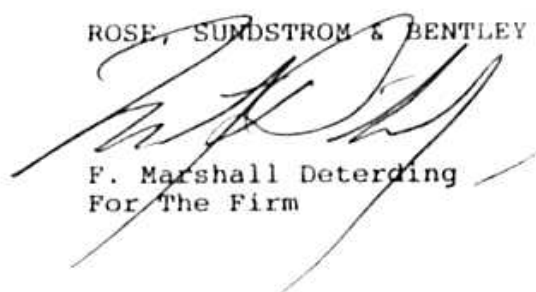


Blanca S. Bayo, Director
July 15, 1996
Page 2

Should you have any questions in this regard, please let me know.

Sincerely,

ROSE, SUNDSTROM & BENTLEY



F. Marshall Deterding
For The Firm

FMD/lts
Enclosure

cc: Division of Water & Wastewater (Redemann, Hill, Brady,
Coker)
Division of Legal Services (Crosby)
Mr. Art Monnig
Mr. Jay Thompson

Record and Return to: C.A. Monig
17905 S.E. 102nd Ave.
Summerfield, FL 34497

THOMAS P. KLINGER, CLERK OF CIRCUIT COURT
FILE: 96-038794
07/18/96 16:44
OR BOOK/PAGE: 2266/739
MARION COUNTY - 5,200

19.50 Rec.

LEASE AGREEMENT

ORIGINAL
FILE COPY

This Lease Agreement made and entered into this 9th day of July, 1996, by and between Spruce Creek Golf & Country Club, Inc., hereinafter referred to as "Lessor" and Spruce Creek South Utilities, Inc., hereinafter referred to as "Lessee".

WITNESSETH

WHEREAS, "Lessor" is the owner of that certain real property described in paragraph 2 below and the developer of SPRUCE CREEK GOLF & COUNTRY CLUB, a proposed Florida Quality Development located in Marion County, Florida, and

WHEREAS, "Lessee", is a water and sanitary sewer utility company certified and capable to provide central water and central sewer utility service to the homes located in SPRUCE CREEK GOLF & COUNTRY CLUB by the Public Service Commission of the State of Florida, and

WHEREAS, "Lessee" desires to lease from "Lessor" and "Lessor" agrees to lease to "Lessee" that real property described in paragraph 2 below on which will be located a potable water well, chlorinated plant and water storage tanks and a central sewage treatment facility, which will be owned by "Lessee" based upon the terms, covenants and conditions as provided for herein.

NOW THEREFORE, for and in consideration of the mutual terms, covenants and conditions as described herein and other good and valuable consideration, receipt of which each of the parties hereto acknowledge receiving from the other. The "Lessor" and the "Lessee" contract and agree as follows:

1. LEASE OF THE PREMISES: The "Lessor" hereby leases and lets unto the "Lessee" that real property described in paragraph 2 hereof

2. LEGAL DESCRIPTION:

Legal Description for Wells and Water Plant Site
Spruce Creek Golf & Country Club

See Exhibit "A", attached hereto and made a part hereof and,

Legal Description of the Wastewater Treatment Plant Site,
Spruce Creek Preserve

See Exhibit "B", attached hereto and made a part hereof and,

3. USE OF THE PREMISES: The "Lessee", its principles, officers, employees, agents and servants shall have access to and the right to utilize the above described premises for the purposes of providing, supplying and maintaining potable water and sanitary sewer to the individual residences located in SPRUCE CREEK PRESERVE.

4. TERM OF LEASE: The term of this lease shall be for ninety-nine (99) consecutive years commencing on the date and year first above written and terminating the date and year ninety-nine years hence, unless terminated by the "Lessee" purchasing from the "Lessor" the real property described in paragraph 2 above.

5. AD-VALOREM TAXES: The "Lessee" shall pay any and all Ad-Valorem taxes assessed to the premises on or before thirty (30) days prior to the tax

DOCUMENT NUMBER DATE

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FPSC-REC'D-FUS-REPORTING

becoming delinquent. "Lessee" shall furnish to "Lessor" proof of payment of the aforementioned taxes.

6. **INSURANCE:** The "Lessee" shall, at all time during the term of the Lease, maintain liability insurance coverage on the premises in amounts not less than \$500,000.00 per incident and \$1,000,000.00 per occurrence. "Lessee" shall provide to "Lessor", a copy of the insurance policy and/or Certificate of Insurance coverage evidencing the aforementioned coverage.

7. **TERMINATION OF LEASE:** This Lease Agreement may be terminated by either the "Lessor" or "Lessee" with out without cause upon ninety (90) days notice of its intent to terminate to the other.

8. **LAW OF GOVERNING:** This Lease Agreement shall be governed by and in accordance with the laws of the State of Florida.

WITNESSES:

LESSOR:
SPRUCE CREEK GOLF & COUNTRY CLUB, INC.

Chas A. Morris
Dupuis

BY: Harvey D. Erp
HARVEY D. ERP, PRESIDENT

LESSEE:
SPRUCE CREEK SOUTH UTILITIES, INC.

Chas A. Morris
Dupuis

BY: Jay A. Thompson
JAY A. THOMPSON, VICE PRESIDENT

State of Florida
County of Marion

The foregoing was acknowledged before me this 9 day of July 1996, by Harvey D. Erp, President of Spruce Creek Golf & Country Club and Jay A. Thompson, Vice President of Spruce Creek South Utilities, Inc., who both are personally known to me.

Elaine J. Jarosz
Notary Signature

Printed Name



ELAINE J. JAROSZ
MY COMMISSION # 0008044 EXPIRES
JUN 11, 1999
ALSO - 401 764 8888, FLA.


EXHIBIT A

WATER PLANT SITEDESCRIPTION.

A TRACT OF LAND SITUATED IN THE NORTHWEST 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE NW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, PROCEED THENCE ALONG THE SOUTH BOUNDARY OF SAID NW 1/4, S 89° 48' 20" E. 1515.47 FEET; THENCE N 00° 12' 01" E. 42.50 FEET TO THE POINT OF BEGINNING (P.O.B.). FROM SAID P.O.B. CONTINUE N 00° 12' 01" E 71.02 FEET TO THE POINT OF CURVE (P.C.) OF A CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 420 FEET; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE 47.80 FEET, SAID ARC HAVING A CHORD BEARING AND DISTANCE OF N 3° 24' 58" EAST 47.77 FEET; THENCE DEPARTING SAID CURVE PROCEED S 83° 24' 51" E. 102.43 FEET; THENCE S 00° 12' 01" W 107.32 FEET; THENCE N 89° 47' 59" W, 104.47 FEET TO THE P.O.B..

ALL BEING IN MARION COUNTY, FLORIDA AND CONTAINING 0.27 ACRE MORE OR LESS.


WILLIAM E. FRANKLIN, JR.
PROFESSIONAL LAND SURVEYOR
FLA. CERTIFICATE NO. 1536

FILE: 96050794
OR BOOK/PAGE: 2266/741


EXHIBIT B

SEWER TREATMENT PLANTDESCRIPTION:

A TRACT OF LAND SITUATED IN THE SW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE SE 1/4 OF THE SW 1/4 OF THE SW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, PROCEED THENCE S 00° 12' 39" W. ALONG THE WEST BOUNDARY OF SAID SE 1/4 OF SW 1/4 OF THE SW 1/4, A DISTANCE OF 253.75 FEET; THENCE DEPARTING SAID WEST BOUNDARY S 89° 52' 30" E. 60.00 FEET TO THE POINT OF BEGINNING (P.O.B.) FROM SAID P.O.B. CONTINUE S 89° 52' 30" E., 300.00 FEET; THENCE N 00° 12' 39" E., 607.50 FEET; THENCE N 89° 52' 30" W., PARALLEL TO THE NORTH BOUNDARY OF THE SW 1/4 OF THE SW 1/4 OF THE SW 1/4 OF SAID SECTION 10, A DISTANCE OF 565.00 FEET; THENCE S 00° 12' 39" W., 293.75 FEET; THENCE S 89° 52' 30" E. ALONG A LINE PARALLEL TO AND 60 FEET NORTH OF THE AFORESAID NORTH BOUNDARY OF THE SW 1/4 OF SW 1/4 OF SW 1/4, A DISTANCE OF 265.00 FEET; THENCE S 00° 12' 39" W., 313.75 FEET TO THE POINT OF BEGINNING.

ALL BEING IN MARION COUNTY, FLORIDA AND CONTAINING 7.17 ACRES MORE OR LESS.


WILLIAM E. FRANKLIN, JR.
PROFESSIONAL LAND SURVEYOR
FLA. CERTIFICATE NO. 1536

FILE: 96050794
OR BOOK/PAGE: 2266/742