in the preceding paragraphs. A corporation stop shall be tapped into the main using the procedures as recommended by the iron pipe manufacturer. The corporation stop shall be Mueller H-10045, or Hays 5284, or approved equal. The valve shall be Type N, Crispin, as manufactured by Multiplex Manufacturing Co., Berwick, Pa., or Model 200 APCO, as manufactured by Textron, Inc., Whittier, Calif., or approved equal.

4. FIRE HYDRANT ASSEMBLIES

4.1 Fire hydrant assemblies shall consist of the fire hydrant, the pipe connecting the hydrant to the water main, the gate valve between the hydrant and the water main, thrust blocking and gravel as shown on the drawing.

4.2 Fire hydrants shall be of the break-away traffic type construction, with a 6" pipe connection, 5-1/4" valve opening, two, 2-1/2" and one, 4-1/2" steamer connections. Hydrants shall be designed for 150 lb. working pressure and shall conform to AWWA Specification C502-73. All working parts shall be bronze. All hose threads shall be National Standard threads. The 2-1/2" outlets shall have 60° V-threads, 7-1/2 threads per inch and 3-1/16" outside diameter of the male thread. The 4-1/2" steamer nozzle shall have four threads per inch and 5-3/4" outside diameter of the male threads. Design, material and workmanship shall be of the latest stock pattern ordinarily produced by the manufacturer. Hydrants shall be painted one coat of red lead paint and two finish coats of an approved paint of the color as selected by the Owner.

4.3 Hydrants manufactured by the following are acceptable:

a. Kennedy

b. M & H

c. American Darling

4.4 Fire hydrants shall be provided with a special lubricant sealed bonnet assembly to assure lubrication of operating parts and to seal operating thread from water when the hydrant is opened. Extension sections shall be provided as required to position break flange at finished grade.

5. CONNECTIONS TO EXISTING MAINS

Where connections are required between new work and existing water mains, the connection shall be made in a thorough and first class manner, using proper specials and fittings to suit the actual conditions. In case a connection is made to an existing fitting in the line, the Contractor shall schedule his work so that digging and locating the existing fittings can be completed prior to starting trench work on the line. Cut-ins into lines shall be done at a time approved by the Owner's representative. The Contractor shall verify the dimensions of all pipe before ordering special fittings and couplings. The Contractor shall not make connections or service taps into existing transmission mains until they have been tested and accepted by the County. Verify through the Owner's representative.

6. WATER MAIN INSTALLATION

6.1 Pipe and fittings shall be strung out along the route of construction with the spigots pointing in the direction of flow. Pipe shall be placed where it will cause least interference with traffic. Pipe shall be handled by mechanical equipment. Before the pipe is lowered into the trench, it shall be swabbed or brushed out to insure that no dirt or foreign material gets into the finished line. Trench waters shall be kept out of the pipe and the pipe kept closed by means of a test plug whenever work is not in progress. The Contractor shall provide the means for dewatering the trench and the cost thereof shall be included in the price for installing the pipe.

6.1.1 Where piping installations are in the State DOT right-of-way, the State will only allow pipe to be stored on site that can be installed in 30 days. The Department of Transportation requires that their right-of-way be cleaned and restored within three weeks of pipe installation.

6.2 Deflections from a straight line or grade made necessary by vertical curves or horizontal curves or offsets shall not exceed the pipe manufacturer's recommendations. If the specified or required alignment requires deflections in excess of those recommended, the Contractor shall either provide special bends as approved by the Engineer or for iron pipe a sufficient number of shorter lengths of pipe to provide angular deflections within the required limit. Deflection of PVC pipe by bending shall not exceed the manufacturer's specifications. Bending shall be accomplished after assembly and prior to installation of the pipe in the trench.

6.3 Excavation and backfill shall conform to the requirements of TS-1. Pipe shall be laid in a level trench. Irregularities shall be smoothed out or filled in with sand and tamped. Holes shall be scooped out where the joints occur leaving the entire barrel of the pipe bearing on the pipe bed.

6.4 Laying of the pipe shall be commenced immediately after the excavation is started, and every means must be used to keep pipe laying closely behind the trenching. The Engineer may stop the trenching when, in his opinion, the trench is open too far in advance of the pipe laying operation. Pipe may be laid in the best manner adapted to securing speed and good results. It shall, however, be in accordance with the manufacturer's instructions and recommendations. Damaged or unsound pipe or fittings will be rejected. Before jointing the pipe, all lumps, blisters, excess coating material and oil shall be removed from the bell and spigot ends of pipe.

6.5 Thrust blocks shall be installed at all bends, tees, crosses, plugs, wyes and reducers as shown in details of typical thrust block placements on the drawings. Where thrust-blocking is not practical or where the Contractor elects to provide harnessing in lieu of thrust blocks, harnessing detail shall be submitted for approval of the Engineer. Unsuitable backing materials shall be stabilized or replaced with gravel or limerock.

6.6 Where there is no adequate natural foundation upon which to construct a pipe bed, the pipe shall be constructed on a prepared stabilized subgrade or rock bedding. Unsuitable subgrade materials shall be replaced or stabilized as described in the Specification TS-1.

6.7 Installation of water mains shall be in strict conformance with the latest AWWA Specifications.

6.8 The Contractor shall furnish and install a plug and blocking at the end of the water main in the event an additive item or items does not become a part of the Contract.

6.9 Where water mains are stubbed out with a reducer and valve, in lieu of thrust blocks, the stubouts shall be harnessed from the valve back to the tee.

6.10 For the protection of exposed reinforcing in anchor blocks the Contractor shall furnish and apply two coats of Koppers Bitumastic No. 505 protective coating.

6.11 All joints shall be watertight and any leaks or defects discovered shall be immediately repaired to the satisfaction of the Engineer. Any pipe which has been disturbed after being laid shall be taken up, the joints cleaned and the pipe properly relaid. Any superfluous material inside the pipe shall be flushed or removed by means of an approved follower or scraper after joints are made. Installation of fittings and pipe joints shall be in strict accordance with the manufacturer's recommendations.

7. VALVE AND HYDRANT INSTALLATION

7.1 Before installing any valve, care shall be taken to see that all foreign material is removed from the interior of the body and the valve opened and closed to see that all parts are in proper working condition. Valves shall be set plumb with valve boxes placed directly over the operators. After being correctly positioned, fill shall be carefully tamped around the valve box for a distance of four feet on all sides of the box. In unpaved areas, a concrete pad shall be poured around the top of the box as shown in the standard details. Box shall be adjusted flush with the adjoining grade.

7.2 Fire hydrants shall be set so the break ring is flush with the surface of the existing ground and shall be connected to the mains with iron or PVC pipe as appropriate, and a gate valve, all part of the assembly. After connections are made, the hydrants shall be set at such elevations that the connecting pipe and the distributing mains shall have the same depth of cover. Each hydrant shall be thrust-blocked with concrete as shown on the detail drawing. A sheet of polyethylene or neoprene shall be placed between the bolted joints of the hydrant and the concrete. If the character of the soil is such that the hydrant cannot be securely thrust-blocked, then bridle rods and rod collars shall be used and shall be of at least 3/4" stock and shall be thoroughly protected by painting with acid-resisting paint. Around the base of each hydrant shall be placed not less than 2 cubit feet of crushed gravel to insure the complete drainage of the hydrant when closed. All backfill around hydrants shall be thoroughly compacted to the surface of the ground. Before installing any hydrant or valve, care shall be taken to see that all foreign material is removed from the interior of the barrel. Stuffing boxes shall be tightened and the hydrants or valve opened and closed to see that all parts are in proper working condition.

8. HIGHWAY CROSSINGS

8.1 All pipe crossing under highways shall be installed in accordance with the Department of Transportation requirements governing the method and materials of construction. The Contractor will be held responsible for any and all expense the Department of Transportation incurs in protecting its highway while pipes are being placed under same and for any damage to the highway. The Contractor shall arrange with the Department of Transportation for the proper bracing, shoring and other necessary protection of the highway before excavation beneath any of said highway. On State right-of-ways only such pipe can be stored as can be installed in 30 days. The Department of Transportation requires that in their right-of-ways, all restoration and clean-up be completed within 3 weeks of pipe installation.

8.2 The carrier pipe shall be installed in the sleeve on longitudinal, treated lumber supports. Each support shall be 2 to 3 feet long and of sufficient thickness to raise the bell off the sleeve. The wood supports shall be positioned 3 feet from the bell and at each end of the pipe. Similar spacers shall be positioned at the top and sides of the pipe and all secured by metal straps or bands.

9. METER BOXES

9.1 Meter boxes shall be cast iron meter boxes as manufactured by Russell Pipe & Foundry Company. Cast iron boxes for 5/8" and 3/4" meters shall be Rome model and for 1", 1-1/2" and 2" meters shall be Dekalb model.

9.2 Precast reinforced concrete meter boxes with cast iron reading lid may be furnished as an alternate. Boxes for 5/8" and 3/4" meters shall be Type 33H and for 1", 1-1/2" and 2" meters shall be Type 66S as manufactured by Brooks Concrete Products Company.

9.3 Meter boxes for 3" meters shall be Type 66S as manufactured by Brooks Concrete Products Company.

9.4 The meter and meter couplings will be furnished and installed by the Owner.

9.5 Plastic meter boxes and covers with a magnetic detecting disc embedded in an inspection lid built into the cover, as manufactured by Intercontinental Plastics Company, or an approved equal, may be furnished for non-traffic areas.

10. SERVICE CONNECTIONS

10.1 1-1/2" and 2" service connections shall be connected by use of a saddle. The Contractor shall provide corporation stops and curb stops installed in accordance with the detailed drawings and specifications.

10.1.1 The corporation stops shall be Mueller Type H-10141 or approved equal, with H-15428 coupling.

10.1.2 The curb stop shall be Mueller Type 10291 or approved equal, with H-14528 coupling.

10.1.3 Where terrain and coverage require Ford angle meter valves FV 43-666 or FV 43-777, as appropriate or approved equal shall be used.

10.2 The 5/8" through 1" service connections shall be tapped into the new water mains, as shown on the drawings and as specified from 6 inch diameter pipe and larger. Double strap saddles shall be used on 4 inch diameter and smaller.

10.2.1 The corporation stop and coupling shall be Mueller H-15008 using a compression outlet and Mueller thread inlet.

10.2.2 The curb stop shall be Mueller Oriseal Mark III H-1503-2 with compression inlet and I.P. thread outlet, or approved equal, with Mueller 15074, or approved equal coupling.

10.2.3 Where terrain and coverage require Mueller angle meter valve 14258 or approved equal shall be used.

10.3 Polyethylene piping for service connections shall be as specified in paragraph 2.5 of this Specification. Service pipe shall be jacked under pavement where practical. No payment for pavement replacement will be allowed in such cases.

11. BLOW-OFF ASSEMBLIES

11.1 The Contractor shall furnish and install blow-off assemblies in the locations shown on the drawings. Each assembly shall consist of a blow-off branch, gate valve, valve box, brass hose nipple, cap, chain, galvanized pipe and fittings, tapped plug and thrust blocking. Sizes shall be as shown in the detail drawings. Pipe, fittings and valves shall be as specified in the preceding paragraphs.

11.2 The brass hose nipple shall be Crane Company No. 91-A, and the brass hose cap shall be Crane Company No. 120-A or Mueller Corp., or Kennedy Valve Mfg. Co., or approved equal. Both nipple and cap shall be 2-1/2" I.D. with hose pipe threads. A chain one foot long shall be furnished, locking the cap to the hose nipple.

12. FIELD TESTING OF WATER SYSTEM

12.1 The Contractor shall furnish and install suitable temporary testing plugs or caps for the pipe, all necessary pressure pumps, hose, pipe connections, meters, gauges and other similar equipment, and all labor required, all without additional compensation for conducting pressure and leakage tests of the new water lines. The Owner may, at his own choice, furnish a water meter and a pressure gauge for use in conducting these tests. The Contractor shall procure and pay for all water required for tests.

12.2 Tests shall be made between valves and as far as practicable in sections of approximately one thousand (1,000) feet long or as approved by the Engineer. Potable water from an existing water distribution system shall be used. The test pressure for the water lines shall be 150 psi and this pressure shall be maintained for a period of not less than two (2) hours for uncovered pipes, and for not less than twenty-four (24) hours for pipes which have been backfilled before tests are made. The amount of water forced into the line during this time shall be determined and this amount shall be taken as a basis to compute the leakage for twenty-four (24) hours. Pressure shall not vary more than two pounds from the above during the two-hour test period. Allowable leakage shall be computed on the basis of Table 3, Section 13.7, AWWA Standard C600-64, or the applicable formula for other than 18-foot lengths.

12.3 All leaks evident at the surface shall be uncovered and repaired regardless of the total leakage as indicated by the test, and all pipes, valves and fittings and other materials found defective under the test shall be removed and replaced at the Contractor's expense. Tests shall be repeated until leakage has been reduced below the allowable amount.

13. STERILIZATION AND TESTS

13.1 General

Sterilization of all equipment, pipelines, tanks and other parts of the project with which water comes in contact and which have been contaminated by the Contractor's operations shall be accomplished after completion of construction and immediately before the system or unit is placed in operation. The Contractor shall procure and pay for all water required for sterilization and tests.

13.2 Sterilizing Agent

The sterilizing agent shall be liquid chlorine or sodium hypochlorite solution conforming to Federal Specification O-S-602b Sodium Hypochlorite, Grade D. Dry hypochlorite, similar or approved equal to "HTH" may also be used as the sterilizing agent.

13.3 Sterilization Methods

13.3.1 All new piping shall be thoroughly flushed and washed prior to the time of sterilization. Clean water shall be flushed through the system for at least one-half hour or until no traces of cuttings, lead, oil, dirt, or other foreign matter is visible. This water shall be wasted at the closest points available.

13.3.2 The piping shall be sterilized by introducing the sterilizing agent into the water, which is being pumped into the system, in such manner that the entire system will be filled with water containing a minimum chlorine concentration of 50 ppm at any point. This water shall be allowed to remain in the system for a minimum contact period of eight (8) hours before the system is flushed out.

13.4 Residual Chlorine Tests

After the sterilizing agents have been permitted to remain for the specified contact periods, the pipelines and values shall be thoroughly flushed with water until the residual chlorine tests are less than .02 ppm in each instance. The determination of the amount of residual chlorine in the system shall be made at such points and in accord with standard tests by means of a standard orthotolodine test set.

13.5 Bacterial Tests

After the water system or any other units or portions of the project have been sterilized and thoroughly flushed, samples of water shall be taken from several points in suitable sterilized containers and the samples forwarded to the Florida Department of Environmental Regulation for bacterial examination. If repeated tests of such samples show the presence of coliform organisms, the sterilization shall be repeated or continued until tests indicate absence of pollution. Two consecutive daily samples shall be satisfactorily completed before the system is placed in operation.

13.6 Approval of Sterilization

The complete sterilization program and methods followed, especially if materially different from those specified, shall be in accord with directives of the State of Florida Department of Environmental Regulation, and all methods employed shall meet with their approval. Definite instructions as to the collection and shipment of the samples shall be requested from the Department of Environmental Regulation and shall be followed in all respects. Final approval of the bacterial samples shall be received from this department prior to placing the system into operation.

14. SILTATION AND BANK EROSION

The Contractor shall take adequate precautions to minimize siltation and bank erosion in crossing canals or ditches, in discharging well point systems or during other construction activities.

15. WATER SERVICE INTERRUPTIONS

Interruptions to water service shall be minimized. The Contractor shall submit plans and schedules to the Engineer for approval by the proper authority before any shutdown or any interruption in service takes place.

16. WARRANTY

The Contractor shall be responsible for all materials and workmanship for a period of One Year from the date of acceptance by the Owner. Neither the Owner nor the Engineer shall enter into the relationship as to manufacturer's warranty to the Contractor. The Engineer shall be the sole judge of performance under the warranty.

17. METHOD OF MEASUREMENT

The quantity to be paid for under this section shall be lineal feet of pipe measured in place and the number of gate valves, service connections and other items called for on the plans, satisfactorily completed and accepted.

18. BASIS OF PAYMENT

The quantities as provided above shall be paid for at the contract unit prices for each item called for on the plans or in the proposal. Payment shall be full compensation for all labor, equipment and materials necessary for the completion of the work and shall include excavation, backfilling, replacement of pavement, vegetation and testing as shown on the plans and in conformance with the specifications.

EXHIBIT A

Project No. 2142-12

DESCRIPTION

A parcel of land lying within Section 28, Township 41 South, Range 20 East, Charlotte County, Florida, being a portion of Lots 1, 6, 7, 8, 15 and 16 of Ten Acre Farms of the Grove City Land Company Subdivision of Section 28, Township 41 South, Range 20 East recorded in Plat Book 1, Page 19 of the Public Records of Charlotte County, Florida being more particularly described as follows:

Commence at the Northeast corner of said Section 28; thence N-89°-33'-55"-W along the Northerly line of said Section 28, a distance of 1369.65 feet to the intersection thereof with the Westerly right-of-way line of County Road 775 (100 feet wide); thence continue N-89°-33'-55"-W along said Northerly line a distance of 1270.50 feet to the Northeast corner of Lot 1 of said Ten Acre Farms; thence continue N-89°-33'-55"-W along said Northerly line a distance of 117.50 feet; thence S-00°-52'-09"-E a distance of 650.00 feet; thence N-89°-33'-55"-W a distance of 402.49 feet to the POINT OF BEGINNING; thence continue N-89°-33'-55"-W a distance of 334 feet +/- to a point hereafter referred to as Point B, said Point B being a point on the mean high water line elevation 0.91 as established on Smally, Wellford & Nalven, Inc. Drawing Index No. G-2142-5002 dated September 10, 1980; thence returning to said POINT OF BEGINNING; thence N-38°-40'-07"-E a distance of 200.34 feet; thence S-16°-24'05"-E a distance of 325.33 feet; thence S-04°-37'-39"-W a distance of 264.82 feet; thence S-26°-17'-46"-E a distance of 375.64 feet; thence S-02°-24'-25"-E a distance of 399.21 feet; thence S-30°-32'-43"-E a distance of 188.60 feet; thence S-84°-06'-12"-E a distance of 259.80 feet; thence S-57°-01'-27"-E a distance of 400.38 feet; thence S-34°-18'-46"-E a distance of 200.49 feet; thence S-14°-22'-36"-E a distance of 255.71 feet; thence N-86°-20'-12"-E a distance of 17.92 feet to the PC of a curve to the left having a central angle of 18°-30'-00" and a radius of 375.00 feet; thence along the arc in a Northeasterly direction a distance of 121.08 feet; thence S-02°-07'-01"-W a distance of 202 feet +/- to the aforementioned mean high water line; thence along said mean high water line in a Southwesterly, Northwesterly and Northerly direction a distance of 3570 feet +/- to the aforementioned Point B, thus closing the description. Containing 30.4 +/- acres.

Effective Date May 1, 1987

ORDINANCE NUMBER 87-11 "EXHIBIT B"

AN ORDINANCE AMENDING ORDINANCE #86-25 RELATING TO SETTING RATES FOR WATER AND SEWER SERVICE; AUTHORIZING UTILITIES TO COLLECT WITH RELATION TO CONTRIBUTIONS IN AID OF CONSTRUCTION AN AMOUNT EQUAL TO THE TAX IMPACT OF THE CONTRIBUTION OF THE UTILITY; AND PROVIDING A METHOD OF CALCULATION OF TAX IMPACT AMOUNT.

MAY 4

FINDINGS

1. The United States Congress has repealed former section 118(d) of the Internal Revenue Code which had excluded contributions in aid of construction of utility projects from the taxable gross income of the utility. After January 1, 1987, contributions in aid of construction paid by a developer to a utility must be included within the utility's income and the utility must pay a federal tax thereon.

2. The consequence of this federal tax law change in rate regulation by Charlotte County is that the County must recognize this new expense to the utility and make provision for the allocation of the expense within general rate making procedures.

NOW, THEREFORE BE IT ORDAINED, by the Board of County Commissioners of Charlotte County, Florida:

SECTION 1. Section 46 of Ordinance 86-25 is amended by redesignating the present text of section 46 as 46(a) and by the addition of sub-sections (b),(c),(d) to read as follows:

SECTION 46(b). After January 1, 1987, any water and sewer utility regulated under this ordinance may collect from developers and others who transfer property and amounts to a utility as contributions in aid of construction an amount equal to the tax impact under the United States Internal Revenue Code resulting from the repeal of former section 118(b) of that code. The tax impact amount to be collected by each utility shall be determined by using this formula: Tax Impact = $\frac{R}{1.0-R}$ X (F + p).

R = The applicable marginal rate of federal income tax and state corporate income tax, if one is payable, on the value of CIAC which must be included in taxable income of the utility.

R shall be determined as follows:

R = ST + FT (1-ST)

ST = Applicable marginal rate of State Corporate Income Tax.

FT = The applicable marginal rate of federal income tax, either corporate or individual.

F = The dollar amount of charges paid to a utility as contributions in aid of construction which must be included in taxable income of the utility, which had been excluded from taxable income pursuant to former section 118(b) of the Internal Revenue Code.

P = The dollar amount of property conveyed to the utility which must be included in taxable income of the utility, which had been excluded from taxable income pursuant to Section 118(b) of the Internal Revenue Code.

(c) The CIAC tax impact amounts, as determined in this section of this ordinance, shall be deposited as received into a fully funded interest bearing escrow account, hereinafter referred to as the "CIAC Tax Impact Account", established with a local financial institution. Monies in the CIAC Tax Impact Account may be withdrawn periodically for the purpose of paying that portion of the estimated federal and state income tax expense which can be shown to be directly attributable to the repeal of Section 118(b) of the Internal Revenue Code and the inclusion of CIAC in taxable income. Annually, following the preparation and filing of the utility's annual federal and state income tax returns, a determination shall be made as to the actual federal and state income tax expense that is directly attributable to the inclusion of CIAC in taxable income for the tax year. CIAC tax impact monies received during the tax year that are in excess of the actual amount of tax expense that is attributable to the receipt of CIAC, together with interest earned on such excess monies held in the CIAC Tax Impact Account must be refunded on a pro rata basis to the parties who made the contribution and paid the tax impact amounts during the tax year. The utility will be required to maintain adequate records to account for the receipt, deposit, and withdrawal of monies in the CIAC Tax Impact escrow account. A detailed statement of the CIAC Tax Impact Account, including the annual determination of actual tax expense attributable to the repeal of Section 118(b) of the Internal Revenue Code shall be submitted as a part of the annual financial report required of the utility.

(d) The CIAC Tax Impact amount collected pursuant to this section shall not be considered as contributions in aid of construction.

SECTION 2. EFFECTIVE DATE. This Ordinance shall take effect upon receipt of acknowledgement of its filing in the Office of the Secretary of State of Florida.

PASSED AND DULY ADOPTED this 21st day of April, 1987.

BOARD OF COUNTY COMMISSIONERS
OF CHARLOTTE COUNTY, FLORIDA

ATTEST:
Barbara T. Scott, Clerk
Circuit Court and Ex-officio
Clerk to the Board of County
Commissioners

By Becky E. Rodriguez
Deputy Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

William D. Moore, County Attorney

IN THE CIRCUIT OF THE TWELFTH JUDICIAL CIRCUIT
IN AND FOR SARASOTA COUNTY, FLORIDA, CIVIL DIVISION

FIVELAND INVESTMENTS, INC. a Florida Corporation, EUGENE SCHWARTZ, individually and as a stockholder of FIVELAND INVESTMENTS, INC., and HELENE SCHWARTZ, individually and as a stockholder of FIVELAND INVESTMENTS INC.,	
Plaintiffs	CASE NO.: DIVISION C 91 4506-CA-01
vs.	
MELVIN A. STEINBAUM and VILMA STEINBAUM,	
Defendants	

ORDER APPROVING MODIFICATION OF SERVICE AGREEMENTS

Pursuant to the Receiver's Motion for approval of modification of service agreements and no party to this suit having objected to said Motion by 14 February 1993,

IT IS HEREBY ordered and adjudged:

1. That the Receiver is authorized to enter into and execute the modification of service agreements dated 25 April 1989 and 29 November 1989 between Lemon Bay Golf and Country Club Estates and Fiveland Investments, Inc.

DONE AND ORDERED in Chambers at Sarasota County, Florida this 16 day of February 1993.

JAMES W. WHATLEY

CIRCUIT JUDGE

AMENDMENT TO AGREEMENTS

February, 1993

THIS AMENDMENT TO AGREEMENTS made and entered into this the 16th day of ~~December~~, ~~1992~~, by and between LEMON BAY GOLF AND COUNTRY CLUB ESTATES, a joint venture, whose mailing address is 1800 Second Street, Suite 710, Sarasota, Florida 34236, as "Developer" and FIVELAND INVESTMENTS, INC., whose mailing address is c/o Theodore Steffans, Receiver, 5550 26th Street West, Suite 6, Bradenton, Florida 34207, as "Service Company".

W I T N E S S E T H:

WHEREAS, Developer and Service Company have heretofore entered two Service Agreements dated April 25, 1989, and November 29, 1989, respectively, each dealing with the provision of water service by the Service Company to Eagle Preserve Subdivision, Phase I and Phase II, Developer's project located in Charlotte County, Florida; and

WHEREAS, the parties hereto wish to amend the aforesaid Service Agreements as hereinafter set out.

NOW THEREFORE, in consideration of the mutual undertakings and agreements herein contained and assumed, Developer and Service Company hereby covenant and agree as follows:

1. Developer has prepaid the $1,100 per lot connection fees for all 93 lots in Phase I and Phase II of Eagle Preserve. Developer has sold all of the 34 lots in Phase I, and the following numbered lots in Phase II have either been sold or are under contract or option to purchase to wit:

Lots No.: 1, 2, 3, 4, 5, 6, 16, 17, 18, 26, 27, 30 & 50

Service Company will recognize the prepaid connection fee for each of the aforesaid 47 lots in Phase I and Phase II of the subdivision that have been sold or are committed, and for those lots that are currently undeveloped will credit the connection fee at the time they are developed and connect to the water system. Developer hereby agrees to waive the credit for the aforesaid prepaid connection fee for the remaining 46 unsold and uncommitted lots in Phase II and Service Company will be entitled to collect the $1,100 connection fee (or such other connection fee as may be authorized at the time) when such lots are developed and the homes constructed thereon connected to the water system.

2. Service Company agrees to waive the $16.42 minimum monthly charge for lots that are unconnected to the water system, and designated as "tap-ins" on Exhibit "A" attached hereto, for all months prior to December 1992. Beginning with December 1992, Service Company shall have the right to begin billing the lot owners of undeveloped lots that have been sold by Developer in Phases I and II the minimum monthly fee of $16.42. In order to facilitate this billing, Developer has already notified its purchasers of lots in the subdivision that such bills from the Service Company will be forthcoming and that failure to pay same could result in the loss of the prepaid connection fees. The unsold lots still owned by Developer will not be required to pay the minimum $16.42 per month fee, but as lots are sold by the Developer, Service Company will have the right to bill the new owners commencing with the month following the closing of the sale. The sales of all of the lots in Phase I of the subdivision have closed and the sales of Lots 3, 4, 5, 6, 16, 17, 18, 26 and 27 in Phase II have closed and all of these lots can be billed for the monthly minimum fee beginning in December, 1992.

3. Service Company hereby waives any claim for past or future contributions from Developer for CIAC income tax reimbursement designated as "unfunded reserves" on Service Company's summary of unpaid funds attached hereto as Exhibit "A".

4. Service Company agrees that certain non-residential water uses in the Eagle Preserve Subdivision are not responsible for the $1,100 connection fee as they involve only temporary or minor infrequent use of water and do not constitute equivalent dwelling units. Such non-residential uses include temporary sales offices, landscape irrigation of entrance and common areas, water availability required by code at common facilities such as sewer lift stations, fire protection and guard houses. Service Company will be allowed other customary charges for such uses, such as a charge for water meter installation or actual water uses.

5. Except for the changes made by this Amendment to Agreements, all the other terms and conditions of the aforesaid Service Agreements of April 25, 1989, and November 29, 1989, will remain in full force and effect.

6. It is understood and agreed that following full execution of this Agreement, Service Company will present it for approval to the Court having jurisdiction over the receivership under which Service Company is currently operating. In the event Service Company is unable to obtain such Court approval within 90 days from the execution of this Agreement and furnish Developer with an executed copy of the Court Order approving this Amendment to Agreements, then Developer shall have the right to rescind this Amendment for a period ending 6 months from date hereof.

This Amendment shall be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Amendment to Agreements as of the day and year first above written.

Signed, sealed and delivered in the presence of:

Deanna J. McAhren
* DEANNA J. McAHREN
*(Print Name of Witness)

Denise Strode Toale
* DENISE STRODE TOALE
*(Print Name of Witness)

LEMON BAY GOLF AND COUNTRY CLUB ESTATES, a joint venture

By: L. Allen Greer
Its: ~~Managing Partner~~

"Developer"

FIVELAND INVESTMENTS, INC.

Jeanne Smith
* Jeanne Smith
*(Print Name of Witness)

Sandy D. Cain
* Sandy D. Cain
*(Print Name of Witness)

By: [signature]
Its: Receiver

"Service Company"

WCS:jws

(g:\wcs\lemon.amd)

IN THE CIRCUIT OF THE TWELFTH JUDICIAL CIRCUIT
IN AND FOR SARASOTA COUNTY, FLORIDA, CIVIL DIVISION

FIVELAND INVESTMENTS, INC. a Florida Corporation, EUGENE SCHWARTZ, individually and as a stockholder of FIVELAND INVESTMENTS, INC., and HELENE SCHWARTZ, individually and as a stockholder of FIVELAND INVESTMENTS INC.,	)	
Plaintiffs	)	CASE NO.: DIVISION C 91 4506-CA-01
vs.	)	
MELVIN A. STEINBAUM and VILMA STEINBAUM,	)	
Defendants	)	

ORDER APPROVING MODIFICATION OF SERVICE AGREEMENTS

Pursuant to the Receiver's Motion for approval of modification of service agreements and no party to this suit having objected to said motion by 30 November 1997,

IT IS HEREBY ordered and adjudged:

1. The Receiver is authorized to enter into and execute the second amendment to the service agreements dated 25 April 1989 and 29 November 1989 between Lemon Bay Golf and Country Club Estates and Fiveland Investments, Inc.

2. The Receiver is authorized to enter into and execute the second amendment to the service agreement dated 7 April 1990 between Shamrock Shores, Phase II and Fiveland Investments, Inc.

DONE AND ORDERED in Chambers at Sarasota County, Florida this 9 day of ~~November~~ Mar 1998.

CIRCUIT JUDGE

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that copies of the foregoing have been furnished by mail to the following Counsel of Record:

Thomas O. Shults, Esq.
Hogreve & Shults
3700 S. Tamiami Trail
Suite 201
Sarasota, FL 34239-6015

Theodore C. Steffens, Receiver
400 Madison Drive, Suite 200
St. Armands Circle
Sarasota, FL 34236
(P) 941-388-3585
(F) 941-388-5526

COURTESY COPY

Mr. Eugene Schwartz
245 Great Neck Rd.
Great Neck, NY 11022

Anthony Abate, Esq.
Abel, Band, Russell, Collier
Pitchford & Gordon
240 S. Pineapple Ave. 9th FL
Sarasota, FL 34236

Janice Howard
Judge's Secretary

EXHIBIT B

SECOND AMENDMENT TO AGREEMENT

This Second Amendment to Agreement is made as of the dates set forth on the signature lines hereby by and between Lemon Bay Golf and Country Club Estates, a joint venture (the "Developer") and Fivelands Investments, Inc., a Florida corporation (the "Utility").

SECTION 1. RECITATION OF FACTS.

1.1 Developer and Utility entered into that certain Service Agreement dated November 29, 1989 (the "Original Agreement") and that certain Amendments to Agreement dated February 16, 1993 (the "Amendment").

1.2 Utility is operated by Theodore C. Steffens, as receiver, pursuant to the receivership authorized by the Circuit Court in and for the Twelfth Judicial Circuit in Case No: Division C, 91 4506-CA-01.

1.3 The parties wish to amend the Original Agreement and the Amendment in the manner provided herein.

SECTION 2. AMENDMENT OF ORIGINAL AGREEMENT AND AMENDMENT.

2.1 Effective as of the dates of the Original Agreement and the Amendment, all sums heretofore paid by Developer to Utility, (other than meter charges and payment for utility services rendered) and however denominated, shall be considered as paid for (i) prepaid capacity fees and (ii) guaranteed revenues. Such amounts have been allocated as set forth below.

2.2 As of the date hereof, Developer has paid to Utility a sum sufficient for the prepaid capacity fees of 75 lots in the Eagle Preserve project. Lots which have been provided service or to which commitments have been made to provide service, are described as follows:

> Phase I - Lots 1-34; Phase II - Lots 1-18, Lots 20, 21, 25, 26, 27, 31, 37, 40, 42, 43, 44, 50, 54, 58 and 59 for a total of 67 lots. These designated lots will be deemed to have prepaid their capacity fees. In addition, the next 8 lots for which Developer requests service or designates to the utility as having a prepaid capacity fee shall not be liable for the payment of such capacity fee. After the next eight lots have been served or designated as prepaid, the applicable capacity fee shall be required for each lot up to a maximum of the 93 lots in the Eagle Preserve project.

2.3 As of the date hereof, guaranteed revenues on those lots owned by Developer and those lots whose owners are currently not paying guaranteed revenues have been paid through January 1, 2001.

2.4 The above amounts include a credit to Developer relative to certain monies paid by Developer to Utility in the amount of $100,000.00 as specified in the Original Agreement and any obligations of Utility to Developer relative thereto are null and void.

SECTION 3. CONTINUING EFFECT.

As modified herein, the Original Agreement and the Amendment shall remain in full force and effect.

SECTION 4. CONDITION PRECEDENT.

It is understood by the parties that this Second Amendment to Agreement is subject to approval by the Court having jurisdiction of the receivership as specified above and will not be binding upon Utility until such approval has been received.

Executed as of the dates set forth below.

Print Name

Print Name

Lemon Bay Golf and Country Club Estates, a joint venture

By:

As its:

Address:

Date: , 1997

Print Name

Print Name

Fivelands Investments, Inc., a Florida corporation

By:

As its Receiver

Address:

Date: , 1997

#211046.2