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04 NOV -9 AM 9:53

Jeffrey S. Russell
Board Certified Real Estate Attorney
Writer's Direct Line: (941) 364-2703
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Please refer to our file number: 10159-11

November 8, 2004

VIA FEDERAL EXPRESS

Ms. Blanca Bayo, Director
Division of the Commission Clerk and
Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

COMMISSION
CLERK

NOV - 9 AM 10:04

NOV 11 2004

Re: *Lake Suzy Utilities, Inc. d/b/a Aqua Utilities Florida, Inc./Company Code
WS798/Wastewater Certificate Number 514S/Water Certificate Number 599W*

Dear Ms. Bayo:

Please be advised that this office represents Lake Suzy Utilities, Inc. Lake Suzy recently entered into an agreement with DeSoto County, Florida for an exchange of territories. The agreements, copies of which are attached for your reference, provide that:

- (1) The current potable water service areas of Lake Suzy will be transferred to DeSoto County, who will thereafter render water service in these areas.
- (2) The co-extensive wastewater service areas of DeSoto County will be transferred to Lake Suzy who will thereafter render wastewater service in these areas.
- (3) Upon consummation of the above transactions, DeSoto County will grant a wastewater franchise to Lake Suzy and assume jurisdiction of its activities.

On or about April 14, 2000, the Florida Public Service Commission assumed jurisdiction of this utility pursuant to Docket Number 970657. Jurisdiction was derived in accordance with Florida Statutes 367.171(7) due to the fact that, in addition to the water and wastewater service rendered by Lake Suzy in DeSoto County, it provided potable water service to a single customer in Charlotte County, Florida. As a result of the consummation of the above transactions with DeSoto County, Lake Suzy will no longer provide potable water service either in Charlotte

Exh 4
ENGINEERING PLAN MAP
FORWARDED TO ECR
733133v.1

SARASOTA, FLORIDA

VENICE, FLORIDA

DENVER, COLORADO

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

DOCUMENT NUMBER-DATE

12030 NOV-9 8

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County or DeSoto County. Therefore the requirements of 367.171(7) will no longer be applicable. DeSoto County is a non-jurisdictional county.

It is my understanding that under these circumstances, Lake Suzy Utilities, Inc. is required to notify the Florida Public Service Commission of the events enumerated above and please consider this letter as such notice. If any additional filing or other information is required, please contact the undersigned at your earliest convenience. This transaction is scheduled to close in the latter part of November.

Very truly yours,

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

A handwritten signature in black ink, appearing to read 'Jeffrey S. Russell', is written over a horizontal line. The signature is stylized with loops and a long horizontal stroke extending to the right.

JSR:jrh

cc: Ms. Patricia Brady (w/encls.)
Christopher Lunning, Esq.
Glenn LaBrecque
Thomas Cloud, Esq.



**DESOTO COUNTY, FLORIDA
LAKE SUZY UTILITY, INC.
MASTER UTILITY AGREEMENT**

THIS AGREEMENT is made and entered into this 30~~TH~~ day of SEPTEMBER, 2004, by and between the **DESOTO COUNTY, FLORIDA**, (County) a political subdivision of the State of Florida and **LAKE SUZY UTILITY, INC.**, a Florida corporation (LSU).

RECITALS

1. The County has regulatory jurisdiction over the authority, rates, and service of water and wastewater utilities in DeSoto County, Florida.
2. The County owns, operates, and controls its own water and wastewater system within an exclusive water and wastewater service area located in DeSoto County, Florida.
3. LSU owns, operates, and controls a water and wastewater system and possesses an exclusive water and wastewater service area located in DeSoto County, Florida.
4. The parties wish to exchange certain utility properties with one another as set forth more particularly in this Agreement.
5. In exchange for LSU's water system and service area rights, the County is willing to transfer and assign its wastewater system and service area to LSU and grant LSU a fifteen-year exclusive wastewater franchise.
6. In exchange for the County's wastewater system, service area rights, and franchise, LSU is willing to transfer and assign its water system and service area to the County.
7. The parties agree and acknowledge that each has the right and authority to enter into this Agreement.

ACCORDINGLY, in consideration of the above Recitals and other good and valuable consideration the receipt and sufficiency of which are acknowledged by the parties, the parties hereto stipulate, covenant, and agree as follows:

SECTION 1. RECITALS. The foregoing recitals are true and correct, and form a part of this Agreement.

SECTION 2. CONVEYANCE OF THE COUNTY'S KINGSWAY WASTEWATER SYSTEM. The County hereby agrees to convey the County's Kingsway Wastewater

System to LSU in exchange for the Lake Suzy Water System, with the parties agreeing that the County's System (and other considerations) and LSU's System (and other considerations) are approximately equal in value. The County's Kingsway Wastewater System shall be conveyed pursuant to the County Utility Asset Transfer Agreement attached to and incorporated in this Agreement as **Exhibit "A."**

SECTION 3. CONVEYANCE OF LAKE SUZY WATER SYSTEM. LSU hereby agrees to convey LSU's Lake Suzy Water System to the County in exchange for the County's Kingsway Wastewater System, with the parties agreeing that the County's System (and other considerations) and LSU's System (and other considerations) are approximately equal in value. LSU's Lake Suzy Water System shall be conveyed pursuant to the LSU Utility Asset Transfer Agreement attached to and incorporated in this Agreement as **Exhibit "B."**

SECTION 4. VALUE OF SYSTEMS. The parties have conducted the necessary analysis and due diligence and have determined and agree that the fair market value as of the date of closing the transfer and exchange for each System is NINE HUNDRED TWENTY-FOUR THOUSAND, FIVE HUNDRED DOLLARS (\$924,500.00).

SECTION 5. CROSS-ACCESS EASEMENTS. The parties agree as a condition of closing the transfer of the two Systems to each other to grant cross-access easements upon the plant sites or other properties necessary to allow each to access their respective Systems and associated facilities.

SECTION 6. GRANT OF FRANCHISE. As further consideration for the exchange of LSU's Lake Suzy Water System, the County agrees to hold the necessary hearings and grant an exclusive, thirty-year wastewater franchise to LSU on or before the date of closing of the exchange in substantially the same form as the ordinance attached to and incorporated in this Agreement as **Exhibit "C."**

SECTION 7. JOINT REUSE PERMITS. LSU agrees that the County shall be included as a joint applicant on any reuse permits now held or subsequently held by LSU such that the County shall receive any regulatory benefits of gray water/reclaimed water credits for purposes of County consumptive use/water resource permitting.

SECTION 8. BILLING SERVICES. Upon closing of the transactions contemplated by this Agreement, LSU or its parent company AquaSource Utility, Inc., shall read meters, create and send bills and provide customer service to water customers connected to the Lake Suzy Water System for one dollar, seventy cents (\$1.70) per customer per month payable by the County. LSU shall handle service orders for \$10.00 per visit and agrees to make repairs to the water system if requested by the County on a time and materials plus 20% basis.

SECTION 9. MUTUAL CONVENANTS NOT TO ENGAGE IN UTILITY BUSINESS. For so long as the County provides water service, LSU shall not (the words "shall not" being used in a mandatory definition) engage in the business of

providing water service within DeSoto County, Florida. Likewise, the County shall not engage in the business of providing wastewater service within LSU's franchised wastewater service area during the life of the franchise or any extension thereof.

SECTION 10. TERMINATION. If either party is unable to convey title to the other in accordance with the terms of the Utility Asset Transfer Agreements referred to herein, or the franchise referenced in **Exhibit "C"** is not granted, this Agreement shall terminate and neither party shall have any further rights or obligations as against the other, except for those terms and conditions which are intended to survive Closing or the termination of this Agreement.

SECTION 11. FURTHER ASSURANCES. The parties agree and covenant that they each have a duty to cooperate with one another to facilitate consummation of this Agreement and the Transfer Agreements in **Exhibits "A" and "B"** hereof, and each shall use all reasonable efforts to provide such information, execute such further instruments and documents and take actions as may be reasonably requested by another party and not inconsistent with the provisions of this Agreement or said Transfer Agreements to carry out the intent of said Agreements.

SECTION 12. ENFORCEABILITY. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, and assigns.

SECTION 13. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties. It is entered into after the full investigation, neither party relying upon any statement or representation made by the other if not embodied herein. This Agreement may not be changed or terminated orally, but only by an agreement duly executed and signed by the parties.

SECTION 14. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

SECTION 15. TIME. Time is of the essence of this Agreement.

SECTION 16. NOTICES. Any notice required or allowed to be delivered hereunder shall be in writing and be deemed to be delivered when either (1) hand delivered to the official hereinafter designated, or (2) upon receipt of such notice when deposited in the United States mail, postage prepaid, certified mail, return receipt requested, addressed to a party at the address set forth opposite the party's name below, or at such other address as the party shall have specified by written notice to the other party delivered in accordance herewith:

COUNTY: County Administrator's Office
DeSoto County Administration Building
201 East Oak Street, Suite 201
Arcadia, FL 34266

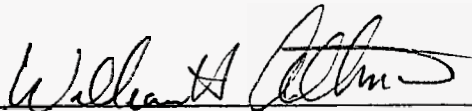
With a copy to: Thomas A. Cloud, Esq.
GrayRobinson, P.A.
301 East Pine St., Suite 1400
Orlando, FL 32801

LSU: Mr. Richard D. Hugus
President, Southern Division
Philadelphia Suburban Corporation
762 West Lancaster Avenue
Bryn Mawr, PA 19010

With a copy to: Jeffrey S. Russell, Esq.
Abel, Band, Russell, Collier, Pitchford & Gordon,
Chartered
240 South Pineapple Avenue
Sarasota, FL 34236

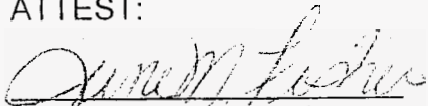
IN WITNESS WHEREOF, the County and the PSC have executed this Agreement as of the day and year first above written.

**BOARD OF COUNTY COMMISSIONERS
OF DESOTO COUNTY, FLORIDA**


By: 
William H. Altman, Chairman

Date: 9/30/04

ATTEST:


~~Annie McGowan, Clerk~~
June M. Fisher, County Administrator

FOR THE USE AND RELIANCE
OF DESOTO COUNTY ONLY.
APPROVED AS TO FORM

 **SEP. 29**, 2004
Thomas A. Cloud, Esquire
Special Utility Counsel

LAKE SUZY UTILITY, INC., a Florida corporation

[Signature]
Print Name: Christopher Lunnig
[Signature]
Print Name: M.T. SHICKING

By: [Signature]
Name: RICHARD D. HUGUS
Title: PRES

[CORPORATE SEAL]

STATE OF Pennsylvania
COUNTY OF Montgomery

The foregoing instrument was acknowledged before me this 26TH day of August, 2004 by Richard Hugus, of Lake Suzy Utility, Inc., known to me to be the person described herein and who executed the foregoing.

NOTARIAL SEAL
Maria C. Torres, Notary Public
Lower Merion Twp., County of Montgomery
My Commission Expires July 11, 2005

AFFIX NOTARY STAMP

[Signature]
Signature of Notary Public

Maria Torres
Print Notary Name

My Commission Expires: 7/11/05

Commission No.: _____

Personally known, or

Produced Identification

Type of Identification Produced

JOINER AND CONSENT TO MASTER UTILITY AGREEMENT

Aqua Utilities, Inc., a Texas corporation, does hereby join in and consent to the Master Utility Agreement between DeSoto County, Florida, and Lake Suzy Utility, Inc., a Florida corporation.

WITNESSES

AQUA UTILITIES, INC.

[Signature]
Name: Christopher [unclear]
[Signature]
Name: M.T. [unclear]

By: [Signature]
Title: PRES

[CORPORATE SEAL]

STATE OF Pennsylvania
COUNTY OF Montgomery

The foregoing instrument was acknowledged before me this 30TH day of September, 2004, by Richard Hugus as President of Aqua Utilities, Inc., who is personally known to me [] or has provided a state driver's license as identification.

[SEAL]

[Signature]
Signature of Notary Public
Name: Maria Torres
My Commission Expires: 7/11/05
Commission No.: _____

NOTARIAL SEAL
Maria C. Torres, Notary Public
Lower Merion Twp., County of Montgomery
My Commission Expires July 11, 2005

**KINGSWAY WASTEWATER SYSTEM
UTILITY ASSET TRANSFER AGREEMENT**

THIS AGREEMENT is made and entered into this 30TH day of SEPTEMBER, 2004, by and between **DeSoto County**, a political subdivision of the State of Florida (hereinafter "COUNTY"), and **Lake Suzy Utility, Inc.**, a Florida corporation (hereinafter "LSU").

RECITALS

1. COUNTY owns and operates a sanitary wastewater collection and transmission disposal system in DeSoto County, Florida, known as the Kingsway Wastewater System.
2. Pursuant to its governmental powers under Chapter 125, Florida Statutes, and other applicable laws, the COUNTY is authorized to preserve and enhance present advantages, encourage the most appropriate use of land, water and resources, consistent with public interest, facilitate adequate and efficient provision of water and sewerage facilities, and conserve, develop, utilize, and protect natural resources within its jurisdiction.
3. In exchange for certain considerations, the COUNTY is willing to transfer the Kingsway Wastewater System to LSU and the LSU is willing to accept the Kingsway Wastewater System from the COUNTY.
4. In exchange for certain considerations hereunder and the grant of an exclusive franchise, LSU is willing to transfer the Lake Suzy Water System to the COUNTY.
5. LSU has the power and authority to acquire the Kingsway Wastewater System and to operate the Kingsway Wastewater System in order to provide wastewater infrastructure and service within DeSoto County, and the COUNTY has the power and authority to transfer the Kingsway Wastewater Systems.
6. Pursuant to Section 125.3401, Florida Statutes, the COUNTY has examined wastewater system assets, has examined existing financial structure, has examined the long-range needs and goals of the COUNTY relative to the provision of wastewater service to its present and future citizens, and has determined that the transfer of the Kingsway Wastewater System is in the public interest.
7. The parties are entering a companion Utility Asset Transfer Agreement this same date to transfer the Lake Suzy Water System to the COUNTY.

8. The parties have negotiated in good faith and are empowered to be bound by the terms and conditions set forth in this agreement.

ACCORDINGLY, in consideration of the above Recitals and benefits to be derived from the mutual observation of the covenants contained herein, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

SECTION 1. RECITALS. The above recitals are true and correct, and form a material part of this Agreement.

SECTION 2. TRANSFER OF WASTEWATER SYSTEM ASSETS. The COUNTY, pursuant to the circumstances noted in the Recitals above, agrees to transfer and LSU agrees to accept the Kingsway Wastewater System, consisting of all real, personal, and mixed property used or held for use in connection with the Kingsway Wastewater System, hereinafter referred to as the "Transferred Assets" or the "Wastewater System Assets." The parties agree that the value of the Wastewater System Assets is NINE HUNDRED TWENTY-FOUR THOUSAND, FIVE HUNDRED DOLLARS (\$924,500.00).

SECTION 3. TRANSFERRED ASSETS. On the closing date, as defined below, the COUNTY shall assign, transfer, convey, and deliver to LSU, and LSU shall accept and pay for all of the right, title and interest, in and to the following property and assets:

3.1 Real Property. All real property and interests in real property (the "Property"), owned by the COUNTY, as described in Exhibit "1" hereof, whereupon wastewater transmission and collection facilities and wastewater distribution and transmission and other wastewater service facilities are located.

3.2 Easements and Other Rights. All rights, privileges, easements, licenses, prescriptive rights, rights-of-ways, and rights to use public and private roads, highways, streets, and other areas owned and/or used by the COUNTY in connection with the construction, reconstruction, installation, maintenance and operation of the Utility Systems and the Transferred Assets (collectively referred to as the "Easements"). The Easements are more particularly described in Exhibit "2" hereof, provided that, such easements located or shown in recorded plats and rights to locate lines in dedicated public rights-of-way are not included in this exhibit but which are nevertheless being transferred to LSU. The COUNTY agrees to provide good and marketable title or render the title good and marketable after closing pursuant to Section 6.3 herein.

3.3 Wastewater Facilities. The following assets owned by COUNTY and used or held for use in connection with the Kingsway Wastewater System, are more specifically described in Exhibit "3" hereof, including all

wastewater collection, transmission and pumping facilities of every kind and description whatsoever including without limitation, all trade fixtures, leasehold improvements, lift stations, pumps, generators, controls, collection and transmission pipes or facilities, valves, meters, service connections, and all other wastewater service connections, and all other wastewater physical facilities and property installations in use in connection with the operation of the Kingsway Wastewater System by the COUNTY. Except for the interests in real property to be transferred hereunder, the parties hereto agree that LSU is accepting the physical assets of the COUNTY in an "as is" and "where is" condition without relying upon any warranty or representation from the COUNTY regarding the physical condition of the Transferred Assets or condition of any of the improvements constructed thereon. Except for the interests in real property to be conveyed hereunder, LSU has made its own investigations of the Transferred Assets and is relying solely upon these investigations in making the purchase described in this Agreement.

3.4 Equipment. All equipment, tools, parts, laboratory equipment, office equipment and other personal property owned by the COUNTY and located on the property and/or utilized by the COUNTY exclusively in connection with the operation of the Kingsway Wastewater System. Such equipment as exists is so minor that no inventory thereof is required.

3.5 Customer Records and Supplier Lists; Plans and Specifications. All current customer records and supplier lists, as-built surveys, and wastewater and sewer plans, plats, engineering and other drawings, designs, blueprints, plans and specifications, any and all reproducible documents, mylars, sepias, and other original documents used or held for use with the Kingsway Wastewater System, accounting and customer records and all other information and business records in the possession of COUNTY that relate to the operation of the Kingsway Wastewater System. The COUNTY may make copies of its books, plans and records, at its expense, before transferring the original or copies of the books, plans and records to LSU. These documents shall include any such documents related to work-in-progress, if any. A listing of the as-built engineering plans is attached to and incorporated in this Agreement as Exhibit "4."

3.6 Certificates, Permits, and Approvals. Subject to all necessary regulatory approvals and to all conditions, limitation, or restrictions contained therein, all existing original certificates, permits, and other governmental authorizations and approvals of any kind in the possession of COUNTY necessary to operate and maintain the Kingsway Wastewater System in accordance with all governmental requirements, more specifically described in Exhibit "5," attached to and incorporated in this agreement. Certificated Service Area maps and legal descriptions accurately reflecting those service areas currently certificated by the FPSC related to the Kingsway Wastewater System are attached to and incorporated in this agreement as Exhibit "6." LSU agrees to execute necessary forms required by governmental agencies to transfer and to

assume the COUNTY's future obligations under said permits and approvals. These certificates, permits, and approvals shall include any such certificates, permits, and approvals related to work-in-progress, if any.

3.7 Excluded Assets. The following assets of the COUNTY regarding the Kingsway Wastewater System shall not be included in the assets conveyed to LSU as part of the Purchased Assets:

- (1) COUNTY'S cash and COUNTY'S bank account;
- (2) Federal, State or Local Tax or other deposits maintained by COUNTY with any governmental authority for COUNTY'S use and benefit;
- (3) Vehicles or other equipment which are not utilized by COUNTY exclusively in the operation and maintenance of the Kingsway Wastewater System; and
- (4) All furniture, fixtures, office equipment, general business records and other assets of COUNTY not located on the site of the Kingsway Wastewater System or which are not held for the exclusive use or benefit of the Kingsway Wastewater System.

SECTION 4. PURCHASE PRICE AND PAYMENT. The parties hereto have agreed upon a purchase price through a substantial and complicated negotiating process. The Purchase Price agreed upon is neither the highest, nor the lowest, amount that could be justified as a fair value of the Kingsway Wastewater System according to the terms and conditions of this Agreement. Such Agreement has been reached in order to make the acquisition of the Purchased Assets attainable by LSU with a view that LSU will carry through the written commitments of COUNTY to its consumers, and that LSU will attempt to operate the system in as efficient manner as possible, subsequent to the closing. The Purchase Price is LSU's commitment to transfer the Lake Suzy Water System to the COUNTY.

SECTION 5. TITLE EVIDENCE. COUNTY's attorneys, GrayRobinson, shall cause to be issued, at the expense of LSU, a title commitment for an owners ALTA Form B Marketability Policy in favor of LSU from a title insurance company licensed in Florida as determined by LSU in its sole discretion. The COUNTY shall convey a marketable title subject only to the title exceptions set forth below.

5.1 Exceptions to Title. The Commitment shall show COUNTY to be (i) vested with fee simple title to the Property shown on Exhibit "1" and (ii) vested with valid easement interests for the easements described on Exhibit "2," subject to following (the "Permitted Exceptions"):

- (1) Ad valorem real estate taxes and assessments for the year 2003 and subsequent years;
- (2) Restrictions set out in the recorded plats of subdivisions
- (3) Easements for utilities and drainage set out in such recorded plats of subdivisions; provided, however, that none of the restrictions or easements set out in such recorded plats of subdivisions shall prevent, hinder or restrict the present use of the Property;
- (4) Restrictions of record (except liens, encumbrances, or mortgages) that do not impair, restrict, or inhibit the present use of or improvement to the property as permitted by applicable zoning and land use regulations presently in effect and that are not coupled with a forfeiture or reversionary provision; and
- (5) All laws, ordinances, and governmental regulations, including, but not limited to, all applicable building, zoning, land use and environmental ordinances, regulations, restrictions, prohibitions and other requirements, none of which will prevent or hinder the present use of the Property and Easements.

5.2 Status of Title. LSU shall have fourteen (14) days to examine the Title Commitment. If LSU finds title, as shown on the Commitment, to be defective (i.e., matters which render title unmarketable in accordance with the title standards adopted by the Florida Bar and are not Permitted Exceptions), LSU shall, within five (5) days thereafter, notify COUNTY specifying the defect(s), provided that if LSU fails to give LAKE SUZY notice of defect(s) during said nineteen (19) day period, the defects shown in the Commitment shall, anything in this Agreement notwithstanding, be deemed to be waived as title objections to closing this transaction and COUNTY shall be under no obligation whatsoever to take any corrective action with respect to same nor to warrant title to same in its statutory warranty deed of conveyance. If LSU has given COUNTY timely notice of defect(s) and the defect(s) render the title other than as required by this Agreement, COUNTY shall use its reasonable efforts to cause such defects to be cured by the Closing Date. In the event that defects are timely raised and COUNTY, after exercising all reasonable efforts, cannot clear same prior to the Closing Date, then, in that event, LSU shall have the right to purchase the Property and Easements in its then existing condition of title, or to rescind and terminate this Agreement without liability by either party to the other. Notice of such election shall be given by the LSU to COUNTY, as contemplated in this Agreement, within the time herein prescribed.

5.3 Deletion of Standard Exceptions. COUNTY will execute at or prior to closing, in favor of the title insurance company, the standard *form* mechanic's lien affidavit and "Gap" affidavit to allow the title Company to delete

all standard exceptions addressed by such affidavits. Prior to closing, the surveys shall be updated as reasonably requested by the Title Company or LSU so that the survey exception may be deleted.

SECTION 6. REPRESENTATIONS AND WARRANTIES OF COUNTY.
COUNTY represents and warrants to LSU that:

6.1 Organization, Standing And Power. The COUNTY is a political subdivision of the State of Florida validly existing under the laws of the State of Florida and has all requisite home rule power and authority to enter into this Agreement, to own and lease real and personal property, and to carry out and perform the terms and provisions of this Agreement.

6.2 Authority for Agreement. The COUNTY has the power and authority to execute and deliver this Agreement and to carry out its obligations hereunder. This Agreement has been duly authorized by all action required to be taken by COUNTY, has been duly executed and delivered by COUNTY, and constitutes a valid and binding obligation of COUNTY, enforceable in accordance with its terms.

6.3 Good and Marketable Title. Subject to the Permitted Exceptions, COUNTY has good and marketable title to the Purchased Assets.

6.4 No Liens or Encumbrances. Except as otherwise specifically set forth in this Agreement or as may be released at or prior to the Closing Date, there are no mortgages, liens, claims or encumbrances of any type or nature upon or against the Purchased Assets including, but not limited to, mortgages, financing statements, or security instruments filed under the Uniform Commercial Code either in the County where the Property is located or with the Secretary of State. The COUNTY is in exclusive ownership, possession, and control of the Purchased Assets except for non-exclusive easements and COUNTY at closing shall deliver possession and control of the Purchased Assets to LSU.

6.5 Litigation. There are no actions, suits, or proceedings at law or in equity, pending against COUNTY before any federal, state, municipal or other court, administrative or governmental agency or instrumentality, domestic or foreign, which affect the Kingsway Wastewater System or any of the Purchased Assets or COUNTY'S right and ability to make and perform this Agreement; nor is COUNTY aware of any facts which to its knowledge are likely to result in any such action, suit or proceeding. The COUNTY is not aware and has not been notified that it is in default with respect to any permit, approval order or decree of any court or of any administrative or governmental agency or instrumentality affecting the Kingsway Wastewater System or any of the Purchased Assets. The COUNTY agrees and warrants that it shall have a continuing duty to disclose up to and including the Closing Date the existence and nature of all pending judicial or administrative suits, actions, proceedings,

and orders which in any way relate to the operation of the Kingsway Wastewater System.

6.6 Leases. None of the Purchased Assets are subject to any interest of any lessor or lessee.

6.7 No Governmental Violations. The COUNTY is not aware and has not been notified of the existence of any violations of any governmental rules, regulations, permitting conditions or other governmental requirements applicable to the ownership, maintenance or operation of the Kingsway Wastewater System.

6.8 No Record Violations. The COUNTY is not aware and has not been notified of any restrictions or conditions of record which would adversely affect the use of the Kingsway Wastewater System on the Property or Easements as described in Exhibits "1" and "2."

6.9 Absence of Changes. After the date of the execution of this Agreement, COUNTY shall not permit any change in its condition of properties, assets, liabilities, business or operations other than changes in the ordinary course of business which are not, either in any case or in the aggregate, materially adverse to the operation of the Kingsway Wastewater System.

6.10 Disclosure. No representation or warranty made by COUNTY in this Agreement contains any untrue statement of material facts or omits to state any material fact required to make the statements herein contained not misleading. Should COUNTY become aware that any of the representations or warranties to LSU provided for herein are, or may reasonably be, materially untrue or incorrect, COUNTY will promptly advise LSU of same, in writing, specifying in reasonable detail the reasons why the COUNTY believes such representations or warranties of LSU are, or may reasonably be, untrue or incorrect.

6.11 Survival of Covenants. The COUNTY agrees that its representation and warranties set forth herein are true and correct as of the date of the execution hereof shall be true and correct at the time of the Closing Date, and shall survive the Closing Date for two (2) years thereafter, except that the COUNTY'S covenants related to title to the Purchased Assets shall not expire.

6.12 FIRPTA. The COUNTY is not a "foreign person" within the meaning of the United States tax laws and to which reference is made in Section 1445 (b) (2) of the Internal Revenue Code. On the Closing Date, the COUNTY shall deliver to LSU a certificate to such effect.

6.13 All Necessary Governmental Permits and Approvals. As of the Closing Date, the COUNTY warrants that it shall transfer to LSU all necessary governmental permits and approvals such that the LSU can operate the Kingsway Wastewater System.

6.14 No Violation by Virtue of Election. The execution, delivery and performance of this Agreement will not violate any provision of law, order of any court or agency of government, or any ordinances of the COUNTY or any indenture, agreement, or other instrument to which the COUNTY is a party.

6.15 No CERCLA Violations. The COUNTY has not violated, except as disclosed by the environmental audits, in connection with the ownership, use, maintenance, or operation of the Property or the Purchased Assets, applicable environmental, federal, state, county, or local laws relating to pollution or protection of the environment, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act, or the Toxic Substance Control Act ("Environmental Laws"). The COUNTY has not authorized the placing or depositing of hazardous substances on the real property portion of the Purchased Assets except, if at all, in accordance with the applicable Environmental Laws, and the COUNTY has no actual knowledge of any hazardous substance having been, or currently being, placed or deposited on the premises except in accordance with such Laws.

6.16 Location of Wastewater Facilities. The wastewater lift stations used in the operation of the Kingsway Wastewater System are located on the Property as identified in Exhibit "1" or in Easements described in Exhibit "2", and the use of such lift stations on the Property does not violate any zoning certifications, special exceptions or variances in a manner which would prohibit or materially interfere with the operation and maintenance of such lift stations.

6.17 Assignment of Certain Agreements. To the extent such is required, the COUNTY agrees that it shall obtain all necessary assignments, consents, and approvals in order to assign the agreements set forth in Exhibit "7" as referenced in Section 18 hereof.

6.18 No Construction. There is no construction work in progress on the Property.

6.19 All Documents. The COUNTY has provided all documents and information requested in furtherance of this Agreement by LSU in relation to the Kingsway Wastewater System and Purchased Assets which are available or can be reasonably available to the COUNTY.

SECTION 7. CONDUCT PENDING CLOSING. The COUNTY covenants that pending the closing:

7.1 Business Conduct. Except as otherwise consented to in writing by LSU, whose consent shall not be unreasonably withheld, delayed or conditioned, for the period beginning on the date of execution of this Agreement and ending on the Closing Date, the COUNTY shall:

(1) operate the Kingsway Wastewater System in, and only in, the usual, regular and ordinary course and nevertheless comply with all applicable governmental requirements and law;

(2) maintain all of the Kingsway Wastewater Systems' material structures; equipment, permits and other tangible personal property in good repair, order and condition, except for depletion, depreciation, ordinary wear and tear and damage by unavoidable casualty;

(3) keep in full force and effect insurance comparable in amount and scope of coverage to insurance now carried by it for the Kingsway Wastewater System;

(4) perform in all material respects all of its obligations under agreements, contracts and instruments relating to or affecting the Kingsway Wastewater Systems' properties, assets and operation;

(5) subject to available administrative remedies pursuant to Chapter 120, Florida Statutes, or any administrative judicial procedures or proceedings applicable to particular permits, comply in all material respect with all statutes, laws, ordinances, rules and regulations applicable to it and to the operation of the Kingsway Wastewater System;

(6) promptly advise LSU, in writing, of any material change which adversely affects the operation of the Kingsway Wastewater System;

(7) not enter into any transaction, including without limitation, the purchase, sale or exchange of property the value of which exceeds \$5,000.00, which relates to the Kingsway Wastewater System, except in furtherance of this Agreement with the COUNTY, or the rendering of any service to the COUNTY except in the ordinary course of and pursuant to the reasonable requirements of the business of COUNTY;

(8) subject to available administrative remedies pursuant to Chapter 120, Florida Statutes, or any administrative or judicial procedures or proceedings applicable to particular permits, comply with all Kingsway Wastewater System permit requirements and obtain all necessary permit extensions or renewals with no additional operational or capital obligations such that said permits are valid as of the Closing Date; and

(9) seek and obtain any necessary permit extension or renewal so that said permits are valid, extended, or seeking extension as of the Closing Date.

7.2 Risk of Loss. The County shall bear the risk of loss, damage or destruction of the Purchased Assets by fire or other casualty prior to and including the Closing Date. If any portion of the Purchased Assets is

damaged by fire, act of God or other casualty before the Closing Date, LSU shall have the option of (1) taking the Purchase Assets as is, without reduction in price, together with the COUNTY'S assignment to LSU of all rights under its insurance policies and all of the insurance proceeds, if any; or (2) taking the Purchased Assets, as is, with a reduction in price, mutually agreed to by LAKE SUZY and COUNTY, based upon a percentage allocation of the Purchase Price derived by comparing the net book value of the Purchased Assets destroyed to the net book value of the Kingsway Wastewater System and the COUNTY shall maintain all rights under its insurance policies and to all of the insurance proceeds; or (3) canceling this Agreement in which event the Parties hereto shall be released from all further obligations to each other.

7.3 Access to Records. The COUNTY will at all times cooperate by providing reasonable access, upon prior written notice (not less than forty-eight (48) hours in advance), to their records and facilities applicable to the Kingsway Wastewater System for inspection to assist in acquainting LSU's operating and administrative personnel in the operation of the Kingsway Wastewater System; provided, however, that no such inspection shall materially interfere with the operation of the Kingsway Wastewater System or the day to day activities of the COUNTY's personnel.

7.4 Performance of Closing Conditions. The COUNTY shall perform all of the conditions to closing which should be performed by the COUNTY prior to the Closing Date as provided herein.

7.5 Examination and Inspection. The COUNTY will permit reasonable examination by LSU'S authorized representatives of all existing contractual obligations, physical systems, assets, real estate, rights-of-way, easements and inventories which are utilized by the COUNTY in connection with the Kingsway Wastewater System. No such examination by LSU's authorized representatives shall interfere with the COUNTY'S operations of the Kingsway Wastewater System or the day to day operations of the COUNTY'S personnel. The COUNTY shall make these assets and records available for examination by LSU's authorized representatives at reasonable times and upon prior written notice (not less than forty-eight (48) hours in advance) from LSU. Such facilities will be properly maintained by the COUNTY within the custom and usage of the wastewater industry in Florida until the Closing Date.

SECTION 8. REPRESENTATIONS AND WARRANTIES OF COUNTY.

The COUNTY represents and warrants to LSU, as follows:

8.1 Organization, Standing and Power of COUNTY. The COUNTY is a political subdivision of the State of Florida validly existing under the laws of the State of Florida and has all requisite home rule power and authority to enter into this Agreement, to own and lease real and personal property, and to carry out and perform the terms and provisions of this Agreement.

8.2 Authority for Agreement. The COUNTY has the authority and power to execute and deliver this Agreement and to carry out its obligations hereunder. The COUNTY has held all of the necessary public hearings to authorize the COUNTY's purchase of the LSU Water System. This Agreement has been duly authorized by all action required to be taken by the COUNTY, has been duly executed and delivered by the COUNTY, and constitutes a valid and legally binding obligation of the COUNTY, enforceable in accordance with its terms.

8.3 Disclosure. No representation or warranty made by the COUNTY in this Agreement contains or will contain any untrue statement of material facts or omits or will omit to state any material fact required to make the statements herein contained not misleading. Should the COUNTY become aware that any of the representations or warranties of LSU provided for herein are, or may reasonably be, materially untrue or incorrect, COUNTY will promptly advise LSU of same, in writing, specifying in reasonable detail the reasons why the COUNTY believes such representations or warranties of LSU are, or may reasonably be, untrue or incorrect.

8.4 Litigation. There are no actions, suits, or proceedings at law or in equity, pending against the COUNTY before any federal, state, municipal or other court, administrative or governmental agency or instrumentality, domestic or foreign, which affect the COUNTY's ability to enter into and perform this Agreement. The COUNTY shall have the continuing duty to disclose up to and including the Closing Date the existence and nature of all pending judicial or administrative suits, actions, proceedings, and orders which in any way relate to its ability to perform its obligations under the Agreement.

8.5 Performance of Closing Conditions. The COUNTY shall perform all of the conditions to closing which should be performed by the COUNTY prior to the Closing Date as provided herein.

8.6 Survival of Covenants. COUNTY agrees that its representation and warranties set forth herein are true and correct as of the date of the execution hereof, shall be true and correct at the time of the Closing Date, and shall survive the Closing Date.

8.7 Delivery of Resolution. If it has not already done so, COUNTY will deliver to LSU a certified copy of a resolution of the Board approving the COUNTY's execution and performance of this Agreement with five (5) business days of COUNTY's hereof.

8.8 No Conflicts. The execution, delivery and performance of this Agreement will not violate any provision of law, order of any court or agency of government, the charter of the COUNTY, or any administrative regulation or decree, or any provision of the Constitution or the laws of the State of Florida relating to the COUNTY or its affairs or any ordinance, resolution, agreement,

indenture, lease, or other instrument to which the COUNTY is a party, subject or by which it is bound.

8.9 Police Power. Subject to the police power of the COUNTY and its ability to charge its prevailing capital charges, COUNTY shall after closing fulfill LSU's obligations to furnish water service as of the Closing Date as set forth in Section 18 of this Agreement.

8.10 COUNTY Actions. The COUNTY shall take no action inconsistent with its express obligations under the terms and conditions of this Agreement.

8.11 Inspections. All inspections of the LSU Water System by COUNTY or its representatives performed pursuant to this Agreement shall not materially interfere with the operation of the LSU Water System or the day-to-day activities of LSU's personnel, and COUNTY agrees to indemnify and hold LSU harmless from any third party claims, actions, expenses, or damages, including costs and attorney's fees at trial and appeal, which LSU incurs (for personal injury or property damage) as a direct result of the inspection of the LSU Water System by the COUNTY, its agents, contractors, representatives and/or employees.

SECTION 9. ADDITIONAL CONDUCT PENDING CLOSING. The COUNTY and LAKE SUZY covenant with each other that pending the closing on this transaction, neither shall obstruct, hinder or interfere in the operation of the Kingsway Wastewater System by the COUNTY or with the processing and consideration by governmental agencies of any applications or petitions filed by LAKE SUZY or COUNTY that are related to the Kingsway Wastewater System. The COUNTY shall execute all necessary documents to assist in securing necessary governmental approval(s) for the renewal, expanded use, and transfer of said permit, and shall use its best efforts to assist LSU in obtaining all such necessary governmental approvals. Prior to closing, neither LSU, nor any of LSU's representatives, consultants, employees or agents shall file any application or petition with any governmental agency having jurisdiction over the Kingsway Wastewater System.

SECTION 10. ADJUSTMENTS AND PRORATIONS; CLOSING COSTS. At the time of closing, the parties covenant and agree that the following adjustments shall be made:

10.1 Real and personal property taxes for 2004 on all real and personal property which is being conveyed by the COUNTY to LSU, shall be prorated as of 11:59 p.m. of the Closing Date. The COUNTY is exempt from taxation and thus does not pay ad valorem taxes.

10.2 All rates, fees, and charges for wastewater service through the Closing Date shall be the property of the COUNTY. The COUNTY shall

include a written notice to each customer that the Kingsway Wastewater System are being transferred to LSU. All rates, fees, and charges for wastewater and sewer service after the Closing Date shall be the property of LSU. Unbilled revenues at the Closing Date shall be prorated between LAKE SUZY and COUNTY based upon the prior month's unbilled revenues. Subject to state law, LSU agrees to disconnect service from any customer who fails to pay the COUNTY amounts owed the COUNTY through the Closing Date upon notification to LSU by the COUNTY that such amounts are sixty (60) days past due.

10.3 The COUNTY shall request all of its suppliers and vendors to submit final invoices for services, materials, and supplies, including electricity for the period up to and including the Closing Date. The COUNTY shall be responsible for, and shall provide to LSU, upon request, evidence of the payment of all such invoices.

10.4 The COUNTY shall retain all Connection Charges, as hereinafter defined, heretofore paid to the COUNTY. The COUNTY has entered into no agreements or commitments with developers or customers providing for the extension of services or facilities with regard to the Kingsway Wastewater System. LSU shall be entitled to receive all Connection Charges paid after the Closing Date. The term Connection Charges shall mean connection, plant capacity, main extension, allowance for funds prudently invested ("AFPI") charges and/or capital charges ("Connection Charges").

10.5 All adjustments and prorations shall be calculated as of 11 :59 p.m. of the Closing Date.

10.6 All costs of recording any releases, satisfactions or corrective instruments, if any, shall be paid by the COUNTY.

10.7 Certified, confirmed or ratified special assessments or municipal liens prorated as of the Closing Date, will be paid by the COUNTY.

10.8 Any taxes on gross receipts or regulatory assessment fees incurred as of the Closing Date shall be paid by the COUNTY.

10.9 If applicable, rents under any lease agreement assumed by LSU hereunder shall be prorated as of the Closing Date.

10.10 All bills for other services, materials and supplies rendered in connection with the operation of the Kingsway Wastewater System prior to closing shall be paid by the COUNTY.

10.11 LSU acknowledges that the COUNTY has agreed to sell its assets under threat of condemnation. As such, the COUNTY shall not be responsible for or required to pay the documentary stamp tax on the deeds of conveyance of Property included in the Purchased Assets.

SECTION 11. INDEMNITIES. Except as otherwise provided for in this Agreement and subject to state statute, the COUNTY shall indemnify and hold LSU, its representative agents and employees harmless from and against any and all claims, liability, demands, damages, surcharges, refunds, expenses, fees, fines, penalties, suits, proceedings, actions and fees, including damage to property or property rights that may arise from or are related to third party claims arising from or related to acts, errors, or omissions of the COUNTY, its agents, employees, servants, licensees, invitees, or contractors or by any person under the control or direction of the COUNTY arising out of (1) its operation, maintenance, or management of the Kingsway Wastewater System up to and including the Closing Date, (2) the SWFWMD Enforcement Action, (3) any local, state, or federal enforcement case that may be later filed after the Closing Date related to alleged or actual violations of local, state or federal laws, rules, ordinances, policies, or requirements that occurred prior to or on the Closing Date, or (4) any FPSC rate case proceeding related to the Kingsway Wastewater System. LSU shall indemnify and hold the COUNTY, its representative agents and employees harmless from and against any and all third party claims, liability, demands, damages, surcharges, refunds, expenses, fees, fines, penalties, suits, proceedings, actions and fees, including damage to property or property rights that may arise from or which are related to the acts, errors, or omissions of LSU, its agents, employees, servants, licensees, invitees, or contractors or by any person under the control or direction of LSU arising out of (1) its operation, maintenance, or management of the Kingsway Wastewater System subsequent to the Closing Date, (2) any other local, state, or federal enforcement case that may be later filed after the Closing Date related to alleged or actual violations of local, state or federal laws, rules, ordinances, policies, or requirements that occurred subsequent to the Closing Date, related to the Kingsway Wastewater System. Except for issues related to the COUNTY's obligations to deliver title to the Purchased Assets, the indemnities provided hereunder shall expire two (2) years after the Closing Date.

SECTION 12. ENVIRONMENTAL MATTERS. LSU shall have the right to perform both a Level I and Level II Environmental Audit, as such terms are generally understood by the environmental consulting industry in the State of Florida, of all real property associated with the operation of the Kingsway Wastewater System, including the Property. These audits shall be performed at LSU's expense. These environmental audits may include, but not be limited to, appropriate borings, samplings, "sniffer" tests, as well as an appropriate title search in order to determine that the sites are in full compliance with applicable local, state, and federal environmental and occupational health and safety statutes and regulations. If after reviewing the environmental audits, LSU reasonably determines that any portion of the Kingsway Wastewater System hereunder is not in full compliance with applicable local, state, and federal environmental and occupational health and safety statutes and regulations, LSU may elect not to acquire the Kingsway Wastewater System by giving the COUNTY written notice of its election not to acquire said Kingsway Wastewater System five (5) days before the Closing Date. In the event LSU elects not to

acquire the Kingsway Wastewater System, neither party shall have any liability to the other. LSU, however, shall provide the COUNTY prior written notice (not less than forty-eight (48) hours in advance) of any proposed inspection of the Kingsway Wastewater System, which shall take place at reasonable times and without interfering with the operation of the System by the COUNTY. LSU shall indemnify, defend and hold the COUNTY harmless for any claims, actions, expenses or damages, including cost and attorney's fees, at trial and appeal, which the COUNTY incurs for personal injury or property damage that occurs as a direct result of the inspection of the Kingsway Wastewater System by LSU, its agents, contractors, representatives and/or employees. This Section 12 indemnification obligation shall survive the closing by two (2) years.

SECTION 13. CLOSING. The place of closing shall be in DeSoto County, Florida at the DeSoto County Administration Building, 201 East Oak Street, Suite 201, Arcadia, Florida 34266, and such closing shall occur on the later of (1) July 31, 2004, or (2) the later of thirty (30) days after satisfaction of conditions (1), (2), and (4) in Section 30 or five (5) days after satisfaction of condition (3) (the "Closing Date"). Notwithstanding anything to the contrary, the closing of this transaction shall take place upon the delivery of the Purchase Price to the COUNTY in the manner and on the date provided for in this Agreement. The parties agree that the closing of this transaction as set forth above is a material part of the negotiations and absent such agreement this transaction would not have taken place.

SECTION 14. CLOSING DOCUMENTS AND PROCEDURES.

14.1 Deliveries from the COUNTY. The following documents shall be delivered by the COUNTY to LSU no later than fourteen (14) days prior to closing, but shall be executed on the Closing Date:

(1) Warranty deeds to all of the Property owned by the COUNTY as described in Exhibit "1" conveying to LSU all of the COUNTY'S right, title and interest in all such property and warranting that such Property is free and clear of all liens, claims and encumbrances other than Permitted Exceptions, as that term is defined in Subsection 5.1 hereof.

(2) Instruments of conveyance, in appropriate recordable form, of all the Easements as described in Exhibit "2" conveying to LSU all of its right, title and interest in all such property, together with all utility improvements thereto, and warranting that such easement rights and rights to use dedicated rights-of-way are or shall be made pursuant to Subsection 6.3 hereof, free and clear of all liens, security interests, encumbrances, leasehold interests, charges or options, covenants or restrictions other than Permitted Exceptions, as that term is defined herein;

(3) General assignment to and assumption by LSU of all other interests in the Property together with a general assignment of all

Contracts, Agreements, permits and approvals as provided for and in the manner specified in this Agreement;

(4) Bills of sale or other documents of assignment and transfer, with full warranties of title as specified in this Agreement, to all Wastewater Systems Assets other than those assets covered by Subsections 14.1 (2) and 14.1 (3) hereof;

(5) Copies of all business records sold to LSU hereby (originals thereof to be delivered at closing);

(6) Copies of all permits, governmental authorizations and approvals, together with applications for or transfer approvals from any and all agencies that have issued said permits, authorizations, and approvals (originals thereof to be delivered at closing);

(7) Standard no-lien affidavit in a form reasonably required by the title Company as to realty and personalty insuring against any liens, claims or encumbrances upon the Purchased Assets;

(8) A "non-foreign" affidavit or certificate pursuant to Section 1445 of the Internal Revenue Code;

(9) Such other affidavits and acknowledgments as the title company shall reasonably request in order to cause the title company to issue the policy evidencing marketable title as contemplated herein;

(10) A corporate officer's certificate confirming that the COUNTY's warranties hereunder are true and correct as of the Closing Date;

(11) Evidence of insurance to LSU as contemplated by subsection 6.13 hereof; and

(12) Such other instruments and documents, in form approved by LSU's counsel as may be reasonably required in order to transfer ownership and possession of the Purchased Assets to LSU; provided that none of such documents shall result in any additional liability on the part of the COUNTY not otherwise provided for in this Agreement.

14.2 Deliveries from LSU. On the Closing Date, LSU shall pay the Purchase Price to the COUNTY by wire transfer in the amount due the COUNTY as provided in Section 4 of this Agreement, subject to the prorations and adjustments. LSU shall also deliver at the closing, the executed form of an assumption of the agreements (if any) set forth in Section 18 of this Agreement, an assumption of the leases, permits, agreements, approvals and other interests in the Purchased Assets being assigned by the COUNTY, as provided by the COUNTY pursuant to Subsection 14.1 hereof, and a certified copy of a resolution of LSU approving this transaction, if not previously delivered to the COUNTY.

Said documents shall be executed on the Closing Date. The assignments and assumptions being prepared by the parties may be incorporated into one document at the convenience of the parties. LSU shall also deliver at closing: (a) such affidavits and acknowledgments as the title Company shall reasonably request in order to cause said title Company to issue a title insurance policy evidencing a marketable title in LSU; (b) a County Officer's Certificate confirming that the warranties of LSU set forth in this Agreement applicable to the closing are true and correct as of the closing; and (c) such other instruments and documents as the COUNTY's Counsel may reasonably require, in form approved by LSU's Counsel, in order to transfer possession and control of the Purchased Assets to LSU, provided that none of such documents shall result in any additional liability on the part of LSU not otherwise provided for in this Agreement. Assuming all conditions precedent to closing have been met, LSU shall also execute the Effluent Easement and Delivery Agreement on the Closing Date.

SECTION 15. RESPONSIBILITY FOR PROFESSIONAL FEES AND COSTS. Each party hereto shall be responsible for its own attorneys' fees, engineering fees, accounting fees and other costs in connection with the preparation and execution of this Agreement, the closing of the transaction contemplated herein and in connection with all judicial and administrative proceedings related to the acquisition of the Kingsway Wastewater System.

SECTION 16. COMMISSIONS. LSU and the COUNTY warrant to the other that the transaction contemplated by this Agreement is a direct, private transaction between LSU and the COUNTY, without the use of a broker or commissioned agent.

SECTION 17. FURTHER ASSURANCES. Each of the parties hereto agrees that, from time to time, upon the reasonable request of the other party and at the expense of the requesting party, without further consideration, it shall execute and deliver to the requesting party any and all further instruments, affidavits, conveyances and transfers as may be reasonably required to carry out the provisions of this Agreement.

SECTION 18. CERTAIN AGREEMENTS.

18.1 Contracts and Agreements. LSU shall take title to the Purchased Assets encumbered only by those contracts and agreements that are listed on Exhibit "7" attached to and incorporated in this Agreement (hereafter "Contracts and Agreements") which will be assigned to and assumed by LSU. Notwithstanding anything to the contrary stated in this Agreement, LSU is not assuming and has no obligation to honor the amount of any prepaid or discounted connections for customers or properties, dwelling units, or commercial or industrial structures not connected to the Kingsway Wastewater System prior to the Closing Date, but rather reserves the right to charge and

collect its own capital charges as precondition to providing service, giving due credit for connection fee amounts previously paid.

18.2 Other Agreements. Except as expressly set forth in this Agreement, LSU is not assuming any other agreements to which the COUNTY is a party.

SECTION 19. NOTICES: PROPER FORM. Any notices required or allowed to be delivered hereunder shall be in writing and may either be (1) hand delivered, (2) sent by recognized overnight courier (such as Federal Express) or (3) mailed by certified or registered mail, return receipt requested, in a postage prepaid envelope, and addressed to a party at the address set forth opposite the party's name below, or at such other address as the party shall have specified by written notice to the other party delivered in accordance herewith:

COUNTY: County Administrator's Office
DeSoto County Administration Building
201 East Oak Street, Suite 201
Arcadia, FL 34266

With a copy to: Thomas A. Cloud, Esq.
GrayRobinson, P.A.
301 East Pine St., Suite 1400
Orlando, FL 32801

LSU: Mr. Richard D. Hugus
President, Southern Division
Philadelphia Suburban Corporation
762 West Lancaster Avenue
Bryn Mawr, PA 19010

With a copy to: Jeffrey S. Russell, Esq.
Abel, Band, Russell, Collier, Pitchford &
Gordon, Chartered
240 South Pineapple Avenue
Sarasota, FL 34236

Notices personally delivered by hand or sent by overnight courier shall be deemed given on the date of delivery and notices mailed in accordance with the foregoing shall be deemed given three (3) days after deposit in the U.S. mail.

SECTION 20. ENTIRE AGREEMENT. This instrument constitutes the entire Agreement between the parties and supersedes all previous discussions, understandings, and agreements between the parties relating to the subject matter of this Agreement. This Agreement may not be changed, altered or modified except by an instrument in writing signed by the party against whom enforcement of such change would be sought.

SECTION 21. AMENDMENT. Amendments to and waivers to the provisions of this Agreement shall be made by the parties only in writing by formal amendment.

SECTION 22. DISCLAIMER OF THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of the formal parties herein, and no right or cause of action shall accrue upon or by reason hereof, to the COUNTY or for the benefit of any third party not a formal party hereto.

SECTION 23. BINDING EFFECT. All of the provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the legal representatives, successors and nominees of LSU and the COUNTY.

SECTION 24. TIME OF THE ESSENCE. Time is hereby declared of the essence in the performance of each and every provision of this Agreement.

SECTION 25. APPLICABLE LAW. This Agreement shall be construed, controlled, and interpreted according to the laws of the State of Florida.

SECTION 26. CORROBORATION OF PAYMENTS AFTER CLOSING. In each instance in which either LSU or the COUNTY is to receive money from another party after the Closing Date pursuant to the provisions of this Agreement, the party who is entitled to receive the money under the terms of this Agreement shall have the right to inspect, at its own expense, those books and records of the other party as may be necessary to corroborate the accuracy of the amount of money received by the party, within thirty (30) days of receipt of payment. In the event the party making the inspection discovers an error in payment, the party making the payment shall promptly transfer the difference in payment to the party who is entitled to payment; provided, however, that to the extent that the error in payment is ten percent (10%) or more, then the party making payment shall, in addition to paying the shortfall, reimburse to the party making the inspection the reasonable costs of the inspection.

SECTION 27. RADON GAS. RADON IS A NATURALLY OCCURRING RADIOACTIVE GAS THAT, WHEN IT HAS ACCUMULATED IN A BUILDING IN SUFFICIENT QUANTITIES, MAY PRESENT HEALTH RISKS TO PERSONS WHO ARE EXPOSED TO IT OVER TIME. LEVELS OF RADON THAT EXCEED FEDERAL AND STATE GUIDELINES HAVE BEEN FOUND IN BUILDINGS IN FLORIDA. ADDITIONAL INFORMATION REGARDING RADON AND RADON TESTING MAY BE OBTAINED FROM YOUR COUNTY PUBLIC HEALTH UNIT.

SECTION 28. DEFENSE OF ACTIONS OR CLAIMS.

28.1 Each party who is or may be entitled to indemnity under the provisions of this Agreement (the "Indemnitee") shall promptly notify the other party who is or may be required to provide indemnity under the provisions of this Agreement, as applicable (the "Indemnitor"), of any lawsuit or claim against such Indemnitee which it has reasonable cause to believe would entitle it to indemnification under such Section of this Agreement. Failure of such Indemnitee to promptly notify the Indemnitor of any such action or claimsman-Constitute-a-defense by Indemnitor against its obligation to indemnify the Indemnitee under this Agreement with regard to such claim or action, if such failure to provide such prompt notification reasonably prejudices the defense or other successful resolution of such action or claim by Indemnitor.

28.2 Upon receipt of such prompt notification of such claim or action, the Indemnitor shall be entitled, in its absolute discretion, to select legal counsel; to assume at its expense the defense of any such action or claim, including the prosecution of any applicable cross-claims or counter claims; to direct the manner in which such defense shall be conducted; and to determine the terms of settlement of, any such suit or claim against Indemnitee, provided that no such resolution awarding relief other than money damages against the Indemnitee may be agreed to without the consent of the Indemnitee, which consent shall not be unreasonably withheld, delayed or conditioned by Indemnitee. Indemnitee shall provide its full cooperation and assistance to Indemnitor with regard to the defense of such claim or action against Indemnitee, as afore-described, as reasonably requested by Indemnitor.

28.3 If the defendants in or to any such action or claim include both the Indemnitee and the Indemnitor and the Indemnitee reasonably concludes that there are valid legal defenses available to the Indemnitee which are different from or additional to the legal defenses being raised by the Indemnitor, and which, after written notice thereof being given to the Indemnitor by the Indemnitee, are not being asserted by the Indemnitor on behalf of the Indemnitee regarding such action or claim, the Indemnitee shall have the right to select separate counsel to assert such additional legal defenses in such action on behalf of such Indemnitee; provided such legal defenses which Indemnitee desires to assert are not reasonably inconsistent with, contrary to or would otherwise prejudice the defenses which the Indemnitor is asserting on behalf of the Indemnitee. The Indemnitee shall take no action with regard to such claim or action which is inconsistent with or may reasonably prejudice the defenses, cross-claims or counter claims being asserted by Indemnitor on behalf of Indemnitee.

28.4 If an Indemnitor elects to assume and does assume, the defense of any such suit or claim, it shall not be liable for any legal expenses incurred by the Indemnitee with respect to such matter and if the Indemnitee, after due notice to the Indemnitor of the existence of valid defenses not being employed by the Indemnitor as afore-described, employs separate counsel in connection with the assertion of such legal defenses not being raised by the

Indemnitor on behalf of the Indemnitee and the Indemnitee is, in fact, ultimately successful in the assertion of those legal defenses that the Indemnitor refused to assert after due notification by the Indemnitee.

28.5 If the Indemnitor, after receipt of such prompt notification of such claim or action, does not assume the defense of any such suit or claim, it shall thereafter be barred from disputing the nature and amount of the damages ultimately incurred or determined to have been incurred by the Indemnitee in settling or litigating the action or claim.

SECTION 29. MISCELLANEOUS.

29.1 All of the parties to this Agreement have participated fully in the negotiation and preparation hereof, and, accordingly, this Agreement shall not be more strictly construed against anyone of the parties hereto.

29.2 Except for the provisions of Section 4 and 14.1 (1) hereof, in the event any term or provision of this Agreement be determined by appropriate judicial authority to be illegal or otherwise invalid, such provision shall be given its nearest legal meaning or be construed as deleted as such authority determines, and the remainder of this Agreement shall be construed to be in full force and effect.

29.3 In the event of any litigation between the parties under this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and court costs at all trial and appellate levels.

29.4 In construing this Agreement, the singular shall be held to include the plural, the plural shall be held to include the singular, the use of any gender shall be held to include every other and all genders, and captions and paragraph headings shall be disregarded.

SECTION 30. CONDITIONS PRECEDENT TO CLOSING.

Notwithstanding anything to the contrary contained in this Agreement or the Master Utility Agreement of same date, the closing of this transfer is subject to the following conditions precedent:

(1) The adoption of the franchise ordinance attached as Exhibit "C" to the Master Utility Agreement;

(2) The adoption of amendments to DeSoto County Ordinance No. 1999-01 that will authorize the COUNTY to adopt the ordinance referred to in subsection (1) hereof and that will authorize the COUNTY to approve LSU's wastewater tariff and franchise at the same time;

(3) Issuance of an order by the Florida Public Service Commission ("FPSC") approving the transfer and canceling LSU's existing certificates at the conclusion of any pending LSU dockets. LSU shall apply for

the approval by the FPSC for the transfer of the Transferred Assets from LSU to the COUNTY and for cancellation of its certificates prior to closing; and,

(4) Adoption of a Resolution by the COUNTY approving the transfer of systems under §125.3401, Florida Statutes; and,

The Closing and transferring title to the Lake Suzy Water System shall be simultaneous with that of the Closing and transferring title to the Kingsway Wastewater System.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

Signed, sealed, and delivered
In the presence of:

LAKE SUZY UTILITY, INC.

X *Christopher Flurry*
Name: Christopher Flurry

BY: *Richard D. Hugus*
Title: PRES

X _____
Name: _____

DATE: AUGUST 26, 2004

[CORPORATE SEAL]

STATE OF Pennsylvania
COUNTY OF Montgomery

The foregoing instrument was acknowledged before me this 26 day of August, 2004 by Richard Hugus, as President of LAKE SUZY UTILITY, INC., a Florida corporation, on behalf of the corporation.

NOTARIAL SEAL
Maria C. Torres, Notary Public
Lower Merion Twp., County of Montgomery
My Commission Expires July 11, 2005

Maria Torres
Signature of Notary Public
Maria Torres
(Print Notary Name)
My Commission Expires: 7/11/05
Commission No.: _____
 Personally known, or
 Produced Identification
Type of Identification Produced _____

ATTEST:

BOARD OF COUNTY COMMISSIONERS
OF DESOTO COUNTY, FLORIDA

June M. Fisher
~~Mitzie McGavin, Clerk~~
June M. Fisher
County Administrator

BY: William H. Altman
William H. Altman, Chairman

Date: 9/30/04

FOR THE USE AND RELIANCE
OF DESOTO COUNTY ONLY.
APPROVED AS TO FORM

SEPTEMBER 29 2004
Thomas A. Cloud
Thomas A. Cloud, Esquire
Special Utility Counsel

WITNESS my hand and official seal in the County and State last aforesaid this
30 day of September, 2004.

Mandy J. Hines
Signature of Notary Public
Mandy J. HINES
(Print Notary Name
My Commission Expires: _____
Commission No.: _____
 Personally known, or
 Produced Identification
Type of Identification Produced
Personally known to me

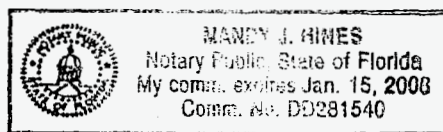


EXHIBIT "1"

FL#2004011463 B 554 P 892
REC NO. 01430026262

PROPERTY

THERE IS NO REAL PROPERTY BEING TRANSFERRED PURSUANT TO
EXHIBIT "1".

EXHIBIT "2"

EASEMENTS

FL#2004011463 B. 554 P. 893
REC NO. 01430026262

THERE ARE NO EASEMENTS BEING TRANSFERRED. ALL FACILITIES
TRANSFERRED ARE LOCATED IN PLATTED EASEMENTS OF RECORD OR
RIGHTS-OF-WAY.

SECTION 1

FL#2004011463 B.554 P.894
REC NO. 01430026262

Kingsway Properties Utilities, Inc. Facilities

The Kingsway Properties Utilities, Inc., serves a primarily residential service area off Kings Way Highway, primarily within DeSoto County, Florida. The system consists of wastewater only facilities and discharges its sewage via wholesale agreement to Lake Suzy Utilities, Inc., which in turn discharges its sewage into its wholesale provider.

The system consists of two (2) duplex pumping stations, both with two (2) pumps. Each pump is equipped with a three horsepower motor and is in operable condition. The system has approximately 129 service connections of six-inch PVC. There is approximately 5,000 linear feet of eight-inch PVC installed for sanitary sewer collection. There is approximately 7,300 linear feet of four-inch force main which transmits the wastewater from the two pump stations to the wholesale meter. There are a total of approximately 17 four-foot diameter concrete manholes which are used in the collection system to convey the raw wastewater from the customers and allow such flows to enter the two (2) pumping stations.

UTILITY NAME: KINGSWAY PROPERTIES UTILITIES, INC.

YEAR OF REPORT
DECEMBER 31, 1996

WASTEWATER UTILITY PLANT ACCOUNTS

FL#2004011463 B 554 P 895
REC NO. 01430026262

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351	Organization	\$ 870			870
352	Franchises	0			0
353	Land and Land Rights	0	0		0
354	Structures and Improvements	0			0
360	Collection Sewers - Force	22960	0		22960
361	Collection Sewers - Gravity	64895	0		64895
362	Special Collecting Structures				
363	Services to Customers				
364	Flow Measuring Devices	4965	0		4965
365	Flow Measuring Installations	780	0		780
370	Receiving Wells	42573			42573
371	Pumping Equipment				
380	Treatment and Disposal Equipment				
381	Plant Sewers				
382	Outfall Sewer Lines				
389	Other Plant and Miscellaneous Equipment				
390	Office Furniture and Equipment				
391	Transportation Equipment				
392	Stores Equipment				
393	Tools, Shop and Garage Equipment				
394	Laboratory Equipment				
395	Power Operated Equipment				
396	Communication Equipment				
397	Miscellaneous Equipment				
398	Other Tangible Plant				
	Total Wastewater Plant	\$ 137043	\$	\$	\$ 137043

* This amount should tie to sheet F-5.

UTILITY NAME: KINGSWAY PROPERTIES UTILITIES, INC.

YEAR OF REPORT
DECEMBER 31, 1996

PUMPING EQUIPMENT

Lift Station Number	<u>One</u>	<u>Two</u>	_____	_____	_____	_____
Make or Type and nameplate data on pump	<u>Hydromatic</u>	<u>2</u>	<u>2</u>	_____	_____	_____
Year installed	<u>1986</u>	<u>1989</u>	_____	_____	_____	_____
Rated capacity	<u>100CPM</u>	<u>100GPM</u>	_____	_____	_____	_____
Size	<u>3HP</u>	<u>3HP</u>	_____	_____	_____	_____
Power:			_____	_____	_____	_____
Electric	<u>XX</u>	<u>XX</u>	_____	_____	_____	_____
Mechanical	_____	_____	_____	_____	_____	_____
Nameplate data of motor	<u>110/220</u>	<u>110/220</u>	_____	_____	_____	_____
	<u>1 Ø</u>	<u>1 Ø</u>	_____	_____	_____	_____

FL#2004011463 B 554 P 897
REC NO. 01430026262

SERVICE CONNECTIONS

Size (inches)	<u>6</u>	_____	_____	_____	_____	_____
Type (PVC, VCP, etc.)	<u>PVC</u>	_____	_____	_____	_____	_____
Average length	<u>15'</u>	_____	_____	_____	_____	_____
Number of active service connections	<u>128</u>	_____	_____	_____	_____	_____
Beginning of year	<u>128</u>	_____	_____	_____	_____	_____
Added during year	<u>0</u>	_____	_____	_____	_____	_____
Retired during year	<u>0</u>	_____	_____	_____	_____	_____
End of year	<u>128</u>	_____	_____	_____	_____	_____
Give full particulars concerning inactive connections	_____	_____	_____	_____	_____	_____

COLLECTING AND FORCE MAINS

	Collecting Mains				Force Mains			
Size (inches)	<u>8</u>	_____	_____	_____	<u>4</u>	_____	_____	_____
Type of main	<u>PVC</u>	_____	_____	_____	<u>PVC</u>	_____	_____	_____
Length of main (nearest foot)	<u>4673</u>	_____	_____	_____	_____	_____	_____	_____
Beginning of year	<u>4673</u>	_____	_____	_____	<u>7280</u>	_____	_____	_____
Added during year	<u>0</u>	_____	_____	_____	<u>0</u>	_____	_____	_____
Retired during year	<u>0</u>	_____	_____	_____	<u>0</u>	_____	_____	_____
End of year	<u>4673</u>	_____	_____	_____	<u>7280</u>	_____	_____	_____

MANHOLES

Size (inches)	<u>4'</u>	_____	_____	_____
Type of Manhole	<u>Concrete</u>	_____	_____	_____
Number of Manholes:				
Beginning of year	<u>17</u>	_____	_____	_____
Added during year	<u>0</u>	_____	_____	_____
Retired during year	<u>0</u>	_____	_____	_____
End of Year	<u>17</u>	_____	_____	_____

STEM NAME: Sewage discharged to Deep Creek Utilities

YEAR OF REPORT
DECEMBER 31, 1996

TREATMENT PLANT

FL#2004011463.B 554 P. 898
REC NO. 01430026262

Manufacturer _____	_____	_____	_____
Type _____	_____	N/A	_____
"Steel" or "Concrete" _____	_____	_____	_____
Total Capacity _____	_____	_____	_____
Average Daily Flow _____	_____	_____	_____
Effluent Disposal _____	_____	_____	_____
Total Gallons of Wastewater treated _____	_____	_____	_____

MASTER LIFT STATION PUMPS

Manufacturer _____	_____	_____	_____	_____	_____
Capacity (GPM's) _____	_____	_____	N/A	_____	_____
Motor:					
Manufacturer _____	_____	_____	_____	_____	_____
Horsepower _____	_____	_____	_____	_____	_____
Power (Electric or Mechanical) _____	_____	_____	_____	_____	_____

PUMPING WASTEWATER STATISTICS

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January _____	_____	N/A	_____
February _____	_____	_____	_____
March _____	_____	_____	_____
April _____	_____	_____	_____
May _____	_____	_____	_____
June _____	_____	_____	_____
July _____	_____	_____	_____
August _____	_____	_____	_____
September _____	_____	_____	_____
October _____	_____	_____	_____
November _____	_____	_____	_____
December _____	_____	_____	_____
Total for year _____	_____	_____	_____

If Wastewater Treatment is purchased, indicate the vendor: Florida Water Services

EXHIBIT "3"

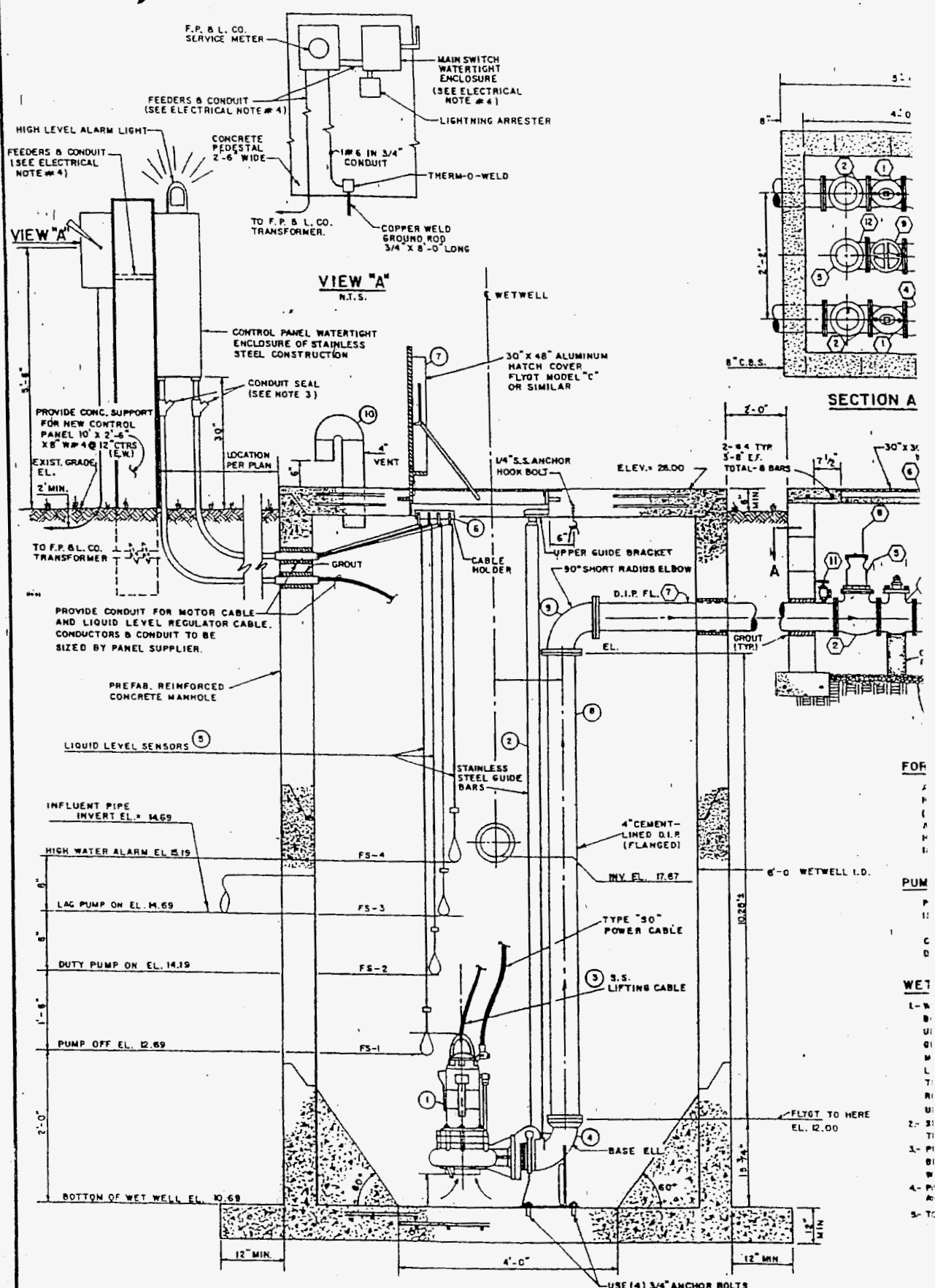
LIST OF ASSETS

FL#2004011463 B. 554 P. 899
REC NO. 01430026262

EXHIBIT "4"

AS-BUILT ENGINEERING PLANS

FL#2004011463 B.554 P.900
REC NO. 01430026262



F.P. & L. CO. SERVICE METER

MAIN SWITCH WATERTIGHT ENCLOSURE (SEE ELECTRICAL NOTE #4)

FEEDERS & CONDUIT (SEE ELECTRICAL NOTE #4)

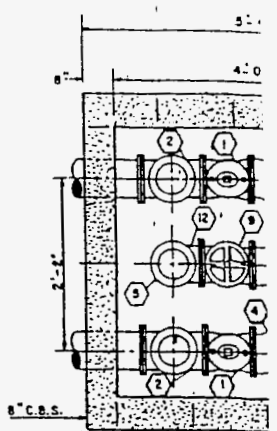
LIGHTNING ARRESTER

HIGH LEVEL ALARM LIGHT

CONCRETE PEDESTAL 2'-6" WIDE

THERM-O-WELD

TO F.P. & L. CO. TRANSFORMER. COPPER WELD GROUND ROD 3/4" X 8'-0" LONG



VIEW "A"

VIEW "A" N.T.S.

WETWELL

CONTROL PANEL WATERTIGHT ENCLOSURE OF STAINLESS STEEL CONSTRUCTION

30" X 48" ALUMINUM HATCH COVER FLYGT MODEL "C" OR SIMILAR

CONDUIT SEAL (SEE NOTE 3)

PROVIDE CONC. SUPPORT FOR NEW CONTROL PANEL 10' X 2'-6" X 8" W/4 @ 12" CTRS (E.W.)

LOCATION PER PLAN

1/4" S.S. ANCHOR HOOK BOLT

ELEV. = 28.00

EXIST. GRADE EL. 2' MIN.

TO F.P. & L. CO. TRANSFORMER

PROVIDE CONDUIT FOR MOTOR CABLE AND LIQUID LEVEL REGULATOR CABLE. CONDUCTORS & CONDUIT TO BE SIZED BY PANEL SUPPLIER.

PREFAB. REINFORCED CONCRETE MANHOLE

LIQUID LEVEL SENSORS

INFLUENT PIPE INVERT EL. = 14.69

HIGH WATER ALARM EL. 15.19

LAC PUMP ON EL. 14.69

DUTY PUMP ON EL. 14.19

PUMP OFF EL. 12.69

BOTTOM OF WET WELL EL. 10.69

VENT

CABLE HOLDER

UPPER GUIDE BRACKET 90° SHORT RADIUS ELBOW

D.I.P. FL.

GROUT

GROUT (TYP)

STAINLESS STEEL GUIDE BARS

4" CEMENT-LINED D.I.P. (FLANGED)

INT. EL. 17.67

TYPE "30" POWER CABLE

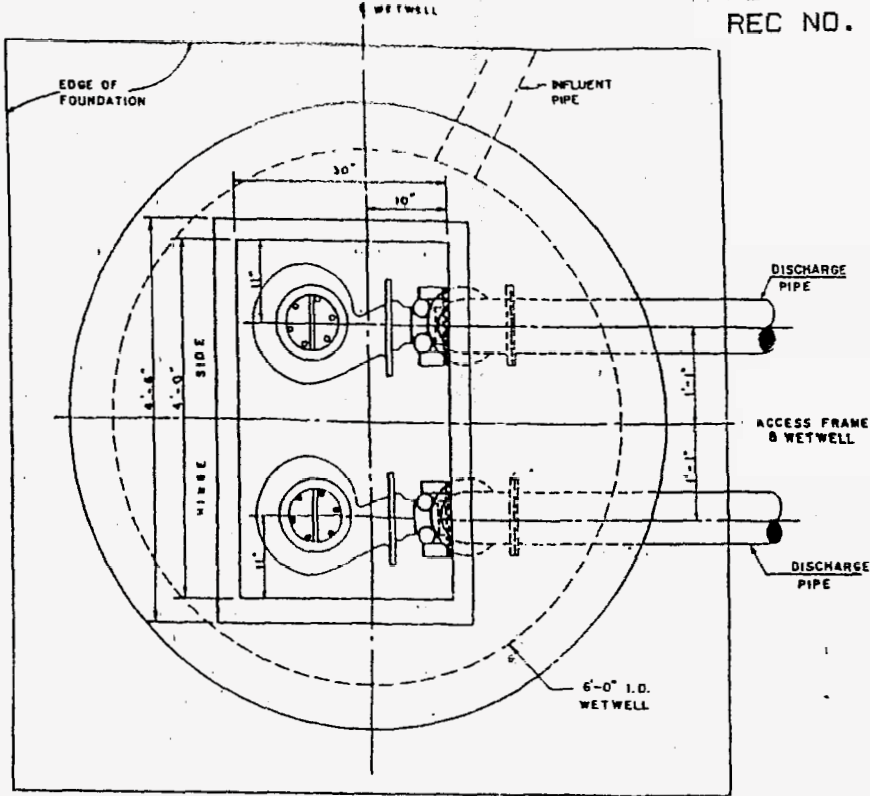
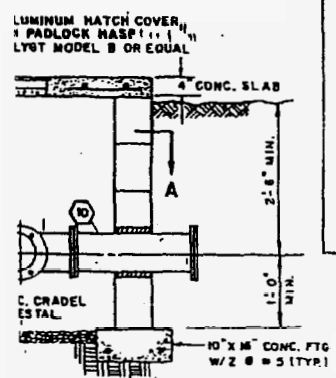
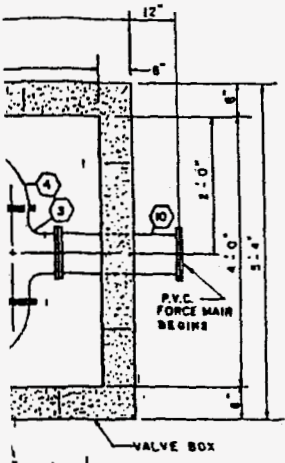
3 S.S. LIFTING CABLE

BASE ELL

FLYGT TO HERE EL. 12.00

USE (4) 3/4" ANCHOR BOLTS PROJECTION 2"

TYPICAL WETWELL INSTALLATION
N.T.S.



PLAN VIEW

BILL OF MATERIALS

- WETWELL**
- ① (2) TWO FLYGT PUMPS MODEL C-3102 WITH No. 433 IMPELLER 4 H.P., 1730 R.P.M.
 - ② (4) 2" STAINLESS STEEL PIPE GUIDES & HARDWARE FOR MOUNTING
 - ③ 25 FT. STAINLESS STEEL LIFTING CABLE FOR EACH PUMP
 - ④ (2) 4" C.L. BASE ELBOWS (BY MANUF.)
 - ⑤ ROTO FLOAT LEVEL CONTROLS WITH 30 FT. OF ELECTRIC CABLE EACH.
 - ⑥ (1) STAINLESS STEEL CABLE HOLDER WITH HARDWARE FOR MOUNTING.
 - ⑦ (1) 30" X 48" ALUMINUM HATCH COVER WITH STAINLESS STEEL HARDWARE.
 - ⑧ (2) 4" DIA. X 102.5" L. CEMENT LINED D.I.P. (FL.)
 - ⑨ (2) 4" X 90° D.I. FLANGED ELBOW. (SHORT RADIUS).
 - ⑩ 4" GOOSE NECK VENT

- VALVE BOX**
- ① (2) 4" DIA. FLANGED FULL PORT PLUG VALVE.
 - ② (2) 4" DIA. FLANGED CHECK VALVE W/OUTSIDE SPRING AND LEVER
 - ③ (1) 4" X 4" DIA. D.I. FLANGED CROSS.
 - ④ (2) 4" X 90° SHORT RADIUS ELBOW D.I. FL.
 - ⑤ (1) 4" MIP AND NOSE CONNECTION.
 - ⑥ (1) 30" X 30" ALUMINUM HATCH COVER.
 - ⑦ (2) 4" DIA. CEMENT-LINED D.I.P. FLANGED.
 - ⑧ (1) "KAMLOCK" OPEN 633-A D.I.P. ADAPTOR B 634-BK DUST CAP
 - ⑨ (1) 4" FLANGED FULL PORT PLUG VALVE.
 - ⑩ (1) 4" X 2" X 2" D.I.P. FLANGED.
 - ⑪ (1) TAP AND ANGLE BALL VALVE.
 - ⑫ (1) 4" X 90° FLANGED D.I. ELBOW.

MAIN DATA

FORCE MAIN PIPE SHALL BE JOHN-MANSVILLE
TYPE P.V.C. PIPE CLASS 100, TYPE 1, GRADE I
(R-25) A.S.T.M. D2241.
RELEASE VALVES SHALL BE PLACED ON ALL
POINTS BETWEEN LIFT STATION AND RECEIVING
WELL PIPE.

DATA

P SHALL BE FLYGT SUBMERSIBLE MODEL C-3102
MOTOR NO. 433 MOTOR 4 H.P. 1730 R.P.M.
230 VOLTS 1 PHASE 60 HERTZ, OPERATING
CONDITIONS: EACH PUMP SHALL BE CAPABLE OF
OPERATING 100% P.M. AT 32 T.D.H.

WELL NOTES

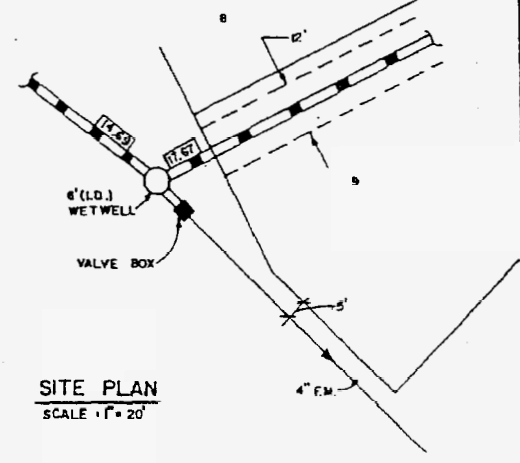
WELL SHALL BE PRECAST ROUND MANHOLE WITH
TOP DESIGNED TO WITHSTAND FULL HYDROSTATIC
LIFT ASSUMING MAXIMUM WATER TABLE AT FINISHED
GRADE AND SHALL BE CAST MONOLITHICALLY WITH
THICK WALLS. WALLS SHALL BE DESIGNED TO WITHSTAND
EXTERNAL PRESSURE IMPOSED BY THOROUGHLY
CONCRETE FILL PLUS 500 P.S.F. SURCHARGE.
CONCRETE SLAB SHALL BE DESIGNED TO WITHSTAND A
UNIFORM DISTRIBUTED LIVE LOAD OF 200 P.S.F.
DRAWING COVERING WET WELL SHALL BE PROVIDED
FOR APPROVAL PRIOR TO CONSTRUCTION.
PUMP MANUFACTURER AND ENGINEER MUST
PRESENT AT TIME OF PUMP START UP TO PUT
WARRANTY INTO EFFECT.
INTERIOR OF WET WELL WITH 2 COATS COLD TAR EPOXY
ONE COAT ON EXTERIOR WALL.
TOP OF WET WELL AND BOX SHALL BE 6" ABOVE GROUND.

ELECTRICAL NOTES:

- 1- CONTRACTOR SHALL BE RESPONSIBLE TO VERIFY AVAILABLE SHORT
CIRCUIT CURRENT AND SERVICE, BEFORE ANY EQUIPMENT IS
ORDERED. THE ENGINEER SHALL BE NOTIFIED IMMEDIATELY WHEN
ABOVE CONDITIONS ARE KNOWN.
- 2- CONTROL LOGIC DESCRIPTION:
a) FLOAT SWITCH FS-1 SHALL BE ABLE TO TURN OFF BOTH PUMPS.
b) FLOAT SWITCH FS-2 SHALL BE CONNECTED TO AN ALTERNATOR
WHICH SHALL ALTERNATE LEAD PUMP DUTY, BETWEEN PUMP
NUMBER 1 AND PUMP NUMBER 2, AND SHALL BE ABLE TO
ENERGIZE THE LEAD PUMP.
c) FLOAT SWITCH FS-3 SHALL BE ABLE TO ENERGIZE THE LAG PUMP.
d) FLOAT SWITCH FS-4 SHALL BE ABLE TO TURN ON THE WARNING
LIGHT DURING A HIGH WATER LEVEL CONDITION. THIS WARNING
SHOULD BE TURNED OFF BY MANUAL PUSH-BUTTON RESET.
e) THE LAG PUMP SHALL BE ENERGIZED WHENEVER THE LEAD
PUMP FAILS TO RUN. (THIS SHALL NOT BE DONE WITH FLOAT
SWITCHES.)
f) A COUNTER SHALL BE ADDED TO EACH MOTOR STARTER CONTROL
CIRCUIT IN ORDER TO MONITOR THE NUMBER OF TIMES EACH
MOTOR HAS BEEN ENERGIZED.
g) AN ELAPSED TIME METER SHALL BE ADDED TO EACH MOTOR
STARTER CONTROL CIRCUIT IN ORDER TO MONITOR THE NUMBER
OF HOURS THE MOTOR HAS BEEN ENERGIZED.
h) PANEL MANUFACTURER SHALL PROVIDE SURGE CAPACITOR,
PHASE MONITOR AND AUXILIARY POWER RECEPTACLE INCLUDING
EMERGENCY CIRCUIT BREAKER AND REQUIRED INTERLOCK
LOGIC WITH MAIN BREAKER.
- 3- SEAL-OFFS SHALL BE PLACED WITHIN 18" OF ELECTRICAL
ENCLOSURE. SEAL-OFFS SHALL BE CROUSE-HINDS OR
EQUIVALENT.
- 4- THE SIZE OF FEEDERS, CONDUIT AND MAIN SWITCH SHALL BE
AS FOLLOWS:
a) FEEDERS AND CONDUIT: 2 #3 @ 100 IN 1-1/4" C.
b) MAIN SWITCH: 2 100 — FUSE SIZE
2 100 — FRAME SIZE
NO. OF POLES

LOAD TABULATION

PUMP NO. 1	4HP (110, 230V)	25 AMPS
PUMP NO. 2	4HP (110, 230V)	25 AMPS
MISC. CONTROL		3 AMPS
TOTAL		53 AMPS



SITE PLAN
SCALE 1" = 20'

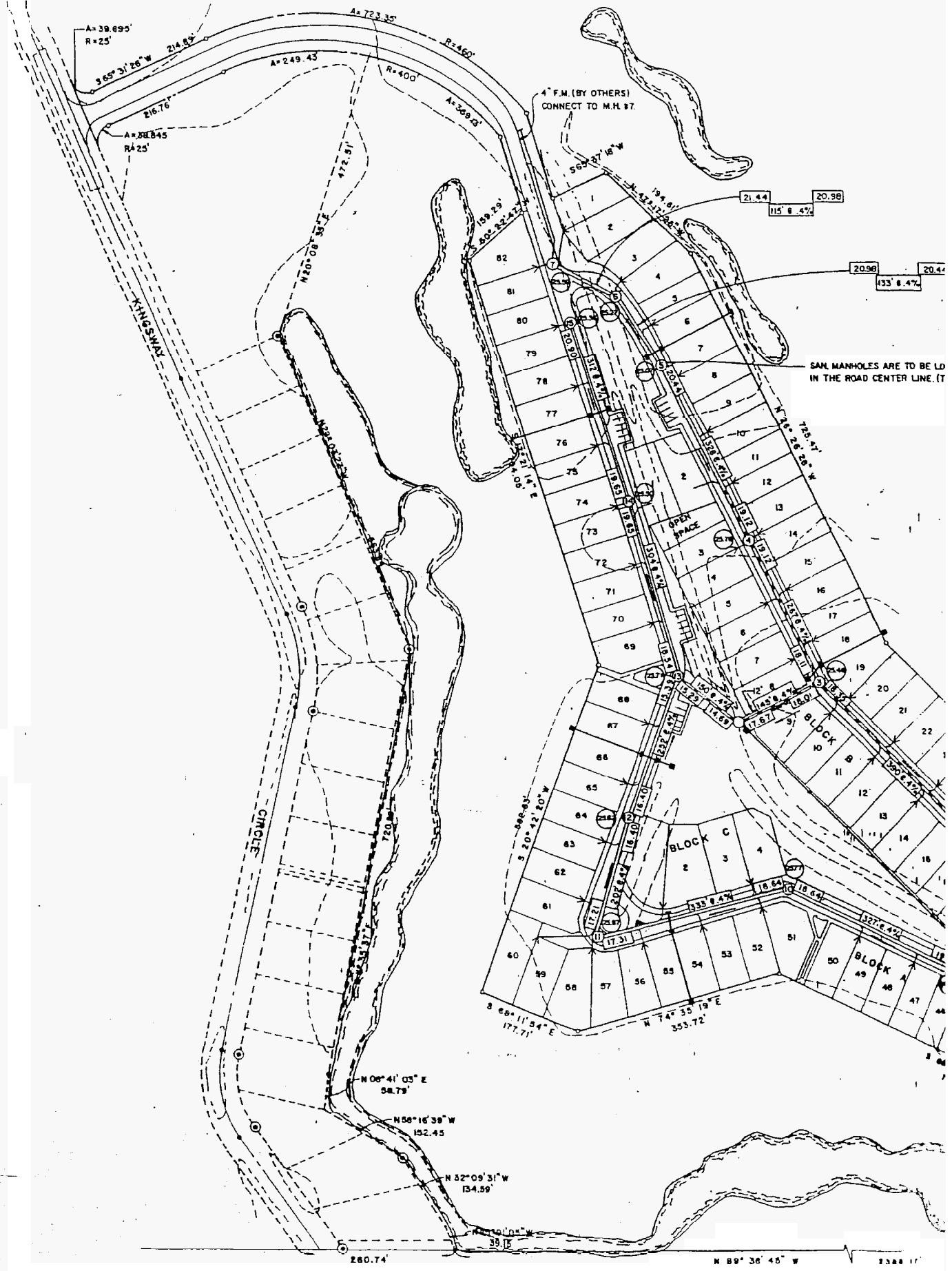
(WEST COAST) 4" LIFT STATION

**KINGSWAY GOLF VILLAS
SEWAGE COLLECTION SYSTEM
LIFT STATION DETAILS**

DE SOTO COUNTY FLORIDA

DATE 1-30-85 DESIGNED BY H.E.S. DRAWN BY E.G. CHECKED BY [Signature] APPROVED BY [Signature]

SCALE AS NOTED CRED BY H.E.S. APPR BY [Signature]



A=39.695'
R=25'

A=723.35'
R=460'

A=249.45'
R=400'

A=309.23'
R=400'

A=38.845'
R=25'

4" F.M. (BY OTHERS)
CONNECT TO M.H. 87.

21.44
20.98
115' @ 4.4%

20.98
20.44
133' @ 4.4%

SAN MANHOLES ARE TO BE LD
IN THE ROAD CENTER LINE. (T

KINGSWAY

CIRCLES

BLOCK C

BLOCK B

BLOCK A

N 00° 41' 03" E
58.79'

N 56° 16' 39" W
132.45'

N 52° 09' 31" W
134.59'

260.74'

N 89° 36' 45" W
7388.11'

8 60° 11' 54" E
177.71'

N 74° 35' 19" E
353.72'

S 20° 12' 20" W
4.20'

S 20° 12' 20" W
4.20'

S 20° 12' 20" W
4.20'

S 20° 12' 20" W
4.20'

S 20° 12' 20" W
4.20'

S 20° 12' 20" W
4.20'

17.31'

17.31'

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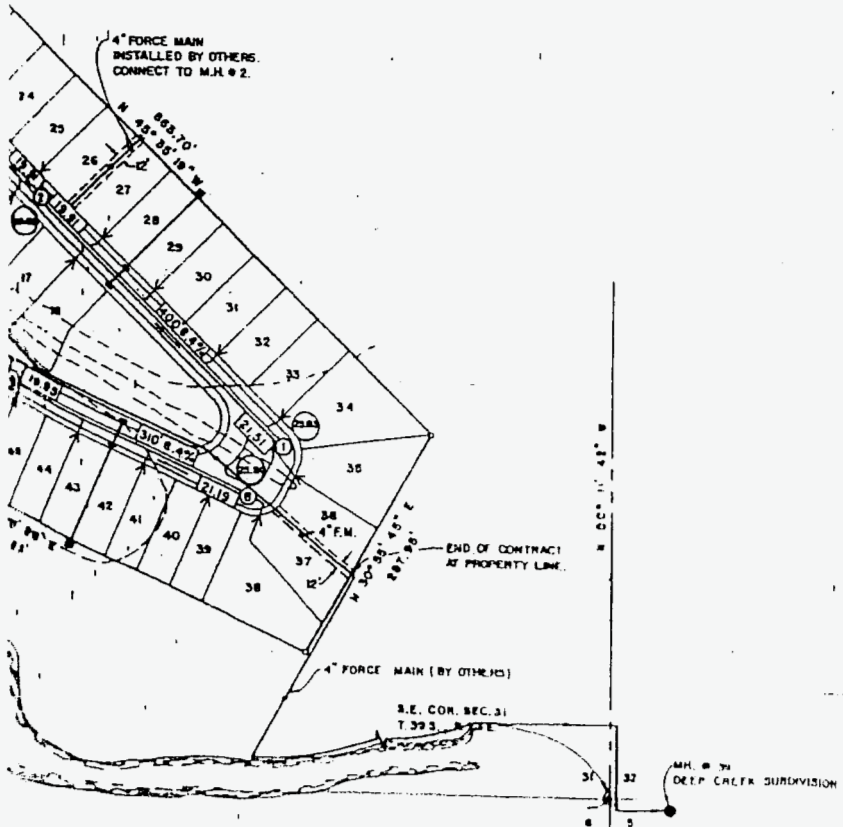
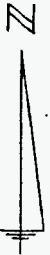
17.31'

17.31'

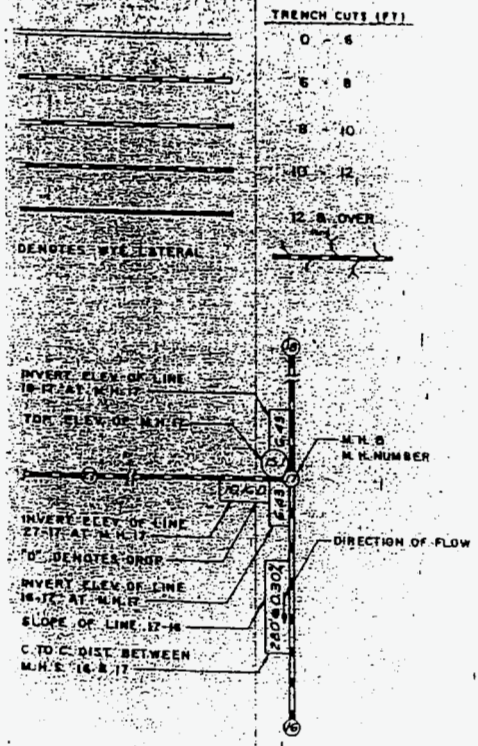
17.31'


FL#2004011463 B 554 P 902
 REC NO. 01430026262

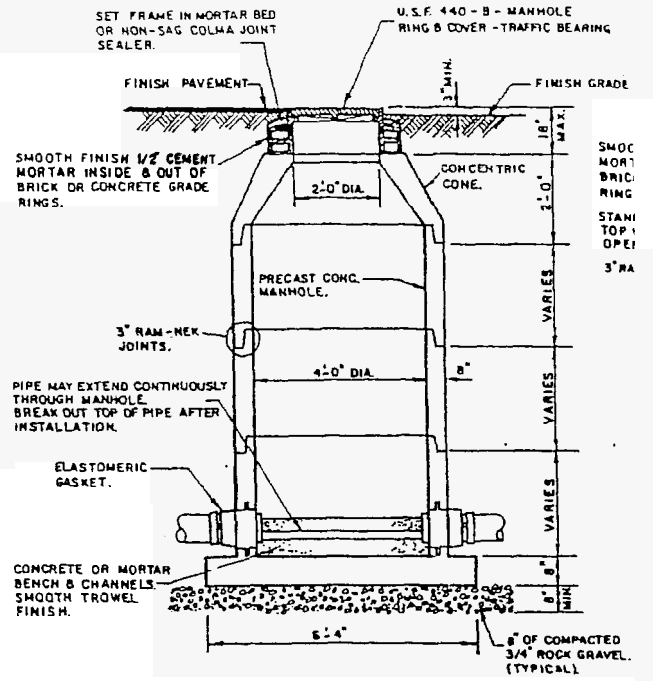
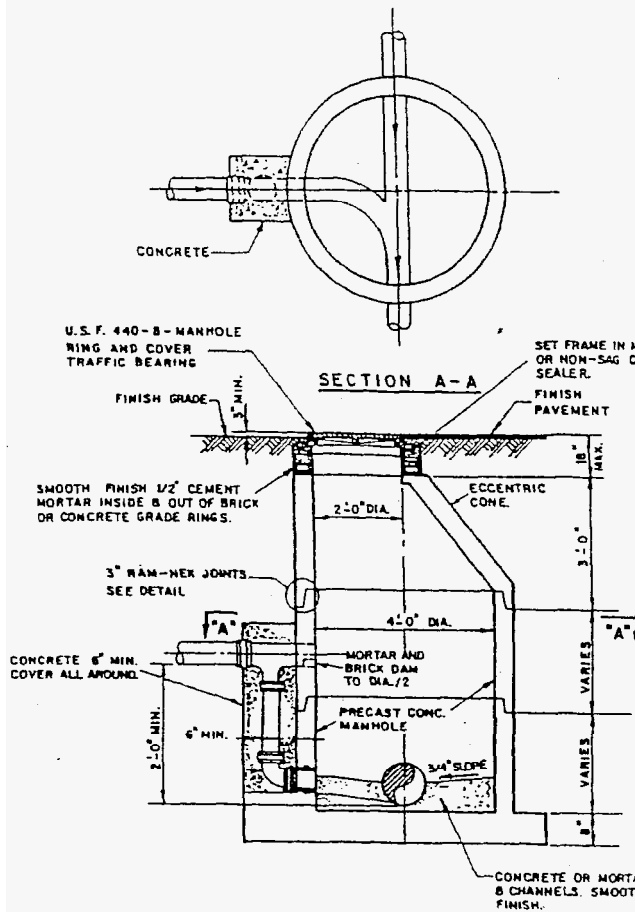
TED



LEGEND



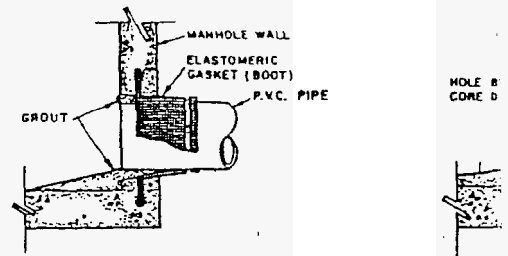
 A.D.A. Engineering, Inc. Consulting Engineers & Planners		SCALE:
DRAWN BY J.C.	KINGSWAY GOLF VILLAS	1" = 100'
DESIGN BY M.E.S.	SEWAGE COLLECTION PLAN	DATE:
CHECKED BY		JAN. 1980



STANDARD PRECAST MANHOLE DETAIL N.T.S.

STANDARD DROP CONNECTIONS DETAIL N.T.S.

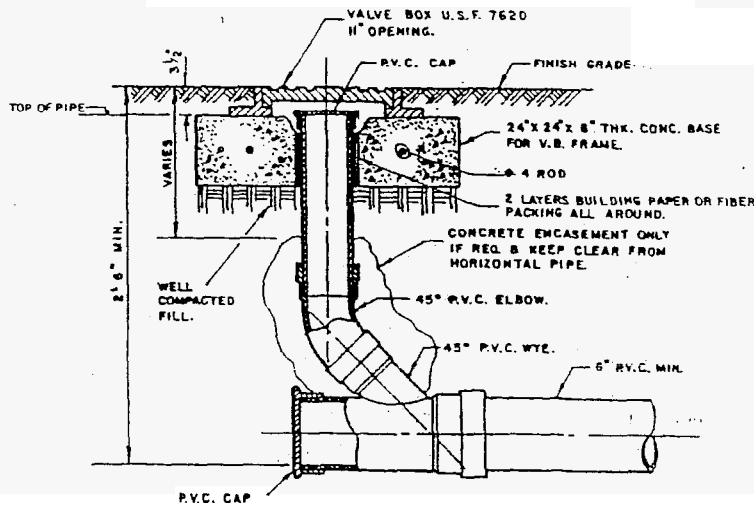
NOTE: ALL MANHOLE INVERTS TO BE AS SHOWN ABOVE, OR SHALL BE FORMED WITH CONC. BRICK AND MORTAR.



NEW STRUCTURE

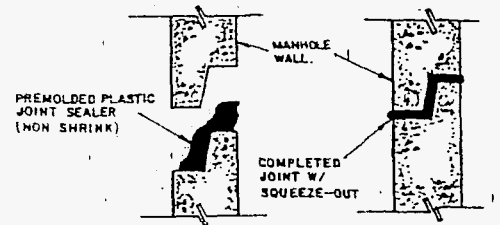
NOTE: PREFABRICATED BOOT SHALL BE INSTALLED BY THE MANUFACTURER OF THE MANHOLE.

NOTE: ALL MANHOLE TRANS.



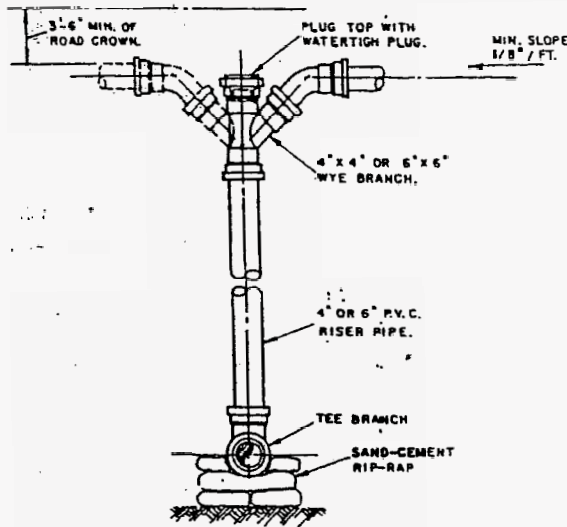
TERMINAL CLEANOUT DETAIL N.T.S.

P.V.C. PIPE JOINT N.T.S.

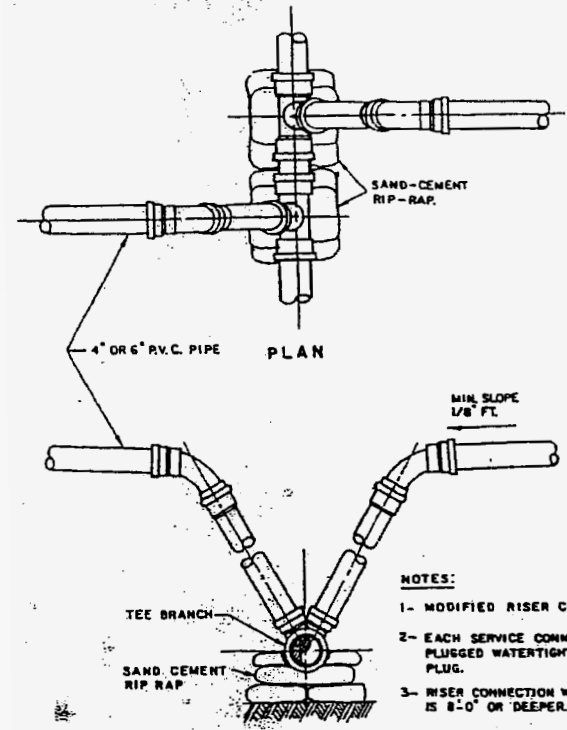


NOTE: PRE-MOLDED PLASTIC JOINT SEALER SHALL BE "RAM-HEK."

PRECAST MANHOLE JOINT N.T.S.



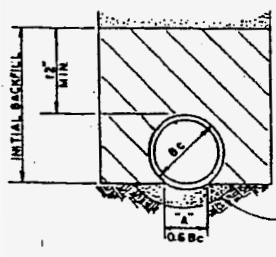
- NOTES:**
- 1- RISER CONNECTION TO BE USED ONLY WHEN DIRECTED BY THE ENGINEER.
 - 2- EACH SERVICE CONNECTION SHALL BE PLUGGED WATERTIGHT WITH AN APPROVED PLUG.
 - 3- RISER CONNECTION WHEN TOP OF SEWER IS 8'-0" OR DEEPER.



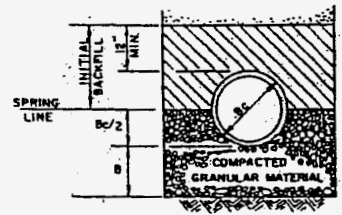
- NOTES:**
- 1- MODIFIED RISER CO
 - 2- EACH SERVICE CONN PLUGGED WATERTIGHT PLUG.
 - 3- RISER CONNECTION WHEN IS 8'-0" OR DEEPER.

FRONT ELEVATION

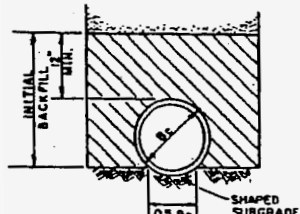
TYPICAL RISER CONNECTION N.T.S.



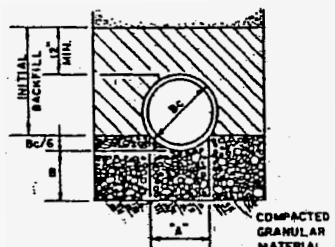
CLASS B1



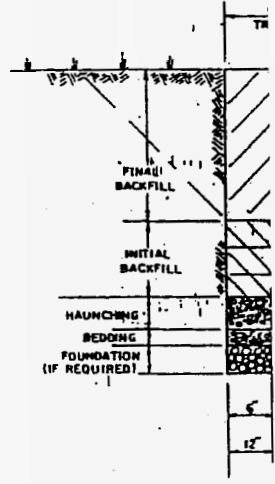
CLASS B2



CLASS C1



CLASS C2



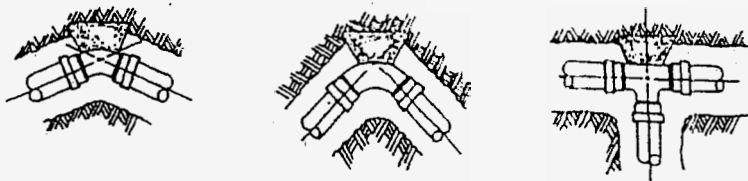
"D" PIPE SIZE	"A" SHAPED WIDTH	"B" BED DEPTH	NOTES
4"	3 1/2"	4"	
6"	5"	4"	
8"	6"	4"	
10"	7 1/2"	4"	
12"	9"	4"	
15"	11 1/2"	5"	
18"	13 1/2"	6"	

- NOTES:**
- 1- SHAPED WIDTH "A" UNDER PIPE AND BED DEPTH "B" SHALL BE DETERMINED BY THE TABLE.
 - 2- TRENCHING AND BACKFILLING SHALL BE PER STANDARD TRENCH DETAIL.

- NOTES:**
- 1- BEDDING HAUNCHING B IN PER STANDARD PIPE DET
 - 2- FOR TRENCHES REQUIRING BE TAKEN FROM THE INSI
 - 3- A FOUNDATION MAY BE NE (SEE SPECS.)

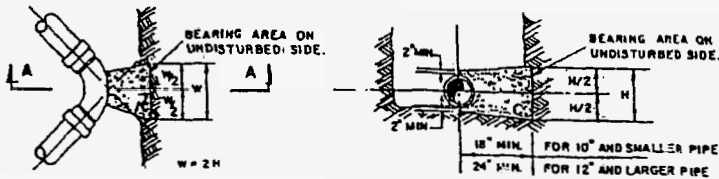
STANDARD PIPE BEDDING

STANDARD



MINIMUM BEARING AREA FOR FITTING				
FIT'G SIZE	45° ELBOW	90° ELBOW	TEES	NOTES
4"	0.7	1.3	1.8	
6"	1.5	2.7	3.7	
8"	2.5	4.5	6.4	
10"	3.7	6.8	9.7	
12"	5.2	9.7	13.7	

AREA IN SQUARE FEET



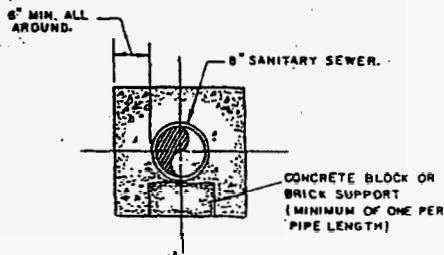
PLAN SECTION A-A

FORCE MAIN THRUST BLOCK DETAILS N.T.S.

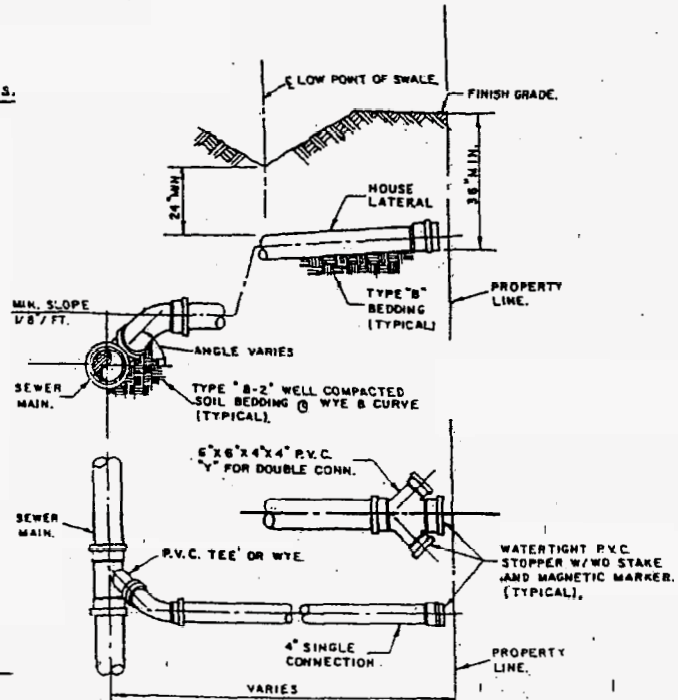
(BASED ON 100 PSI PRESSURE)

SECTION SHALL BE IN AN APPROVED

TOP OF SEWER



CONCRETE ENCASMENT DETAIL N.T.S.

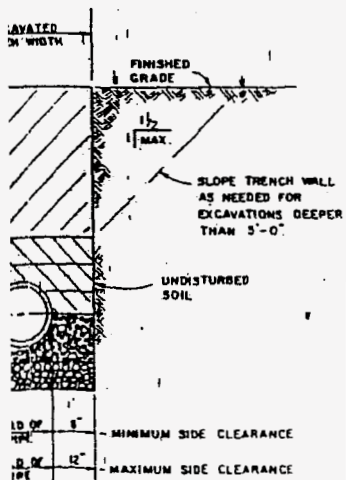


NOTE:
 INVERT OF LATERAL TO BE 36" FROM FIN. GRADE EXCEPT ON "WATER LINE SIDE" OF STREET R/W WHERE IT WHERE IT SHALL DROP TO 48" AS SOON AS DEPTH OF MAIN SEWER PERMITS.

SANITARY SEWER LATERAL DETAILS N.T.S.

SOIL CLASSIFICATION

- CLASS I - ANGULAR, 6 TO 40mm (1/4" - 1 1/2"), GRADED STONE, INCLUDING A NUMBER OF FILL MATERIALS THAT HAVE REGIONAL SIGNIFICANCE SUCH AS CORAL, SLAG, CINDERS, CRUSHED STONES AND CRUSHED SHELLS.
- CLASS II - COARSE SANDS AND GRAVELS WITH MAXIMUM PARTICLE SIZE OF 40mm (1 1/2") INCLUDING VARIOUS GRADED SANDS AND GRAVELS CONTAINING SMALL PERCENTAGES OF FINES, GENERALLY GRANULAR AND NON-COHESIVE, EITHER WET OR DRY SOIL TYPES GW, GP, SW AND SP ARE INCLUDED IN THIS CLASS.
- CLASS III - FINE SANDS AND CLAYEY GRAVELS, INCLUDING FINE SANDS, SAND-CLAY MIXTURES AND GRAVEL-CLAY MIXTURES. SOIL TYPES GM, GC, SM AND SC ARE INCLUDED IN THIS CLASS.
- CLASS IV - SILT, SILTY CLAYS, AND CLAYS, INCLUDING INORGANIC CLAYS AND SILTS OF MEDIUM TO HIGH PLASTICITY AND LIQUID LIMITS. SOIL TYPES MH, ML, CH AND CL ARE INCLUDED IN THIS CLASS. THESE MATERIALS ARE NOT TO BE USED FOR BEDDING, HAUNCHING OR INITIAL BACKFILL.
- CLASS V - THIS CLASS INCLUDES THE ORGANIC SOILS, AS WELL AS SOILS CONTAINING FROZEN EARTH, DEBRIS, ROCKS LARGER THAN 40mm (1 1/2") IN DIAMETER AND OTHER FOREIGN MATERIALS. THESE MATERIALS ARE NOT TO BE USED FOR BEDDING, HAUNCHING, OR INITIAL BACKFILL.



TRENCH DETAIL

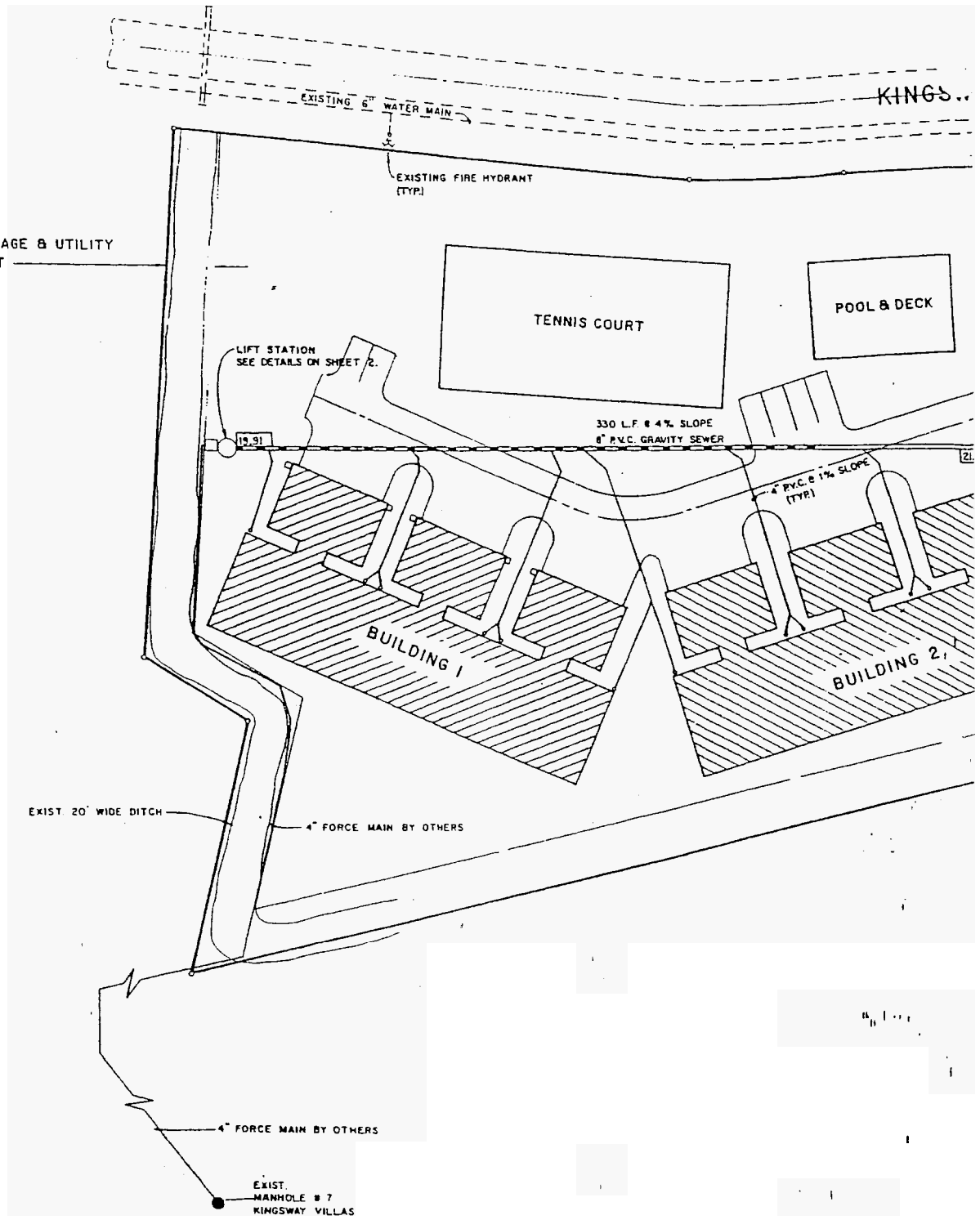
ALL BACKFILL REQUIREMENTS SHALL BE AS SPECIFIED IN THE CLASS SPECIFIED.
 SHORING & SHUTTING, DIMENSIONS SHALL BE AS SPECIFIED ON SHEETING & SHORING
 AND IN VERY POOR SOIL CONDITIONS.

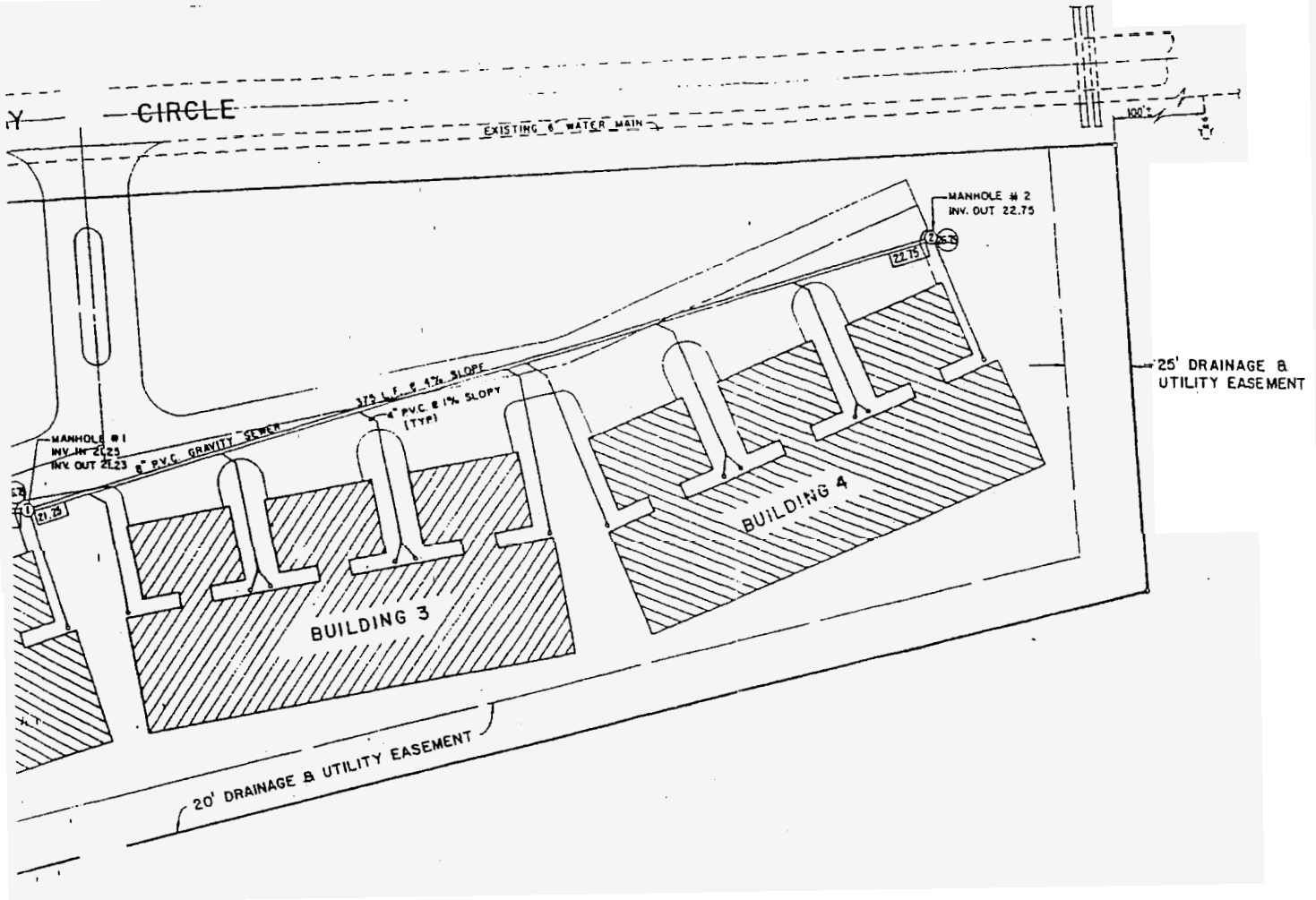
STANDARD SEWER DETAILS				
DATE	DRAWN BY	CHECKED BY	APPROVED BY	SCALE
				N.T.S.

FILE



20' DRAINAGE & UTILITY
EASEMENT

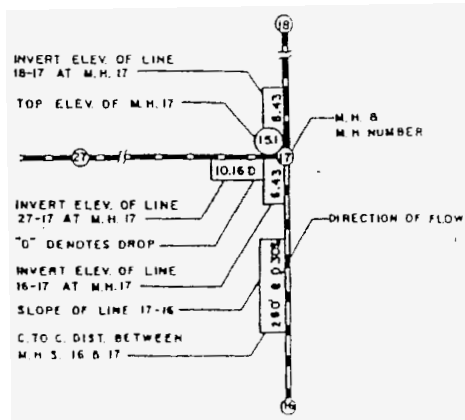




LEGEND

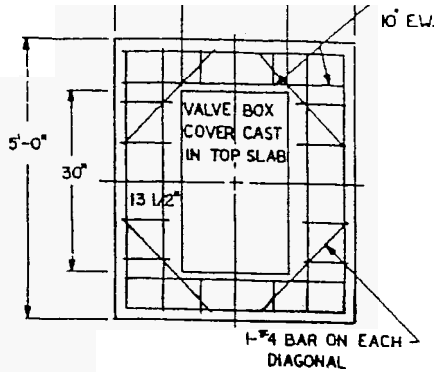
TRENCH CUTS (FT)	
0 - 6	(Symbol: 4 parallel lines)
6 - 8	(Symbol: 4 parallel lines with dashes)
8 - 10	(Symbol: 4 parallel lines with longer dashes)
10 - 12	(Symbol: 4 parallel lines with even longer dashes)
12 & OVER	(Symbol: 4 parallel lines with longest dashes)

DENOTES WYE LATERAL (Symbol: T-junction)

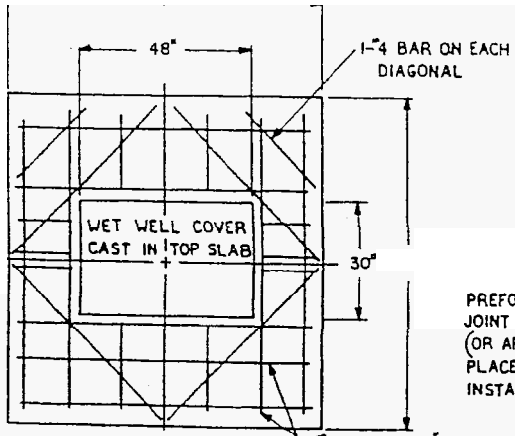


CLUBSIDE CONDOMINIUM
 SEWAGE COLLECTION SYSTEM
 TRACK I BLOCK A KINGS CROSSING
 DESOTO COUNTY FLORIDA

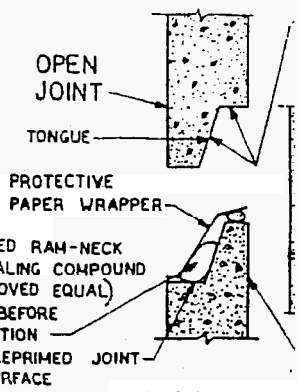
[Signature]
 P.E. NO. 500



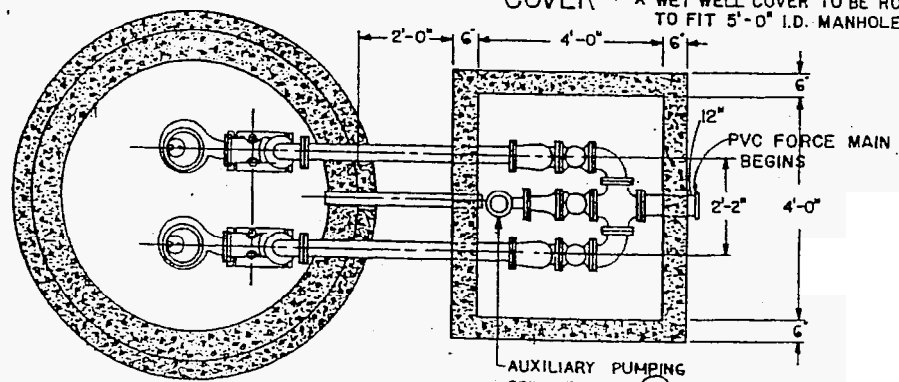
PLAN VIEW
TYPICAL VALVE VAULT
COVER



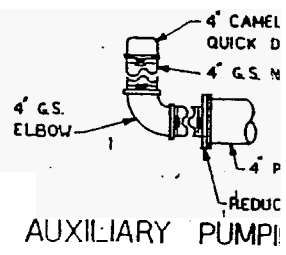
PLAN VIEW
TYPICAL WET WELL
COVER - * WET WELL COVER TO BE ROUND
TO FIT 5'-0" I.D. MANHOLE.



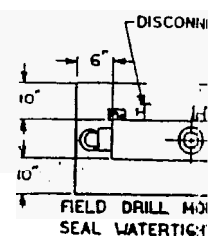
TYPICAL WET
JOINT DETAIL



PLAN VIEW
LIFT STATION & VALVE VAULT

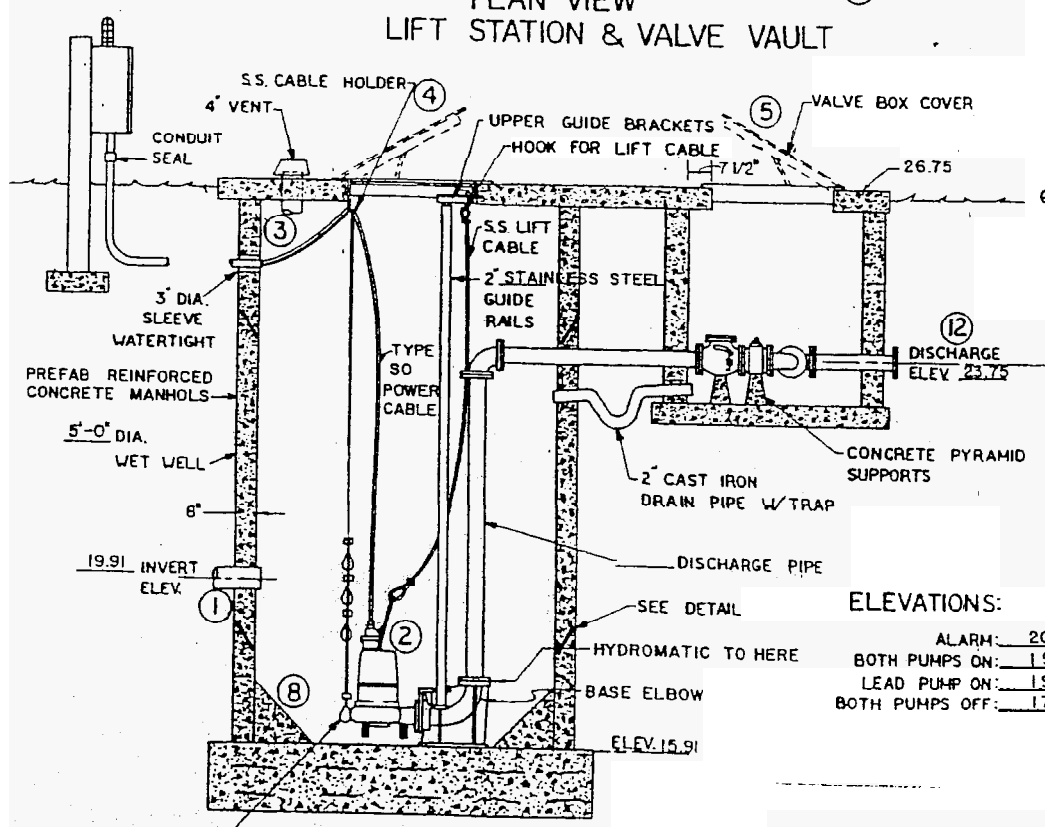


AUXILIARY PUMP



FIELD DRILL HOLE
SEAL WATER TIGHT

PLAN VIEW



ELEVATION
TYPICAL LIFT STATION & VALVE VAULT

GRADE ELEV. 26.25

EMERGENCY
GENERATOR RECEPTACLE
MODEL BY:
RUSSELL-STOLL
(NO SUBSTITUTE)
JRSB 1044FR 100 AMP

NEMA TYPE
ENCLOSURE

ELEVATIONS:

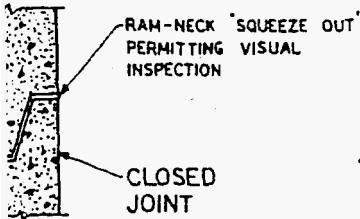
ALARM:	20.41
BOTH PUMPS ON:	19.91
LEAD PUMP ON:	19.41
BOTH PUMPS OFF:	17.91

PUMPS POWER
CABLES IN
CONDUIT

GROUND

ELEVATION
SERVICE PANEL
(FOR UNDERGROUND)

PRIV
FACE



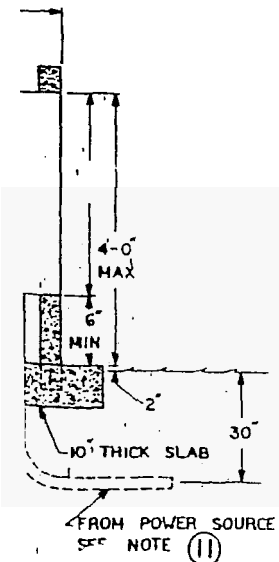
ROOVE
WELL

CONNECT
PLE

IG VALVE
OR COMPANION FLANGE
G DETAIL



TING & WIRE HOLES
AFTER INSTALLATION
EW ⑥



IN
DESTAL
ND SERVICE)

EQUIPMENT & CONSTRUCTION NOTES

ITEM

DESCRIPTION

- ① Wet Well: Shall be a minimum 5'-0" inside diameter precast concrete meeting "Standard Specifications for precast reinforced concrete manholes", A.S.T.M. C-487-88, latest revision. Concrete shall be made with type II acid resistant cement and shall attain a compressive strength of 4000 PSI at 28 days. Joint shall be sealed with Ram-nak or equal flexible sealer conforming to Federal Specification SS-S-00210.
- ② Pumps: Shall be Hydromatic heavy duty non-clog submersible Model S4W with a 3 discharge, 3 E.P., 230 volts, 1 phase. 1750 A.P.M., 3 diameter impeller, 1 minimum efficiency to meet conditions of 100 GPM @ 25 TDH or equal shall include 2 guide rails and a 25A functional duplicate rail system. Each pump shall be furnished with a spare upper and lower mechanical seal.
- ③ Level Control: Shall be Model 3500 mercury switch liquid level regulators each provided with 1 electric cable and weights as manufactured by Hydromatic.
- ④ Wet Well Access Cover: Shall have clear opening of 30" x 48" (minimum) and double door access as manufactured by Halliday Products or equal. Access frame and covers shall be fabricated of aluminum. Frame shall support guide rails and cable holders for electrical wiring. Cable holder shall be constructed of stainless steel. Covers shall be provided with lifting handle and safety latch to hold cover in open position. Locking hasps shall be furnished for each cover. Stainless steel hardware shall be used throughout. All surfaces in contact with concrete shall have a shop coat of zinc chromatic primer, approved alkali resistant paint or other approved protective coating. Cover must be compatible with pumps.
- ⑤ Valve Vault Access Cover: Shall have clear opening of 30 x 30 as manufactured by Halliday Products or equal. Door leaf shall be 1/4" aluminum diamond pattern plate, to withstand a live load of 150 P.S.F. Channel frame shall be 1/4" aluminum with an anchor flange around the perimeter. Cover shall be provided with lifting handle and safety latch to hold cover in open position. A locking hasp shall be furnished for each cover. Stainless steel hardware will be used throughout. All surfaces in contact with concrete shall have a shop coat of zinc chromatic primer, approved alkali resistant paint or other approved protective coating.
- ⑥ Electrical Service Entrance: Provide meter socket and main disconnect meeting applicable electric codes and requirements of power company lightning and voltage surge protection to be provided.
- ⑦ Control Panel: Shall be equipped with individual disconnects, across the line magnetic starters, three pole overload protection, electrical alternator, automatic transfer to non-operative pump, overload reset, M.O.A. pump operating selector switch and time meters for each pump and terminal board with connections for high level alarms. All components shall be housed in a Nema 4X enclosure with aluminum dead front inner door design. Provisions for padlocking panel shall be provided.

OPTIONAL EQUIPMENT

- ⑧ Paint: Inside of wet well shall be primed with two (2) coats of "Poplar" or equal applied as per manufacturer's recommendations.
- ⑨ Valve Vault: Precast concrete 5'-0" x 5'-0" outside dimension.
- ⑩ Steel placed in bottom slab is identical except that diagonal bars and openings are eliminated, steel is continuous and slab is solid.
- ⑪ Contractor to confirm service arrangements with power company before commencing work. Contractor to run underground wiring to nearest transformer or hand hole.
- ⑫ Piping from this point on as specified on plans.

GENERAL NOTES

1. All fasteners or flanges and etc. inside wet well will be stainless steel.
2. Dimensions between centerline of pipes are standard for pipe sizes specified.
3. Shop drawings of piping installation must be approved by Engineer prior to placement of pipe.

CLUBHOUSE CONDOMINIUM
SEWAGE COLLECTION SYSTEM
LIFT STATION DETAILS
TRACK I BLOCK A KINGSCROSSING
DESOTO COUNTY FLORIDA

[Signature]
PE NO. 690
STATE OF FLORIDA

EXHIBIT "6"

SERVICE AREA

FL#2004011463 B 554 P 907
REC NO. 01430026262

SEE ATTACHED LEGAL DESCRIPTION

EXHIBIT "5"

FL#2004011463 B 554 P 908 .
REC NO. 01430026262

PERMITS

THERE ARE NO PERMITS THAT HAVE BEEN ISSUED FOR THE KINGSWAY
WASTEWATER SYSTEM

KINGSWAY SERVICE AREA

FL#2004011463 B. 554 P. 909
REC NO. 01430026262

Two (2) parcels of land in Section 31, Township 39 South, Range 23 East, Desoto County, Florida. Bearings used in this description are taken from a deed recorded in Official Record Book 130, Pages 570-571, of said public records of Desoto County, Florida. Said tracts are described as follows:

Begin at the Southeast corner of Section 31; thence North 89°38'45" West along the South line of said Section 31, 2388.17 feet; thence North 25°01'05" West, 39.15 feet; thence North 32°09'31" West, 134.59 feet; thence North 58°16'39" West, 152.45 feet; thence North 08°41'03" East, 58.79 feet; thence North 11°35'37" East, 720.86 feet; thence North 22°03'27" West, 563.84 feet; thence North 20°08'35" East, 472.51 feet to the Point of Beginning of Parcel 1 of 2. Said Point of Beginning being a point on a curve concave to the Southwest with a radius of 400.00 feet and a tangent bearing of South 78°44'54" East, thence Southeasterly along arc of said curve, 369.13 feet; thence South 50°22'47" West, 159.29 feet; thence South 17°21'14" East, 704.05 feet; thence South 20°42'20" West, 582.63 feet; thence South 68°11'54" East, 177.71 feet; thence North 74°35'19" East, 353.72 feet; thence South 65°20'26" East, 726.23 feet; thence North 30°55'45" East, 287.95 feet; thence North 45°35'19" West, 863.70 feet; thence North 26°26'28" West, 725.47 feet; thence North 47°17'25" West, 194.61 feet; thence South 65°37'18" West, 58.42 feet to a point on a curve concave to the Southwest with a radius of 460.00 feet, said course is radial to said curve; thence Northwesterly along arc of said curve, 427.14 feet to a point on said curve to be labeled as Point A; thence continuing along said curve 296.21 feet through a total angle of 90°06'00"; thence South 65°31'26" West, 239.89 feet to the Easterly right-of-way of Kingsway Circle; thence South 24°28'34" East along the Easterly right-of-way of Kingsway Circle, 60.00 feet; thence North 65°31'26" East, 241.76 feet to a point on a curve concave to the Southwest with a radius of 400.00 feet; thence Northeasterly along arc of said curve 249.43 feet to the Point of Beginning of Parcel 1 of 2.

ATTACHMENT A

Page 2 of 2

Thence beginning at above referenced Point A; thence North 67°18'04" West, 240.34 feet; thence North 74°28'27" West, 56.04 feet; thence North 05°02'43" East, 309.07 feet; thence North 42°08'49" East, 189.00 feet; thence South 85°12'39" East, 778.88 feet; thence South 74°40'25" East, 365.65 feet;

thence North 66°43'21" East, 116.00 feet; thence South 58°43'09" East, 183.27 feet to the Point of Beginning of Parcel 2 of 2; thence South 10°57'21" West, 110.00 feet; thence North 76°33'11" East, 814.18 feet; thence North 02°30'36" West, 169.87 feet to the right-of-way of Kingsway Circle; thence South 87°29'24" West, 465.49 feet along the right-of-way of Kingsway Circle to a point on a curve concave to the North with a radius of 530.00 feet; thence Westerly along arc of said curve 67.52 feet; thence North 85°12'39" West, 217.99 feet; thence South 04°47'21" West, 221.24 feet; thence South 58°43'09" East, 51.12 feet to the Point of Beginning of parcel 2 of 2.

EXHIBIT "7"

AGREEMENTS

-FL#2004011463 B 554 P 911
REC NO. 01430026262

AUGUST 6, 1985 SEWER PURCHASE AGREEMENT BETWEEN DEEP
CREEK UTILITIES, INC. (ASSIGNED TO CHARLOTTE COUNTY BY FLORIDA
WATER SERVICES CORPORATION) AND KINGSWAY PROPERTIES, INC.
(ASSIGNED TO DESOTO COUNTY), COPY ATTACHED.



DEEP CREEK UTILITIES, INC.

1825 WEST MARION AVENUE, PUNTA GORDA, FLORIDA 33950

TELEPHONE (813) 839-4151

August 6, 1985

FL#2004011463 B. 554 P. 912
REC NO. 01430026262

Mr. Harold Schmidt
Kingsway Properties, Inc.
908 Kings Highway
Lake Suzy
Arcadia, FL 33821

Dear Harold:

As you requested, enclosed is an executed copy of the sewer purchase agreement between Deep Creek Utilities, Inc. and Kingsway Properties, Inc. wherein service is intended to be provided for 104 golf villas.

This agreement is subject to the receipt of monies by Deep Creek Utilities, Inc. as set out in the agreement and compliance with terms and acceptance as required by General Development Utilities, Inc. and governmental agencies, including Charlotte County, Florida.

Sincerely,

DEEP CREEK UTILITIES, INC.

BY: Hugh W. Landis
Hugh W. Landis, Vice President

KINGSWAY PROPERTIES, INC.

BY: _____

SEWER PURCHASE AGREEMENTFL#2004011463 B 554 P 913
REC NO. 01430026262

THIS AGREEMENT is made and executed this 6th day of AUGUST, 1985, by and between DEEP CREEK UTILITIES, INC., a Florida corporation, hereinafter referred to as UTILITY, and KINGSWAY PROPERTIES, INC., hereinafter referred to as DEVELOPER.

W I T N E S S E T H

WHEREAS, UTILITY is a water and sewer utility certified by the Board of County Commissioners of Charlotte County, Florida, which pursuant to certain agreements it has with General Development Utilities, Inc. (hereinafter referred to as GDU), is capable of serving DEVELOPER'S 104 Kingsway Golf Villas as more clearly shown on the map marked Exhibit "A", and

WHEREAS, DEVELOPER has requested UTILITY to accept sewage for treatment for the 104 villa development, and

WHEREAS, DEVELOPER recognizes and agrees that UTILITY'S obligation to provide sewer service to DEVELOPER is at all times subject to governmental regulations, prohibitions, limitation and restriction as well as its contract with GDU, its ability to obtain sewer service from GDU, and that these factors are beyond the control and responsibility of UTILITY.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants each unto the other made and as hereinafter set forth, it is hereby agreed by and between the parties as follows:

A. UTILITY AGREES:

1. It will accept sewage for treatment from the Kingsway Villas being developed to contain 104 multi-family units. That 26 units will be constructed per year starting in 1985 and ending in 1988.

2. To accept sewage in such quantity for the 104 units up to but not exceeding an average amount of 155 gallons per day per unit.

3. To accept and provide during the term of this contract, or any renewal or extension hereof, the acceptance and transmission of sewage (limited to domestic waste) for treatment by GDU in accordance with standards of the state regulatory agencies of the State of Florida from the point of delivery shown in Exhibit "A".

4. Emergency failure of sewage force main equipment and/or collection system not under ownership and control of UTILITY, and/or power failure, flood, fire, catastrophes and other matters beyond the control of UTILITY shall excuse UTILITY from the provisions hereof for such reasonable period of time as may be necessary to restore service to normal conditions.

5. It will, at all times, operate and maintain its transmission lines and related equipment in an efficient manner and will take such action as may be necessary to provide the capacities required. Circumstances resulting in the temporary or partial failure to, or inability to handle sewage as required by this Agreement shall be remedied with all possible dispatch:

6. All rates and charges made by UTILITY to DEVELOPER, and to future customers who will be serviced by UTILITY, shall be made in accordance with Exhibit "B".

B. DEVELOPER AGREES:

1. To construct or have constructed, furnished, installed, operated and maintained the necessary metering equipment, its appurtenances conforming to UTILITY'S specification and approval. The DEVELOPER will furnish a meter which shall be of an approved type for properly measuring the quantity of sewage delivered to DEVELOPER and shall be subject to UTILITY'S prior approval. DEVELOPER shall have the master meter calibrated once every twelve (12) months at its cost. A meter registering not more or less than two (2) percent above or below one hundred (100) percent shall be considered accurate. Previous readings of any meter that is disclosed by tests to be inaccurate shall be corrected for the six (6) months prior to the test, or the last test if less than six (6) months. This correction shall be made by revising the previous readings by the percentage of inaccuracy found by the test.

2. To notify UTILITY in writing not less than sixty (60) days prior to estimated date of completion of construction of facilities, the date on which DEVELOPER will require initial connection to the sewer mains.

3. That the provisions of this Agreement shall not be construed as establishing a precedent as to the amount or basis of contributions to be made by DEVELOPER or other customers, or the acceptance thereof on the part of UTILITY, for other utility system extensions that may be required hereafter by DEVELOPER and which are not presently covered by this Agreement and shall not be construed as a commitment to serve or to reserve capacity beyond the terms of this Agreement.

FL#2004011463 B 554 P 915
REC NO. 01430026262

4. To pay UTILITY within ten (10) days after statement is rendered UTILITY, all sums due and payable as set forth in such statement. Upon the failure or refusal of DEVELOPER to pay the amounts due on statements as rendered; UTILITY may, upon thirty (30) days notice being given to DEVELOPER, terminate sewer service to DEVELOPER.

5. DEVELOPER will bear all expenses of connecting to sewer manhole of the utility system as shown in Exhibit A. Such expenses may include, but are not limited to, open cutting and related street repair and restoration or jack and bore under streets (as required by the County), installation of pipe, force mains, permits, and necessary and convenient appurtenances as well as all costs of connection to UTILITY'S systems. It is further agreed that upon the signing of this Agreement, DEVELOPER shall pay UTILITY the Sewage Plant Capacity Fees in the amount of \$13,506.25 for the first twenty-six (26) units. Additional connection charges will be paid upon connection of additional units until such time as the 104 units are served. Payment for the units will be in accordance with Exhibit "B". The DEVELOPER agrees to pay the difference between the current charges and those in effect at time service is provided.

6. DEVELOPER agrees to pay a reserve capacity charge in the amount of \$7.75 per month per unit for those multi-family units not connected twelve (12) months after the execution date of this Agreement until each unit is connected and using the reserved facilities. The per unit charge is subject to change from time to time as may be approved by Charlotte County.

7. DEVELOPER will bear all expenses and be responsible for the maintenance of sewer system located on its property and force main connecting to the UTILITY System. DEVELOPER shall own, operate and maintain all the distribution system and force mains, lift station and collection systems on its property, including the force main connecting to the Utility System. DEVELOPER shall maintain collection systems in such a condition as to avoid excessive infiltration. UTILITY shall have the right to: inspect the DEVELOPER'S facilities; after proper notification to DEVELOPER; to read and calibrate the sewage meter at UTILITY'S discretion; and to check for unauthorized tie-ins, hook-up or any other possible sources of contamination to ensure the system is functioning properly and not subject to excessive infiltration. The DEVELOPER agrees to correct, without delay, excessive hazards to the system at its own expense. Upon a determination by UTILITY that excessive infiltration exists, UTILITY shall notify DEVELOPER to correct said infiltration

FL#2004011463 B 554 P. 916
REC NO. 01430026262

without delay and in no event later than forty-five (45) days from receipt of notification. Failure to correct said excessive infiltration within said forty-five (45) day period or such longer period as may be agreed upon by UTILITY for good cause shown by DEVELOPER shall result in immediate cessation of services within the development to the sewer system and in UTILITY correcting the excessive infiltration at DEVELOPER'S sole cost and expense. Resumption of connections shall occur upon the correction of the excessive infiltration.

8. DEVELOPER agrees not to allow any tie-ins or hook-ups to the sewer system not specifically authorized by UTILITY in writing.

9. DEVELOPER shall not assert any claim hereunder against UTILITY for loss or damage which may result from the inadequacy or unavailability sewer service, and DEVELOPER shall indemnify UTILITY from any and all claims or liability for loss or damage for any person or property whatsoever resulting from, arising out of, or connected with the services provided herein.

10. DEVELOPER agrees that in the event UTILITY must construct and install additional improvements to sewer systems pursuant to UTILITY'S agreement with GDC, or requirements of any government or agency, DEVELOPER shall pay its pro rata share based upon the total number of sewer customers UTILITY is then serving.

11. To limit waste introduced into the sewage collection system to domestic waste. The introduction of industrial waste or storm drainage into the system is prohibited.

12. DEVELOPER agrees that UTILITY shall not be responsible for loss or damage resulting from the requirement of maintenance, routine or emergency, or from unforeseen acts such as flood, fire power failure, earthquake or other catastrophe.

C. UTILITY AND DEVELOPER AGREE:

1. This Agreement shall be governed by applicable rules, laws and regulations of any governmental body, federal, state, or local, including departments and agencies having jurisdiction in Charlotte County. The parties agree to be bound by such increase or decrease in gallonage amounts and rates which may be prescribed, from time to time, by said body or other agency having jurisdiction thereof. DEVELOPER shall therefore pay UTILITY rates and charges in accordance with approved tariffs as referenced in Exhibit "B" and acknowledges that as UTILITY'S costs are modified, those new costs shall be passed on to DEVELOPER, subject to rates set being approved by the County.

2. This Agreement shall be binding upon the successors, assigns and legal representatives of the respective parties hereto.

3. Any notice required to be given pursuant to the terms of this Agreement shall be deemed properly given when sent by United States Certified Mail, Return Receipt Requested, to the respective parties herein, at the last known address of the parties and to such governmental bodies or agencies as are required by law, regulation, or ordinance.

4. It is further mutually agreed and understood by UTILITY and DEVELOPER that the commitment to accept and provide service may be limited in the event that UTILITY is prohibited, limited or restricted from accepting further connections by GDU or by local, state or federal government agencies having jurisdiction over such matters until such time as said prohibition, limitation or restriction is revoked, altered or amended, thus allowing UTILITY to again render service. UTILITY is required to give DEVELOPER notice of action of such occurrence as soon as possible.

5. Both parties acknowledge that this Agreement, its terms and provisions are subject to UTILITY'S agreements with GDU; its ability to obtain sewer service from GDU; and to regulation, prohibition, limitation and restriction by local, regional, state and federal agencies, including but not limited to Charlotte County.

IN WITNESS WHEREOF, the parties have caused these presents to be executed on the day and year first written.

[Signature]
(First Witness as to UTILITY)

[Signature]
(Second Witness as to UTILITY)

[Signature]
(First Witness as to Developer)

[Signature]
(Second Witness as to DEVELOPER)

UTILITY:

DEEP CREEK UTILITIES, INC.

BY: [Signature]
(CORPORATE SEAL)

ATTEST: [Signature]
SAC

DEVELOPER:

KINGSWAY PROPERTIES, INC.

BY: [Signature]
(CORPORATE SEAL)

ATTEST: [Signature]

FL#2004011463 B.554 P.918
REC NO. 01430026262

EXHIBIT B

WHEREAS, DEEP CREEK UTILITIES, INC., hereinafter DEEP CREEK, purchases sewer services from GENERAL DEVELOPMENT UTILITIES, INC., hereinafter GDU, in accordance with charges and rates as set forth in agreements between those respective parties, and

WHEREAS, DEEP CREEK's connection (plant capacity) charges in its tariff are the same amount as those connection (plant capacity) charges made by GDU to DEEP CREEK, and

WHEREAS, DEEP CREEK has a significant investment in its own system and significant costs and expenses related thereto, now

THEREFORE, DEVELOPER'S connection (plant capacity) charges under this AGREEMENT shall be in accordance with the agreements between DEEP CREEK and GDU and the current tariffs approved by Charlotte County plus a surcharge of fifty (50%) percent.

All other rates and charges under this AGREEMENT, including usage rates, base facility charges and reserve capacity charges shall be in accordance with the agreements between DEEP CREEK and GDU and the current tariffs approved by Charlotte County.

EXHIBIT "B"

FL#2004011463 B 554 P 919
REC NO. 01430026262

**LAKE SUZY WATER SYSTEM
UTILITY ASSET TRANSFER AGREEMENT**

THIS AGREEMENT, is made and entered into this 30TH day of SEPTEMBER, 2004, by and between **DeSoto County**, a political subdivision of the State of Florida (hereinafter "COUNTY"), and **Lake Suzy Utility, Inc.**, a Florida corporation (hereinafter "LSU").

RECITALS

1. LSU owns and operates a potable water storage, transmission, and distribution system and a sanitary wastewater collection, treatment, and effluent disposal system in DeSoto County, Florida, known as the LSU Water and Wastewater System.

2. Pursuant to its governmental powers under Chapter 125, Florida Statutes, and other applicable laws, the COUNTY is authorized to preserve and enhance present advantages, encourage the most appropriate use of land, water and resources, consistent with public interest, facilitate adequate and efficient provision of water and sewerage facilities, and conserve, develop, utilize, and protect natural resources within its jurisdiction.

3. In exchange for certain considerations, LSU is willing to transfer the LSU Water System to the COUNTY and the COUNTY is willing to accept the LSU Water System from LSU.

4. In exchange for certain considerations, the COUNTY is willing to transfer the Kingsway Wastewater System and grant an exclusive franchise to LSU.

5. The COUNTY has the power and authority to acquire the LSU Water Systems and to operate the LSU Water System in order to provide potable water infrastructure and service within DeSoto County, and LSU has the power and authority to transfer the LSU Water System.

6. Pursuant to Section 125.3401, Florida Statutes, the COUNTY has examined LSU's water system assets, has examined its existing financial structure, has examined the long-range needs and goals of the COUNTY relative to the provision of water service to its present and future citizens, and has determined that the acquisition of the LSU Water System is in the public interest.

7. The parties are entering a companion utility asset transfer agreement this same date to transfer the COUNTY's Kingsway Wastewater System to LSU.

8. The COUNTY acknowledges and represents that this transaction is being consummated under threat of condemnation.

9. The parties have negotiated in good faith and are empowered to be bound by the terms and conditions set forth in this agreement.

ACCORDINGLY, in consideration of the above Recitals and benefits to be derived from the mutual observation of the covenants contained herein, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

SECTION 1. RECITALS. The above recitals are true and correct, and form a material part of this Agreement.

SECTION 2. TRANSFER OF WATER SYSTEM ASSETS. LSU, pursuant to the circumstances noted in the Recitals above, agrees to transfer and the COUNTY agrees to accept the LSU Water System, consisting of all real, personal, and mixed property used or held for use in connection with the LSU Water System, hereinafter referred to as the "Transferred Assets" or the "Water System Assets." The parties agree that the value of the Water System Assets is NINE HUNDRED TWENTY-FOUR THOUSAND, FIVE HUNDRED DOLLARS (\$924,500.00).

SECTION 3. TRANSFERRED ASSETS. On the closing date, as defined below, LSU shall assign, transfer, convey, and deliver to COUNTY, and COUNTY shall accept and pay for all of the right, title and interest, in and to the following property and assets:

3.1 Real Property. All real property and interests in real property (the "Property"), owned by LSU, as described in Exhibit "1" hereof, whereupon water storage, transmission, and distribution facilities, wells, pumping stations, and any and all other water service facilities are located. LSU is transferring and the COUNTY is accepting two acres of the wastewater plant site from LSU and agrees to process the necessary land use and zoning approvals to permit LSU to expand wastewater facilities upon the remaining 17.55 acres of its existing wastewater plant site.

3.2 Easements and Other Rights. All rights, privileges, easements, licenses, prescriptive rights, rights-of-ways, and rights to use public and private roads, highways, streets, and other areas owned and/or used by LSU in connection with the construction, reconstruction, installation, maintenance and operation of the LSU Water System and the Transferred Assets (collectively referred to as the "Easements"). The Easements are more particularly described in Exhibit "2" hereof, provided that, such easements located or shown in recorded plats and rights to locate lines in dedicated public rights-of-way are not included in this exhibit but which are nevertheless being transferred to the COUNTY. LSU

agrees to provide good and marketable title or render the title good and marketable after closing pursuant to Section 6.3 herein.

3.3 Water Facilities. The following assets owned by LSU and used or held for use in connection with the LSU Water System, are more specifically described in Exhibit "3" hereof, including all water production, storage, transmission, distribution, pumping, and other water facilities of every kind and description whatsoever including without limitation, all trade fixtures, leasehold improvements, lift stations, pumps, generators, controls, collection and transmission pipes or facilities, valves, meters, service connections, and all other water service connections, and all other water physical facilities and property installations in use in connection with the operation of the LSU Water System by LSU. Except for the interests in real property to be transferred hereunder, the parties hereto agree that the COUNTY is accepting the physical assets of LSU in an "as is" and "where is" condition without relying upon any warranty or representation from LSU regarding the physical condition of the Transferred Assets or condition of any of the improvements constructed thereon. Except for the interests in real property to be conveyed hereunder, the COUNTY has made its own investigations of the Transferred Assets and is relying solely upon these investigations in making the purchase described in this Agreement.

3.4 Equipment. All equipment, tools, parts, laboratory equipment, office equipment and other personal property owned by LSU and located on the property and/or utilized by LSU exclusively in connection with the operation of the LSU Water System. Such equipment as exists is so minor that no inventory thereof is required.

3.5 Customer Records and Supplier Lists; Plans and Specifications. All current customer records and supplier lists, as-built surveys, and water and sewer plans, plats, engineering and other drawings, designs, blueprints, plans and specifications, any and all reproducible documents, mylars, sepias, and other original documents used or held for use with the LSU Water System, accounting and customer records and all other information and business records in the possession of LSU that relate to the operation of the LSU Water System. LSU may make copies of its books, plans and records, at its expense, before transferring the original or copies of the books, plans and records to the COUNTY. These documents shall include any such documents related to work-in-progress, if any. A listing of the as-built engineering plans is attached to and incorporated in this Agreement as Exhibit "4."

3.6 Certificates, Permits, and Approvals. Subject to all necessary regulatory approvals and to all conditions, limitation, or restrictions contained therein, all existing original certificates, permits, and other governmental authorizations and approvals of any kind in the possession of LSU necessary to operate and maintain the LSU Water System in accordance with all governmental requirements, more specifically described in Exhibit "5," attached to and incorporated in this Agreement. Certificated Service Area maps and legal

descriptions accurately reflecting those service areas currently certificated by the FPSC related to the LSU Water System are attached to and incorporated in this agreement as Exhibit "6." The COUNTY agrees to execute necessary forms required by governmental agencies to transfer and to assume LSU'S future obligations under said permits and approvals. These certificates, permits, and approvals shall include any such certificates, permits, and approvals related to work-in-progress, if any.

3.7 Excluded Assets. The following assets of LSU regarding the LSU Water System shall not be included in the assets conveyed to COUNTY as part of the Purchased Assets:

- (1) LSU'S cash and LSU'S bank account;
- (2) Federal, State or Local Tax or other deposits maintained by LSU with any governmental authority for LSU'S use and benefit;
- (3) Vehicles or other equipment which are not utilized by LSU exclusively in the operation and maintenance of the LSU Water Systems; and
- (4) All furniture, fixtures, office equipment, general business records and other assets of LSU not located on the site of the LSU Water System or which are not held for the exclusive use or benefit of the LSU Water System.

SECTION 4. PURCHASE PRICE. The parties hereto have agreed upon a purchase price through a substantial and complicated negotiating process. The Purchase Price agreed upon is neither the highest, nor the lowest, amount that could be justified as a fair value of the LSU Water System according to the terms and conditions of this Agreement. Such Agreement has been reached in order to make the acquisition of the Purchased Assets attainable by the COUNTY with a view that the COUNTY will carry through the written commitments of LSU to its consumers, and that the COUNTY will attempt to operate the system in as efficient manner as possible, subsequent to the closing. The Purchase Price is the COUNTY'S commitment to transfer the Kingsway Wastewater System and grant an exclusive wastewater franchise to LSU.

SECTION 5. TITLE EVIDENCE. LSU'S attorneys, Abel, Band, Russell, Collier, Pitchford & Gordon, shall cause to be issued, at the expense of the COUNTY, a title commitment for an owners ALTA Form B Marketability Policy in favor of the COUNTY from a title insurance company licensed in Florida as determined by the COUNTY in its sole discretion. LSU shall convey a marketable title subject only to the title exceptions set forth below.

5.1 Exceptions to Title. The Commitment shall show LSU to be (i) vested with fee simple title to the Property shown on Exhibit "1" and (ii)

vested with valid easement interests for the easements described on Exhibit "2," subject to following (the "Permitted Exceptions"):

- (1) Ad valorem real estate taxes and assessments for the year 2003 and subsequent years;
- (2) Restrictions set out in the recorded plats of subdivisions;
- (3) Easements for utilities and drainage set out in such recorded plats of subdivisions; provided, however, that none of the restrictions or easements set out in such recorded plats of subdivisions shall prevent, hinder or restrict the present use of the Property;
- (4) Restrictions of record (except liens, encumbrances, or mortgages) that do not impair, restrict, or inhibit the present use of or improvement to the property as permitted by applicable zoning and land use regulations presently in effect and that are not coupled with a forfeiture or reversionary provision; and
- (5) All laws, ordinances, and governmental regulations, including, but not limited to, all applicable building, zoning, land use and environmental ordinances, regulations, restrictions, prohibitions and other requirements, none of which will prevent or hinder the present use of the Property and Easements.

5.2 Status of Title. The COUNTY shall have fourteen (14) days to examine the Title Commitment. If the COUNTY finds title, as shown on the Commitment, to be defective (i.e., matters which render title unmarketable in accordance with the title standards adopted by the Florida Bar and are not Permitted Exceptions), the COUNTY shall, within five (5) days thereafter, notify LSU specifying the defect(s), provided that if the COUNTY fails to give LSU notice of defect(s) during said nineteen (19) day period, the defects shown in the Commitment shall, anything in this Agreement notwithstanding, be deemed to be waived as title objections to closing this transaction and LSU shall be under no obligation whatsoever to take any corrective action with respect to same nor to warrant title to same in its statutory warranty deed of conveyance. If the COUNTY has given LSU timely notice of defect(s) and the defect(s) render the title other than as required by this Agreement, LSU shall use its reasonable efforts to cause such defects to be cured by the Closing Date. In the event that defects are timely raised and LSU, after exercising all reasonable efforts, cannot clear same prior to the Closing Date, then, in that event, the COUNTY shall have the right to purchase the Property and Easements in its then existing condition of title, or to rescind and terminate this Agreement without liability by either party to the other. Notice of such election shall be given by the COUNTY to LSU, as contemplated in this Agreement, within the time herein prescribed.

5.3 Deletion of Standard Exceptions. LSU will execute at or prior to closing, in favor of the title insurance company, the standard form mechanic's lien affidavit and "Gap" affidavit to allow the title Company to delete all standard exceptions addressed by such affidavits. Prior to closing, the surveys shall be updated as reasonably requested by the Title Company or COUNTY so that the survey exception may be deleted.

SECTION 6. REPRESENTATIONS AND WARRANTIES OF LSU. LSU represents and warrants to COUNTY that:

6.1 Organization, Standing And Power. LSU is a corporation, duly organized, validly existing, and in good standing under the laws of the State of Florida. LSU has all requisite power and authority to own and lease its properties being conveyed hereunder and the LSU Water System, and to conduct its businesses related thereto as it is currently being conducted.

6.2 Authority for Agreement. LSU has the power and authority to execute and deliver this Agreement and to carry out its obligations hereunder. This Agreement has been duly authorized by all action required to be taken by LSU, has been duly executed and delivered by LSU, and constitutes a valid and binding obligation of LSU, enforceable in accordance with its terms.

6.3 Good and Marketable Title. Subject to the Permitted Exceptions, LSU has good and marketable title to the Purchased Assets.

6.4 No Liens or Encumbrances. Except as otherwise specifically set forth in this Agreement or as may be released at or prior to the Closing Date, there are no mortgages, liens, claims or encumbrances of any type or nature upon or against the Purchased Assets including, but not limited to, mortgages, financing statements, or security instruments filed under the Uniform Commercial Code either in the County where the Property is located or with the Secretary of State. LSU is in exclusive ownership, possession, and control of the Purchased Assets except for non-exclusive easements and LSU at closing shall deliver possession and control of the Purchased Assets to the COUNTY.

6.5 Litigation. There are no actions, suits, or proceedings at law or in equity, pending against LSU before any federal, state, municipal or other court, administrative or governmental agency or instrumentality, domestic or foreign, which affect the LSU Water System or any of the Purchased Assets or LSU'S right and ability to make and perform this Agreement; nor is LSU aware of any facts which to its knowledge are likely to result in any such action, suit or proceeding. LSU is not aware and has not been notified that it is in default with respect to any permit, approval order or decree of any court or of any administrative or governmental agency or instrumentality affecting the LSU Water System or any of the Purchased Assets. LSU agrees and warrants that it shall have a continuing duty to disclose up to and including the Closing Date the existence and nature of all pending judicial or administrative suits, actions,

proceedings, and orders which in any way relate to the operation of the LSU Water System.

6.6 Leases. None of the Purchased Assets are subject to any interest of any lessor or lessee.

6.7 No Governmental Violations. LSU is not aware and has not been notified of the existence of any violations of any governmental rules, regulations, permitting conditions or other governmental requirements applicable to the ownership, maintenance or operation of the LSU Water System.

6.8 No Record Violations. LSU is not aware and has not been notified of any restrictions or conditions of record which would adversely affect the use of the LSU Water System on the Property or Easements as described in Exhibits "1" and "2."

6.9 Absence of Changes. After the date of the execution of this Agreement, LSU shall not permit any change in its condition of properties, assets, liabilities, business or operations other than changes in the ordinary course of business which are not, either in any case or in the aggregate, materially adverse to the operation of the LSU Water System.

6.10 Disclosure. No representation or warranty made by LSU in this Agreement contains any untrue statement of material facts or omits to state any material fact required to make the statements herein contained not misleading. Should LSU become aware that any of the representations or warranties to COUNTY provided for herein are, or may reasonably be, materially untrue or incorrect, LSU will promptly advise the COUNTY of same, in writing, specifying in reasonable detail the reasons why LSU believes such representations or warranties of COUNTY are, or may reasonably be, untrue or incorrect.

6.11 Survival of Covenants. LSU agrees that its representation and warranties set forth herein are true and correct as of the date of the execution hereof shall be true and correct at the time of the Closing Date, and shall survive the Closing Date for two (2) years thereafter, except that LSU'S covenants related to title to the Purchased Assets shall not expire.

6.12 FIRPTA. LSU is not a "foreign person" within the meaning of the United States tax laws and to which reference is made in Section 1445 (b) (2) of the Internal Revenue Code. On the Closing Date, LSU shall deliver to the COUNTY a certificate to such effect.

6.13 All Necessary Governmental Permits and Approvals. As of the Closing Date, LSU warrants that it shall transfer to the COUNTY all necessary governmental permits and approvals such that the COUNTY can operate the LSU Water System.

6.14 No Violation by Virtue of Election. The execution, delivery and performance of this Agreement will not violate any provision of law, order of any court or agency of government, the Articles of Incorporation or any by-laws of LSU. or any indenture, agreement, or other instrument to which LSU is a party.

6.15 No CERCLA Violations. LSU has not violated, except as disclosed by the environmental audits, in connection with the ownership, use, maintenance, or operation of the Property or the Purchased Assets, applicable environmental, federal, state, county, or local laws relating to pollution or protection of the environment, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act, or the Toxic Substance Control Act ("Environmental Laws"). LSU has not authorized the placing or depositing of hazardous substances on the real property portion of the Purchased Assets except, if at all, in accordance with the applicable Environmental Laws, and LSU has no actual knowledge of any hazardous substance having been, or currently being, placed or deposited on the premises except in accordance with such Laws.

6.16 Location of Water Facilities. The water facilities used in the operation of the LSU Water System are located on the Property as identified in Exhibit "1" or in Easements described in Exhibit "2", and the use of such water facilities on the Property does not violate any zoning certifications, special exceptions or variances in a manner which would prohibit or materially interfere with the operation and maintenance of such water facilities.

6.17 Assignment of Certain Agreements. To the extent such is required, LSU agrees that it shall obtain all necessary assignments, consents, and approvals in order to assign the agreements set forth in Exhibit "7" as referenced in Section 18 hereof.

6.18 No Construction. There is no construction work in progress on the Property.

6.19 All Documents. LSU has provided all documents and information requested in furtherance of this Agreement by COUNTY in relation to the LSU Water System and Purchased Assets which are available or can be reasonably available to LSU.

SECTION 7. CONDUCT PENDING CLOSING. LSU covenants that pending the closing:

7.1 Business Conduct. Except as otherwise consented to in writing by COUNTY, whose consent shall not be unreasonably withheld, delayed

or conditioned, for the period beginning on the date of execution of this Agreement and ending on the Closing Date, LSU shall:

(1) operate the LSU Water System in, and only in, the usual, regular and ordinary course and nevertheless comply with all applicable governmental requirements and law;

(2) maintain all of the LSU Water System's material structures, equipment, permits and other tangible personal property in good repair, order and condition, except for depletion, depreciation, ordinary wear and tear and damage by unavoidable casualty;

(3) keep in full force and effect insurance comparable in amount and scope of coverage to insurance now carried by it for the LSU Water System;

(4) perform in all material respects all of its obligations under agreements, contracts and instruments relating to or affecting the LSU Water System's properties, assets and operation;

(5) subject to available administrative remedies pursuant to Chapter 120, Florida Statutes, or any administrative judicial procedures or proceedings applicable to particular permits, comply in all material respect with all statutes, laws, ordinances, rules and regulations applicable to it and to the operation of the LSU Water System;

(6) promptly advise the COUNTY, in writing, of any material change which adversely affects the operation of the LSU Water System;

(7) not enter into any transaction, including without limitation, the purchase, sale or exchange of property the value of which exceeds \$5,000.00, which relates to the LSU Water System, except in furtherance of this Agreement with LSU, or the rendering of any service to LSU except in the ordinary course of and pursuant to the reasonable requirements of the business of LSU;

(8) subject to available administrative remedies pursuant to Chapter 120, Florida Statutes, or any administrative or judicial procedures or proceedings applicable to particular permits, comply with all LSU Water System permit requirements and obtain all necessary permit extensions or renewals with no additional operational or capital obligations such that said permits are valid as of the Closing Date; and

(9) seek and obtain any necessary permit extension or renewal so that said permits are valid, extended, or seeking extension as of the Closing Date.

7.2 Risk of Loss. LSU shall bear the risk of loss, damage or destruction of the Purchased Assets by fire or other casualty prior to and including the Closing Date. If any portion of the Purchased Assets is damaged by fire, act of God or other casualty before the Closing Date, the COUNTY shall have the option of (1) taking the Purchase Assets as is, without reduction in price, together with LSU's assignment to the COUNTY of all rights under its insurance policies and all of the insurance proceeds, if any; or (2) taking the Purchased Assets, as is, with a reduction in price, mutually agreed to by LSU and COUNTY, based upon a percentage allocation of the Purchase Price derived by comparing the net book value of the Purchased Assets destroyed to the net book value of the LSU Water System and LSU shall maintain all rights under its insurance policies and to all of the insurance proceeds; or (3) canceling this Agreement in which event the Parties hereto shall be released from all further obligations to each other.

7.3 Access to Records. LSU will at all times cooperate by providing reasonable access, upon prior written notice (not less than forty-eight (48) hours in advance), to their records and facilities applicable to the LSU Water System for inspection to assist in acquainting the COUNTY's operating and administrative personnel in the operation of the LSU Water System; provided, however, that no such inspection shall materially interfere with the operation of the LSU Water System or the day to day activities of LSU's personnel.

7.4 Performance of Closing Conditions. LSU shall perform all of the conditions to closing which should be performed by LSU prior to the Closing Date as provided herein.

7.5 Examination and Inspection. LSU will permit reasonable examination by the COUNTY's authorized representatives of all existing contractual obligations, physical systems, assets, real estate, rights-of-way, easements and inventories which are utilized by LSU in connection with the LSU Water System. No such examination by the COUNTY's authorized representatives shall interfere with the LSU's operations of the LSU Water System or the day to day operations of LSU's personnel. LSU shall make these assets and records available for examination by the COUNTY's authorized representatives at reasonable times and upon prior written notice (not less than forty-eight (48) hours in advance) from the COUNTY. Such facilities will be properly maintained by LSU within the custom and usage of the water and wastewater industry in Florida until the Closing Date.

SECTION 8. REPRESENTATIONS AND WARRANTIES OF LSU. LSU represents and warrants the COUNTY, as follows:

8.1 Organization, Standing and Power of LSU. LSU is a corporation duly chartered and validly existing under the laws of the State of Florida and has all requisite right, power and authority to enter into this

Agreement, to own and lease real and personal property, and to carry out and perform the terms and provisions of this Agreement.

8.2 Authority for Agreement. LSU has the authority and power to execute and deliver this Agreement and to carry out its obligations hereunder. This Agreement has been duly authorized by all action required to be taken by LSU, has been duly executed and delivered by LSU, and constitutes a valid and legally binding obligation of LSU, enforceable in accordance with its terms.

8.3 Disclosure. No representation or warranty made by LSU in this Agreement contains or will contain any untrue statement of material facts or omits or will omit to state any material fact required to make the statements herein contained not misleading. Should LSU become aware that any of the representations or warranties of the COUNTY provided for herein are, or may reasonably be, materially untrue or incorrect, LSU will promptly advise the COUNTY of same, in writing, specifying in reasonable detail the reasons why the LSU believes such representations or warranties of the COUNTY are, or may reasonably be, untrue or incorrect.

8.4 Litigation. There are no actions, suits, or proceedings at law or in equity, pending against LSU before any federal, state, municipal or other court, administrative or governmental agency or instrumentality, domestic or foreign, which affect LSU's ability to enter into and perform this Agreement. LSU shall have the continuing duty to disclose up to and including the Closing Date the existence and nature of all pending judicial or administrative suits, actions, proceedings, and orders which in any way relate to its ability to perform its obligations under the Agreement.

8.5 Performance of Closing Conditions. LSU shall perform all of the conditions to closing which should be performed by LSU prior to the Closing Date as provided herein.

8.6 Survival of Covenants. LSU agrees that its representation and warranties set forth herein are true and correct as of the date of the execution hereof, shall be true and correct at the time of the Closing Date, and shall survive the Closing Date.

8.7 Delivery of Resolution. If it has not already done so, LSU will deliver to the COUNTY a certified copy of a resolution of the Board approving LSU's execution and performance of this Agreement with five (5) business days of LSU's hereof.

8.8 No Conflicts. The execution, delivery and performance of this Agreement will not violate any provision of law, order of any court or agency of government, the charter of LSU, or any administrative regulation or decree, or any provision of the Constitution or the laws of the State of Florida relating to

LSU or its affairs or any ordinance, resolution, agreement, indenture, lease, or other instrument to which LSU is a party, subject or by which it is bound.

8.9 LSU Actions. LSU shall take no action inconsistent with its express obligations under the terms and conditions of this Agreement.

8.10 Inspections. All inspections of the Kingsway Wastewater System by LSU or its representatives performed pursuant to this Agreement shall not materially interfere with the operation of the Kingsway Wastewater System or the day-to-day activities of the COUNTY's personnel, and LSU agrees to indemnify and hold the COUNTY harmless from any third party claims, actions, expenses, or damages, including costs and attorney's fees at trial and appeal, which the COUNTY incurs (for personal injury or property damage) as a direct result of the inspection of the Kingsway Wastewater System by LSU, its agents, contractors, representatives and/or employees.

SECTION 9. ADDITIONAL CONDUCT PENDING CLOSING. The COUNTY and LSU covenant with each other that pending the closing on this transaction, neither shall obstruct, hinder or interfere in the operation of the LSU Water System by LSU or with the processing and consideration by governmental agencies of any applications or petitions filed by LSU or COUNTY that are related to the LSU Water System. LSU shall execute all necessary documents to assist in securing necessary governmental approval(s) for the renewal, expanded use, and transfer of said permit, and shall use its best efforts to assist the COUNTY in obtaining all such necessary governmental approvals. Prior to closing, neither the COUNTY, nor any of COUNTY's representatives, consultants, employees or agents shall file any application or petition with any governmental agency having jurisdiction over the LSU Water System.

SECTION 10. ADJUSTMENTS AND PRORATIONS; CLOSING COSTS. At the time of closing, the parties covenant and agree that the following adjustments shall be made:

10.1 Real and personal property taxes for 2004 on all real and personal property which is being conveyed by LSU to the COUNTY, shall be prorated as of 11:59 p.m. of the Closing Date and shall be paid by LSU in accordance with Section 196.295, Florida Statutes. The COUNTY shall not be charged with proration of any ad valorem taxes. LSU shall remain obligated to pay real and personal property taxes for any prior years.

10.2 All rates, fees, and charges for water service through the Closing Date shall be the property of LSU. LSU shall include a written notice to each customer that the LSU Water System are being transferred to the COUNTY. All rates, fees, and charges for water service after the Closing Date shall be the property of the COUNTY. Unbilled revenues at the Closing Date shall be prorated between LSU and COUNTY based upon the prior month's unbilled revenues. Subject to state law, COUNTY agrees to disconnect service from any customer who fails to pay LSU amounts owed LSU through the Closing

Date upon notification to COUNTY by LSU that such amounts are sixty (60) days past due.

10.3 LSU shall request all of its suppliers and vendors to submit final invoices for services, materials, and supplies, including electricity for the period up to and including the Closing Date. LSU shall be responsible for, and shall provide to the COUNTY, upon request, evidence of the payment of all such invoices.

10.4 LSU shall retain all Connection Charges, as hereinafter defined, heretofore paid to LSU. LSU has entered into no agreements or commitments with developers or customers providing for the extension of services or facilities with regard to the LSU Water System. COUNTY shall be entitled to receive all Connection Charges paid after the Closing Date. The term Connection Charges shall mean connection, plant capacity, main extension, allowance for funds prudently invested ("AFPI") charges and/or capital charges ("Connection Charges").

10.5 All adjustments and prorations shall be calculated as of 11:59 p.m. of the Closing Date.

10.6 All costs of recording any releases, satisfactions or corrective instruments, if any, shall be paid by LSU.

10.7 Certified, confirmed or ratified special assessments or municipal liens prorated as of the Closing Date will be paid by LSU.

10.8 Any taxes on gross receipts or regulatory assessment fees incurred as of the Closing Date shall be paid by LSU.

10.9 If applicable, rents under any lease agreement assumed by the COUNTY hereunder shall be prorated as of the Closing Date.

10.10 All bills for other services, materials and supplies rendered in connection with the operation of the LSU Water System prior to closing shall be paid by LSU.

10.11 The COUNTY acknowledges that LSU has agreed to sell its assets under threat of condemnation. As such, LSU shall not be responsible for or required to pay the documentary stamp tax on the deeds of conveyance of Property included in the Purchased Assets.

SECTION 11. INDEMNITIES. Except as otherwise provided for in this Agreement and subject to state statute, LSU shall indemnify and hold the COUNTY, its representative agents and employees harmless from and against any and all claims, liability, demands, damages, surcharges, refunds, expenses, fees, fines, penalties, suits, proceedings, actions and fees, including damage to property or property rights that may arise from or are related to third party claims

arising from or related to acts, errors, or omissions of LSU, its agents, employees, servants, licensees, invitees, or contractors or by any person under the control or direction of LSU arising out of (1) its operation, maintenance, or management of the LSU Water System up to and including the Closing Date, (2) the SWFWMD Enforcement Action, (3) any local, state, or federal enforcement case that may be later filed after the Closing Date related to alleged or actual violations of local, state or federal laws, rules, ordinances, policies, or requirements that occurred prior to or on the Closing Date, or (4) any FPSC rate case proceeding related to the LSU Water System. The COUNTY shall indemnify and hold LSU, its representative agents and employees harmless from and against any and all third party claims, liability, demands, damages, surcharges, refunds, expenses, fees, fines, penalties, suits, proceedings, actions and fees, including damage to property or property rights that may arise from or which are related to the acts, errors, or omissions of the COUNTY, its agents, employees, servants, licensees, invitees, or contractors or by any person under the control or direction of the COUNTY arising out of (1) its operation, maintenance, or management of the LSU Water System subsequent to the Closing Date, (2) any other local, state, or federal enforcement case that may be later filed after the Closing Date related to alleged or actual violations of local, state or federal laws, rules, ordinances, policies, or requirements that occurred subsequent to the Closing Date, related to the LSU Water System. Except for issues related to LSU's obligations to deliver title to the Purchased Assets, the indemnities provided hereunder shall expire two (2) years after the Closing Date.

SECTION 12. ENVIRONMENTAL MATTERS. The COUNTY shall have the right to perform both a Level I and Level II Environmental Audit, as such terms are generally understood by the environmental consulting industry in the State of Florida, of all real property associated with the operation of the System, including the Property. These audits shall be performed at COUNTY's expense. These environmental audits may include, but not be limited to, appropriate borings, samplings, "sniffer" tests, as well as an appropriate title search in order to determine that the sites are in full compliance with applicable local, state, and federal environmental and occupational health and safety statutes and regulations. If after reviewing the environmental audits, COUNTY reasonably determines that any portion of the LSU Water System hereunder is not in full compliance with applicable local, state, and federal environmental and occupational health and safety statutes and regulations, COUNTY may elect not to acquire the LSU Water System by giving LSU written notice of its election not to acquire said LSU Water System five (5) days before the Closing Date. In the event COUNTY elects not to acquire the LSU Water System, neither party shall have any liability to the other. The COUNTY, however, shall provide LSU prior written notice (not less than forty-eight (48) hours in advance) of any proposed inspection of the LSU Water System, which shall take place at reasonable times and without interfering with the operation of the System by LSU. The COUNTY shall indemnify, defend and hold LSU harmless for any claims, actions, expenses or damages, including cost and attorney's fees, at trial and appeal, which LSU incurs for personal injury or property damage that occurs as a direct result of the

inspection of the LSU Water System by COUNTY, its agents, contractors, representatives and/or employees. This Section 12 indemnification obligation shall survive the closing by two (2) years.

SECTION 13. CLOSING. The place of closing shall be in DeSoto County, Florida at the DeSoto County Administration Building, 201 East Oak Street, Suite 201, Arcadia, Florida 34266, and such closing shall occur on the later of (1) July 31, 2004, or (2) the later of thirty (30) days after satisfaction of conditions (1), (2), and (4) in Section 30 or five (5) days after satisfaction of condition (3) (the "Closing Date"). Notwithstanding anything to the contrary, the closing of this transaction shall take place upon the delivery of the Purchase Price to LSU in the manner and on the date provided for in this Agreement. The parties agree that the closing of this transaction as set forth above is a material part of the negotiations and absent such agreement this transaction would not have taken place.

SECTION 14. CLOSING DOCUMENTS AND PROCEDURES.

14.1 Deliveries from LSU. The following documents shall be delivered by LSU to the COUNTY no later than fourteen (14) days prior to closing, but shall be executed on the Closing Date:

(1) Warranty deeds to all of the Property owned by the LSU as described in Exhibit "1" conveying to the COUNTY all of LSU's right, title and interest in all such property and warranting that such Property is free and clear of all liens, claims and encumbrances other than Permitted Exceptions, as that term is defined in Subsection 5.1 hereof.

(2) instruments of conveyance, in appropriate recordable form, of all the Easements as described in Exhibit "2" conveying to the COUNTY all of its right, title and interest in all such property, together with all LSU Water improvements thereto, and warranting that such easement rights and rights to use dedicated rights-of-way are or shall be made pursuant to Subsection 6.3 hereof, free and clear of all liens, security interests, encumbrances, leasehold interests, charges or options, covenants or restrictions other than Permitted Exceptions, as that term is defined herein;

(3) general assignment to and assumption by the COUNTY of all other interests in the Property together with a general assignment of all Contracts, Agreements, permits and approvals as provided for and in the manner specified in this Agreement;

(4) bills of sale or other documents of assignment and transfer, with full warranties of title as specified in this Agreement, to all Water System Assets other than those assets covered by Subsections 14.1 (2) and 14.1 (3) hereof;

(5) copies of all business records sold to the COUNTY hereby (originals thereof to be delivered at closing);

(6) copies of all permits, governmental authorizations and approvals, together with applications for or transfer approvals from any and all agencies that have issued said permits, authorizations, and approvals (originals thereof to be delivered at closing);

(7) standard no-lien affidavit in a form reasonably required by the title Company as to realty and personalty insuring against any liens, claims or encumbrances upon the Purchased Assets;

(8) a "non-foreign" affidavit or certificate pursuant to Section 1445 of the Internal Revenue Code;

(9) such other affidavits and acknowledgments as the title company shall reasonably request in order to cause the title company to issue the policy evidencing marketable title as contemplated herein;

(10) a corporate officer's certificate confirming that LSU's warranties hereunder are true and correct as of the Closing Date;

(11) evidence of insurance to the COUNTY as contemplated by subsection 6.13 hereof; and

(12) such other instruments and documents, in form approved by the COUNTY's counsel as may be reasonably required in order to transfer ownership and possession of the Purchased Assets to the COUNTY; provided that none of such documents shall result in any additional liability on the part of LSU not otherwise provided for in this Agreement.

14.2 Deliveries from the COUNTY. On the Closing Date, the COUNTY shall pay the Purchase Price to LSU by wire transfer in the amount due LSU as provided in Section 4 of this Agreement, subject to the prorations and adjustments. The COUNTY shall also deliver at the closing, the executed form of an assumption of the agreements (if any) set forth in Section 18 of this Agreement, an assumption of the leases, permits, agreements, approvals and other interests in the Purchased Assets being assigned by LSU, as provided by LSU pursuant to Subsection 14.1 hereof, and a certified copy of a resolution of the COUNTY approving this transaction, if not previously delivered to LSU. Said documents shall be executed on the Closing Date. The assignments and assumptions being prepared by the parties may be incorporated into one document at the convenience of the parties. COUNTY shall also deliver at closing: (a) such affidavits and acknowledgments as the title Company shall reasonably request in order to cause said title Company to issue a title insurance policy evidencing a marketable title in COUNTY; (b) a County Officer's Certificate confirming that the warranties of COUNTY set forth in this Agreement applicable to the closing are true and correct as of the closing; and (c) such other

instruments and documents as LSU's Counsel may reasonably require, in form approved by COUNTY's Counsel, in order to transfer possession and control of the Purchased Assets to COUNTY, provided that none of such documents shall result in any additional liability on the part of COUNTY not otherwise provided for in this Agreement. Assuming all conditions precedent to closing have been met, the COUNTY shall also execute the-Effluent Easement and Delivery Agreement on the Closing Date.

SECTION 15. RESPONSIBILITY FOR PROFESSIONAL FEES AND COSTS. Each party hereto shall be responsible for its own attorneys' fees, engineering fees, accounting fees and other costs in connection with the preparation and execution of this Agreement, the closing of the transaction contemplated herein and in connection with all judicial and administrative proceedings related to the acquisition of the LSU Water System.

SECTION 16. COMMISSIONS. LSU and the COUNTY warrant to the other that the transaction contemplated by this Agreement is a direct, private transaction between LSU and the COUNTY, without the use of a broker or commissioned agent.

SECTION 17. FURTHER ASSURANCES. Each of the parties hereto agrees that, from time to time, upon the reasonable request of the other party and at the expense of the requesting party, without further consideration, it shall execute and deliver to the requesting party any and all further instruments, affidavits, conveyances and transfers as may be reasonably required to carry out the provisions of this Agreement.

SECTION 18. CERTAIN AGREEMENTS.

18.1 Contracts and Agreements. The COUNTY shall take title to the Purchased Assets encumbered only by those contracts and agreements that are listed on Exhibit "7" attached to and incorporated in this Agreement (hereafter "Contracts and Agreements") which will be assigned to and assumed by the COUNTY. Notwithstanding anything to the contrary stated in this Agreement, the COUNTY is not assuming and has no obligation to honor the amount of any prepaid or discounted connections for customers or properties, dwelling units, or commercial or industrial structures not connected to the LSU Water System prior to the Closing Date, but rather reserves the right to charge and collect its own capital charges as precondition to providing service, giving due credit for connection fee amounts previously paid.

18.2 Other Agreements. Except as expressly set forth in this Agreement, the COUNTY is not assuming any other agreements to which LSU is a party.

SECTION 19. NOTICES: PROPER FORM. Any notices required or allowed to be delivered hereunder shall be in writing and may either be (1) hand

delivered, (2) sent by recognized overnight courier (such as Federal Express) or (3) mailed by certified or registered mail, return receipt requested, in a postage prepaid envelope, and addressed to a party at the address set forth opposite the party's name below, or at such other address as the party shall have specified by written notice to the other party delivered in accordance herewith:

COUNTY: County Administrator's Office
DeSoto County Administration Building
201 East Oak Street, Suite 201
Arcadia, FL 34266

With a copy to: Thomas A. Cloud, Esq.
GrayRobinson, P.A.
301 East Pine St., Suite 1400
Orlando, FL 32801

LSU: Mr. Richard D. Hugus
President, Southern Division
Philadelphia Suburban Corporation
762 West Lancaster Avenue
Bryn Mawr, PA 19010

With a copy to: Jeffrey S. Russell, Esq.
Abel, Band, Russell, Collier, Pitchford &
Gordon, Chartered
240 South Pineapple Avenue
Sarasota, FL 34236

Notices personally delivered by hand or sent by overnight courier shall be deemed given on the date of delivery and notices mailed in accordance with the foregoing shall be deemed given three (3) days after deposit in the U.S. mail.

SECTION 20. ENTIRE AGREEMENT. This instrument constitutes the entire Agreement between the parties and supersedes all previous discussions, understandings, and agreements between the parties relating to the subject matter of this Agreement. This Agreement may not be changed, altered or modified except by an instrument in writing signed by the party against whom enforcement of such change would be sought.

SECTION 21. AMENDMENT. Amendments to and waivers to the provisions of this Agreement shall be made by the parties only in writing by formal amendment.

SECTION 22. DISCLAIMER OF THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of the formal parties herein, and no right or cause of action shall accrue upon or by reason hereof, to LSU or for the benefit of any third party not a formal party hereto.

SECTION 23. BINDING EFFECT. All of the provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the legal representatives, successors and nominees of the COUNTY and LSU.

SECTION 24. TIME OF THE ESSENCE. Time is hereby declared of the essence in the performance of each and every provision of this Agreement.

SECTION 25. APPLICABLE LAW. This Agreement shall be construed, controlled, and interpreted according to the laws of the State of Florida.

SECTION 26. CORROBORATION OF PAYMENTS AFTER CLOSING. In each instance in which either the or the COUNTY is to receive money from another party after the Closing Date pursuant to the provisions of this Agreement, the party who is entitled to receive the money under the terms of this Agreement shall have the right to inspect, at its own expense, those books and records of the other party as may be necessary to corroborate the accuracy of the amount of money received by the party, within thirty (30) days of receipt of payment. In the event the party making the inspection discovers an error in payment, the party making the payment shall promptly transfer the difference in payment to the party who is entitled to payment; provided, however, that to the extent that the error in payment is ten percent (10%) or more, then the party making payment shall, in addition to paying the shortfall, reimburse to the party making the inspection the reasonable costs of the inspection.

SECTION 27. RADON GAS. RADON IS A NATURALLY OCCURRING RADIOACTIVE GAS THAT, WHEN IT HAS ACCUMULATED IN A BUILDING IN SUFFICIENT QUANTITIES, MAY PRESENT HEALTH RISKS TO PERSONS WHO ARE EXPOSED TO IT OVER TIME. LEVELS OF RADON THAT EXCEED FEDERAL AND STATE GUIDELINES HAVE BEEN FOUND IN BUILDINGS IN FLORIDA. ADDITIONAL INFORMATION REGARDING RADON AND RADON TESTING MAY BE OBTAINED FROM YOUR COUNTY PUBLIC HEALTH UNIT.

SECTION 28. DEFENSE OF ACTIONS OR CLAIMS.

28.1 Each party who is or may be entitled to indemnity under the provisions of this Agreement (the "Indemnitee") shall promptly notify the other party who is or may be required to provide indemnity under the provisions of this Agreement, as applicable (the "Indemnitor"), of any lawsuit or claim against such Indemnitee which it has reasonable cause to believe would entitle it to indemnification under such Section of this Agreement. Failure of such Indemnitee to promptly notify the Indemnitor of any such action or claimsman-Constitute-a-defense by Indemnitor against its obligation to indemnify the Indemnitee under this Agreement with regard to such claim or action, if such failure to provide such

prompt notification reasonably prejudices the defense or other successful resolution of such action or claim by Indemnitor.

28.2 Upon receipt of such prompt notification of such claim or action, the Indemnitor shall be entitled, in its absolute discretion, to select legal counsel; to assume at its expense the defense of any such action or claim, including the prosecution of any applicable cross-claims or counter claims; to direct the manner in which such defense shall be conducted; and to determine the terms of settlement of, any such suit or claim against Indemnitee, provided that no such resolution awarding relief other than money damages against the Indemnitee may be agreed to without the consent of the Indemnitee, which consent shall not be unreasonably withheld, delayed or conditioned by Indemnitee. Indemnitee shall provide its full cooperation and assistance to Indemnitor with regard to the defense of such claim or action against Indemnitee, as afore-described, as reasonably requested by Indemnitor.

28.3 If the defendants in or to any such action or claim include both the Indemnitee and the Indemnitor and the Indemnitee reasonably concludes that there are valid legal defenses available to the Indemnitee which are different from or additional to the legal defenses being raised by the Indemnitor, and which, after written notice thereof being given to the Indemnitor by the Indemnitee, are not being asserted by the Indemnitor on behalf of the Indemnitee regarding such action or claim, the Indemnitee shall have the right to select separate counsel to assert such additional legal defenses in such action on behalf of such Indemnitee; provided such legal defenses which Indemnitee desires to assert are not reasonably inconsistent with, contrary to or would otherwise prejudice the defenses which the Indemnitor is asserting on behalf of the Indemnitee. The Indemnitee shall take no action with regard to such claim or action which is inconsistent with or may reasonably prejudice the defenses, cross-claims or counter claims being asserted by Indemnitor on behalf of Indemnitee.

28.4 If an Indemnitor elects to assume and does assume, the defense of any such suit or claim, it shall not be liable for any legal expenses incurred by the Indemnitee with respect to such matter and if the Indemnitee, after due notice to the Indemnitor of the existence of valid defenses not being employed by the Indemnitor as afore-described, employs separate counsel in connection with the assertion of such legal defenses not being raised by the Indemnitor on behalf of the Indemnitee and the Indemnitee is, in fact, ultimately successful in the assertion of those legal defenses that the Indemnitor refused to assert after due notification by the Indemnitee.

28.5 If the Indemnitor, after receipt of such prompt notification of such claim or action, does not assume the defense of any such suit or claim, it shall thereafter be barred from disputing the nature and amount of the damages ultimately incurred or determined to have been incurred by the Indemnitee in settling or litigating the action or claim.

SECTION 29. MISCELLANEOUS.

29.1 All of the parties to this Agreement have participated fully in the negotiation and preparation hereof, and, accordingly, this Agreement shall not be more strictly construed against anyone of the parties hereto.

29.2 Except for the provisions of Section 4 and 14.1 (1) hereof, in the event any term or provision of this Agreement be determined by appropriate judicial authority to be illegal or otherwise invalid, such provision shall be given its nearest legal meaning or be construed as deleted as such authority determines, and the remainder of this Agreement shall be construed to be in full force and effect.

29.3 In the event of any litigation between the parties under this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and court costs at all trial and appellate levels.

29.4 In construing this Agreement, the singular shall be held to include the plural, the plural shall be held to include the singular, the use of any gender shall be held to include every other and all genders, and captions and paragraph headings shall be disregarded.

SECTION 30. CONDITIONS PRECEDENT TO CLOSING.

Notwithstanding anything to the contrary contained in this Agreement or the Master Utility Agreement of same date, the closing of this transfer is subject to the following conditions precedent:

(1) The adoption of the franchise ordinance attached as Exhibit "C" to the Master Utility Agreement;

(2) The adoption of amendments to DeSoto County Ordinance No. 1999-01 that will authorize the COUNTY to adopt the ordinance referred to in subsection (1) hereof and that will authorize the COUNTY to approve LSU's wastewater tariff and franchise at the same time;

(3) Issuance of an order by the Florida Public Service Commission ("FPSC") approving the transfer and canceling LSU's existing certificates at the conclusion of any pending LSU dockets. LSU shall apply for the approval by the FPSC for the transfer of the Transferred Assets from LSU to the COUNTY and for cancellation of its certificates prior to closing; and,

(4) Adoption of a Resolution by the COUNTY approving the transfer of systems under §125.3401, Florida Statutes; and,

The Closing and transferring title to the Kingsway Wastewater System shall be simultaneous with that of the closing and transferring title to the Lake Suzy Water System.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

Signed, sealed, and delivered
In the presence of:

LAKE SUZY UTILITY, INC.

X [Signature]
Name: Christopher Denny

BY: Richard D Hughes
Title: PRES

X [Signature]
Name: M.T. String

DATE: AUGUST 26, 2004

[CORPORATE SEAL]

STATE OF Pennsylvania
COUNTY OF Montgomery

The foregoing instrument was acknowledged before me this 26 day of August, 2004, by Richard Hughes, as president of LAKE SUZY UTILITY, INC., a Florida corporation, on behalf of the corporation.

NOTARIAL SEAL
Maria C. Torres, Notary Public
Lower Merion Twp., County of Montgomery
My Commission Expires July 11, 2005

[Signature]
Signature of Notary Public
Maria Torres
(Print Notary Name)
My Commission Expires: 7/11/05
Commission No.: _____
 Personally known, or
 Produced Identification
Type of Identification Produced _____

ATTEST:

BOARD OF COUNTY COMMISSIONERS
OF DESOTO COUNTY, FLORIDA

June M. Fisher
Mitzie McGavin, Clerk
June M. Fisher
County Administrator

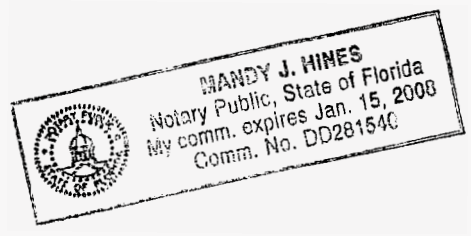
BY: William H. Altman
William H. Altman, Chairman

Date: 9/30/04

FOR THE USE AND RELIANCE
OF DESOTO COUNTY ONLY.
APPROVED AS TO FORM

September 29, 2004
Thomas A. Cloud
Thomas A. Cloud, Esquire
Special Utility Counsel

WITNESS my hand and official seal in the County and State last aforesaid this
30th day of September, 2004.



Mandy J. Hines
Signature of Notary Public
Mandy HINES
(Print Notary Name
My Commission Expires: _____
Commission No.: _____
 Personally known, or
 Produced Identification
Type of Identification Produced

**JOINER AND CONSENT TO UTILITY ASSET TRANSFER
AGREEMENT BETWEEN DESOTO COUNTY, FLORIDA AND
LAKE SUZY UTILITY, INC.**

The undersigned hereby certifies that AquaSource ^{Utilities} Utility, Inc., a Texas corporation, does hereby join in and consent to the Utility Asset Transfer Agreement between DeSoto County, Florida, and Lake Suzy Utility, Inc., a Florida corporation:

FL#2004011463 B. 554 P. 942
REC NO. 01430026262

WITNESSES

^{Utilities}
AQUASOURCE ~~UTILITY~~, INC.

[Signature]
Name: [Signature]

By: Richard D. Hugus
Title: PRESIDENT

[CORPORATE SEAL]

Name: _____

STATE OF Pennsylvania
COUNTY OF Montgomery

The foregoing instrument was acknowledged before me this 30TH day of September, 2004, by Richard Hugus as President of AquaSource ^{Utilities} Utility, Inc., who is personally known to me or has provided a State License as identification.

[SEAL]

[Signature: Maria Torres]
Signature of Notary Public
Name: Maria Torres
My Commission Expires: 7.11.05
Commission No.: _____

NOTARIAL SEAL
Maria C. Torres, Notary Public
Lower Merion Twp., County of Montgomery
My Commission Expires July 11, 2005

EXHIBIT "1"

PROPERTY

FL#2004011463 B 554 P 943
REC NO. 01430026262

SKETCH & DESCRIPTION

FL#2004011463 B 554 P 944
REC NO. 01430026262

DESCRIPTION:

A TRACT OF LAND LYING WITHIN THE NORTHWEST 1/4 OF SECTION 31, TOWNSHIP 39 SOUTH, RANGE 23 EAST, DESOTO COUNTY, FLORIDA. BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHWEST CORNER OF SAID SECTION 31, THENCE SOUTH 89 DEGREES 15 MINUTES 32 SECONDS EAST ALONG THE NORTH LINE OF SAID SECTION 31, A DISTANCE OF 2660.081 FEET TO THE NORTHEAST CORNER OF THE NORTHWEST 1/4 OF SAID SECTION 31; THENCE SOUTH 00 DEGREES 08 MINUTES 26 SECONDS EAST ALONG THE EAST LINE OF THE NORTHWEST 1/4 OF SAID SECTION 31, A DISTANCE OF 320.42 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE SOUTH 00 DEGREES 08 MINUTES 26 SECONDS EAST ALONG SAID EAST LINE OF THE NORTHWEST 1/4 OF SAID SECTION 31, A DISTANCE OF 369.48 FEET; THENCE NORTH 72 DEGREES 20 MINUTES 37 SECONDS WEST, A DISTANCE OF 350.28 FEET; THENCE NORTH 00 DEGREES 08 MINUTES 26 SECONDS WEST, A DISTANCE OF 152.97 FEET; THENCE NORTH 71 DEGREES 41 MINUTES 26 SECONDS EAST, A DISTANCE OF 351.02 FEET TO THE POINT OF BEGINNING. CONTAINING 87,123.6± SQUARE FEET OR 2.0± ACRES.

SURVEYOR'S NOTATIONS:

1. THIS SKETCH AND DESCRIPTION IS NOT INTENDED TO REPRESENT A BOUNDARY SURVEY, BUT IS INTENDED TO REFLECT A GRAPHIC DEPICTION OF THE DESCRIPTION SHOWN HEREON.
2. BEARINGS ARE BASED ON ASSUMED DATA AS REFERENCED TO THE NORTH LINE OF SECTION 31, TOWNSHIP 39 SOUTH, RANGE 23 EAST, DESOTO COUNTY, FLORIDA, BEING S.89°15'32"E..
3. THIS SKETCH AND DESCRIPTION CONTAINS TWO (2) SHEETS AND IS INTENDED TO BE USED IN ITS ENTIRETY.

PREPARED FOR THE EXCLUSIVE USE OF:

AQUASOURCE.

SURVEYOR'S CERTIFICATE

"I HEREBY CERTIFY THAT THE ATTACHED DESCRIPTION(S) WAS PREPARED UNDER MY DIRECTION AND THAT THIS DESCRIPTION AND SKETCH COMPLY WITH THE MINIMUM TECHNICAL STANDARDS AS SET FORTH BY THE FLORIDA BOARD OF PROFESSIONAL SURVEYORS AND MAPPERS IN CHAPTER 61G17-6, FLORIDA ADMINISTRATIVE CODE, PURSUANT TO CHAPTER 472.027, FLORIDA STATUTES. SUBJECT TO ALL NOTES AND NOTATIONS SHOWN HEREON."

DMK GROUP, INC.

02-11-04
DATE OF SIGNATURE

BY:

JEROME R. McLEOD
Professional Surveyor and Mapper
State of Florida Certificate No. 5525
Land Surveying Business No. 3943

NOTE: Not valid unless signed and imprinted with an embossed Surveyor's seal.

Approx.=Approximate
(C)=Calculated data
C.=Chord dimension
C.B.=Chord Bearing
D.O.T.=Department of Transportation
Drain.=Drainage
Es'mt=Easement
L.B.=Land Surveying Business
O.R.=Official Records
(P)=Plat data
P.B.=PLAT BOOK
PG=PAGE
P.I.D.=Parcel Identification
P.O.B.=Point of Beginning
P.O.C.=Point of Commencement
R/W=Right-of-Way.
S.F.=Square Feet
Util.=Utility
C = Centerline
PL = Property Line



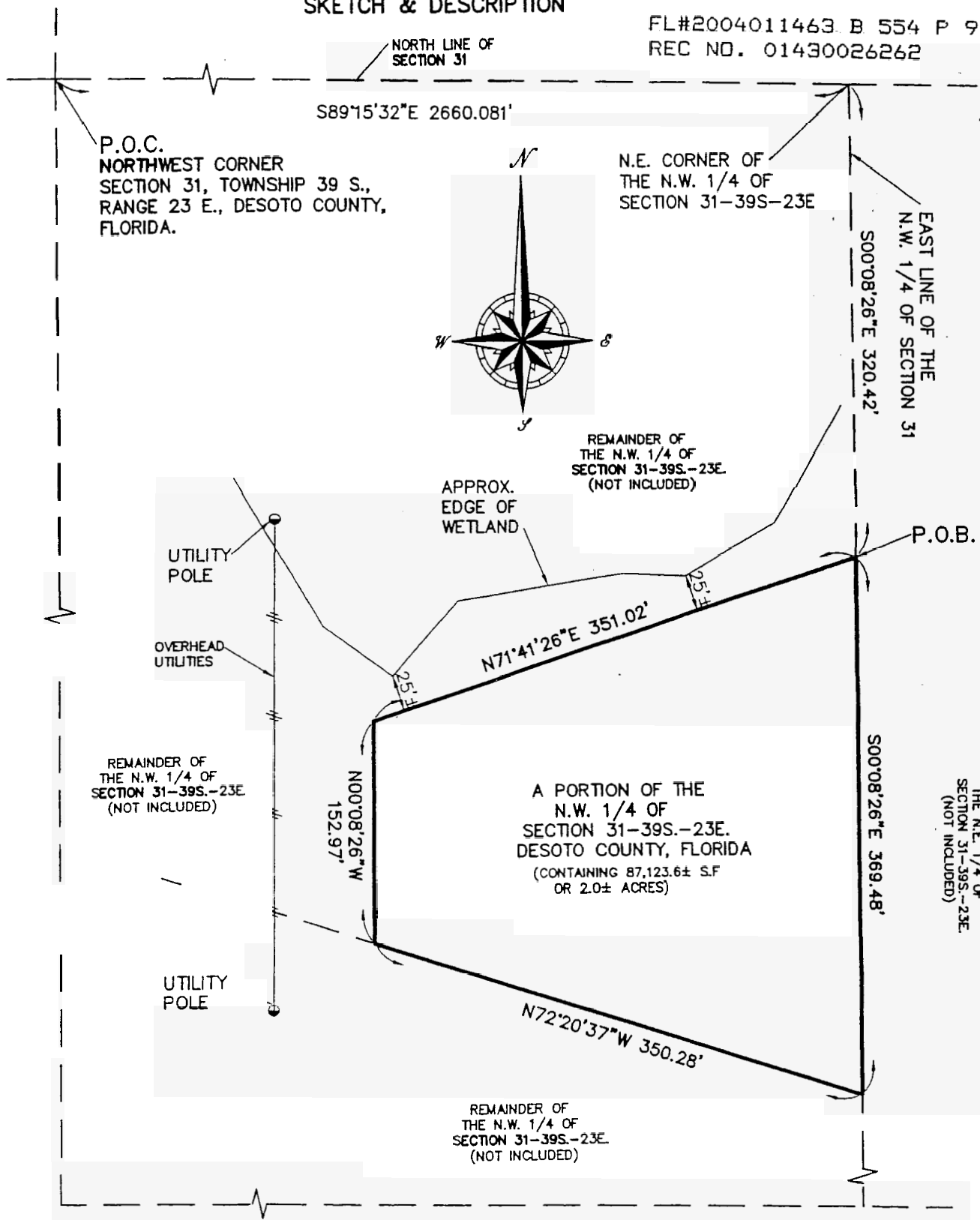
4315 McCall Rd.
Englewood, FL
34224
(941) 475-6596

ENGINEERS SURVEYORS PLANNERS

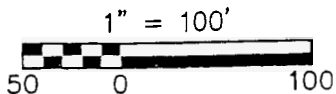
DATE: 02/11/04		JOB No. 03-1090	
SCALE: NOTED	DWN. JRM	CK'D JRM	
UPDATES & REV.	DATE	DWN. BY:	

SKETCH & DESCRIPTION

FL#2004011463 B 554 P 945
REC NO. 01430026262



NOTE: THIS SKETCH AND DESCRIPTION CONTAINS TWO (2) SHEETS AND IS INTENDED TO BE USED IN ITS ENTIRETY,



ENGINEERS SURVEYORS PLANNERS

4315 McCall Rd.
Englewood, FL
34224
(941) 475-6596

DATE: 02/11/04	JOB No. 03-1090			
SCALE: NOTED	DWN. JRM	CK'D JRM		
UPDATES & REV.	DATE	DWN. BY:		

EXHIBIT "2"

EASEMENTS

FL#2004011463 B 554 P 946
REC NO. 01430026262

THERE ARE NO EASEMENTS BEING TRANSFERRED. ALL FACILITIES
TRANSFERRED ARE LOCATED IN PLATTED EASEMENTS OF RECORD OR
RIGHTS-OF-WAY.

EXHIBIT "3"

LIST OF ASSETS

FL#2004011463 B 554 P 947
REC NO. 01430026262

LIST OF ASSETS INCLUDES ONLY THOSE ASSETS RELATED TO THE
WATER SYSTEM. NONE OF THE ASSETS RELATED TO THE SEWER
SYSTEM ARE BEING TRANSFERRED TO DESOTO COUNTY.

LAKE SUZY UTILITIES, INC
Account QuickReport
As of May 5, 1999

FL#2004011463 B 554 P 948
REC NO. 01430026262

Type	Balance
101 · UTILITY PLANT IN SERVICE	2,192,890.86
300 · UTILITY PLANT IN SERVICE-WTR	453,720.22
303 · Land & Land Rights	1,150.00
Total 303 · Land & Land Rights	1,150.00
304 · Structures & Improvements	24,906.36
Total 304 · Structures & Improvements	24,906.36
309 · Supply Mains	217.50
Total 309 · Supply Mains	217.50
331 · Transmissions & Dist. Mains	262,194.38
Total 331 · Transmissions & Dist. Mains	262,194.38
333 · Services-Water	18,872.86
Total 333 · Services-Water	18,872.86
334 · Meter/Meter Installations	37,486.50
Total 334 · Meter/Meter Installations	37,486.50
335 · Hydrants	54,364.06
Total 335 · Hydrants	54,364.06
339 · Other Plant & Misc. Equipment	7,896.66
Total 339 · Other Plant & Misc. Equipment	7,896.66
340 · Office Furniture & Equipment	4,772.09
Total 340 · Office Furniture & Equipment	4,772.09
341 · Transportation Equipment	38,531.52
Total 341 · Transportation Equipment	38,531.52
343 · Tool, Shop, & Garage Equipment	3,574.68
Total 343 · Tool, Shop, & Garage Equipment	3,574.68
345 · Power Operated Equipment	353.61
Total 345 · Power Operated Equipment	353.61
300 · UTILITY PLANT IN SERVICE-WTR - Other	-600.00
Total 300 · UTILITY PLANT IN SERVICE-WTR - Other	-600.00
Total 300 · UTILITY PLANT IN SERVICE-WTR	453,720.22
350 · UTILITY PLANT IN SERVICE-SWR	1,739,170.64
353 · Land & Land Rights-Sewer	442,800.00
Total 353 · Land & Land Rights-Sewer	442,800.00
354 · Structures & Improvements-Sewer	538,599.97
Total 354 · Structures & Improvements-Sewer	538,599.97
360 · Collecting Sewers-Force	53,942.44
Total 360 · Collecting Sewers-Force	53,942.44
361 · Collecting Sewers-Gravity	202,870.00
Total 361 · Collecting Sewers-Gravity	202,870.00
362 · Special Collecting Structures	28,699.00
Total 362 · Special Collecting Structures	28,699.00
363 · Services To Customers-Sewer	72,721.68
Total 363 · Services To Customers-Sewer	72,721.68
364 · Flow Measuring Devices	1,353.12
Total 364 · Flow Measuring Devices	1,353.12
370 · Receiving Wells	45,000.00
Total 370 · Receiving Wells	45,000.00

LAKE SUZY UTILITIES, INC
Account QuickReport
As of May 5, 1999

3/99

FL#2004011463 B 554 P 949
REC NO. 01430026262

Type	Balance
371 · Pump Equipment-Sewer	93,042.00
Total 371 · Pump Equipment-Sewer	93,042.00
380 · Treatment & Disposal Equipment	224,648.17
Total 380 · Treatment & Disposal Equipment	224,648.17
390 · Office Furniture & Equipment	3,421.15
Total 390 · Office Furniture & Equipment	3,421.15
391 · Transportation Equipment-Sewer	9,511.37
Total 391 · Transportation Equipment-Sewer	9,511.37
393 · Tools, Shop, & Garage Equipment	277.44
Total 393 · Tools, Shop, & Garage Equipment	277.44
395 · Power Operated Equipment-Sewer	22,484.30
Total 395 · Power Operated Equipment-Sewer	22,484.30
350 · UTILITY PLANT IN SERVICE-SWR - Other	-200.00
Total 350 · UTILITY PLANT IN SERVICE-SWR - Other	-200.00
Total 350 · UTILITY PLANT IN SERVICE-SWR	<u>1,739,170.64</u>
Total 101 · UTILITY PLANT IN SERVICE	<u>2,192,890.86</u>
TOTAL	<u><u>2,192,890.86</u></u>

Lake Suzy Utility, Inc.
December 31, 1998

Exhibit C

Pumping Equipment (sheet s-4)

Lift Station Number	#1	#2	#3	#4	#5
Make or type	Hydromatic	Hydromatic	Hydromatic	Flygt	Flygt
Year Installed	Apr-98	Apr-98	Apr-98	Jan-90	Jan-91
Rate Capacity	100 gpm	100 gpm	110 gpm	78 gpm	65 gpm
Size					
Power	5hp	5hp	5hp	10hp	2hp
Electric	electric	electric	electric	electric	electric
Mechanical					

FL#2004011463 B 554 P 950
REC NO. 01430026262

Service Connections

Size	4"	6"
Type	PVC	PVC

Number of active connections		
Beginning of year	26	38
Added during year		73
Retired during year		
End of year	26	111

Collection, Force Mains and Manholes

Size	Collection Mains				Force Mains	
	6"	8"	4"	6"	8"	4"
Type of Main	VCP	VCP	PVC	PVC	PVC	PVC
Length of Main						
Beginning of year	144	2,050	165	89	5,513	7,207
Added during year					6,760	5,940
Retired during year						
End of year	144	2,050	165	89	12,273	13,147

Size	Manholes
Type	concrete
Number of Manholes	
Beginning of year	32
Added during year	27
Retired during year	
End of year	59

Treatment Plant

Manufacturer	Davco
Type	Extended Air
Steel or Concrete	Steel (concrete digestors)
Total Capacity	85,000 gpd
Average Daily Flow	55,000
Effluent Disposal	Perc Ponds

Water Pipes and Accessories (sheet w-4)

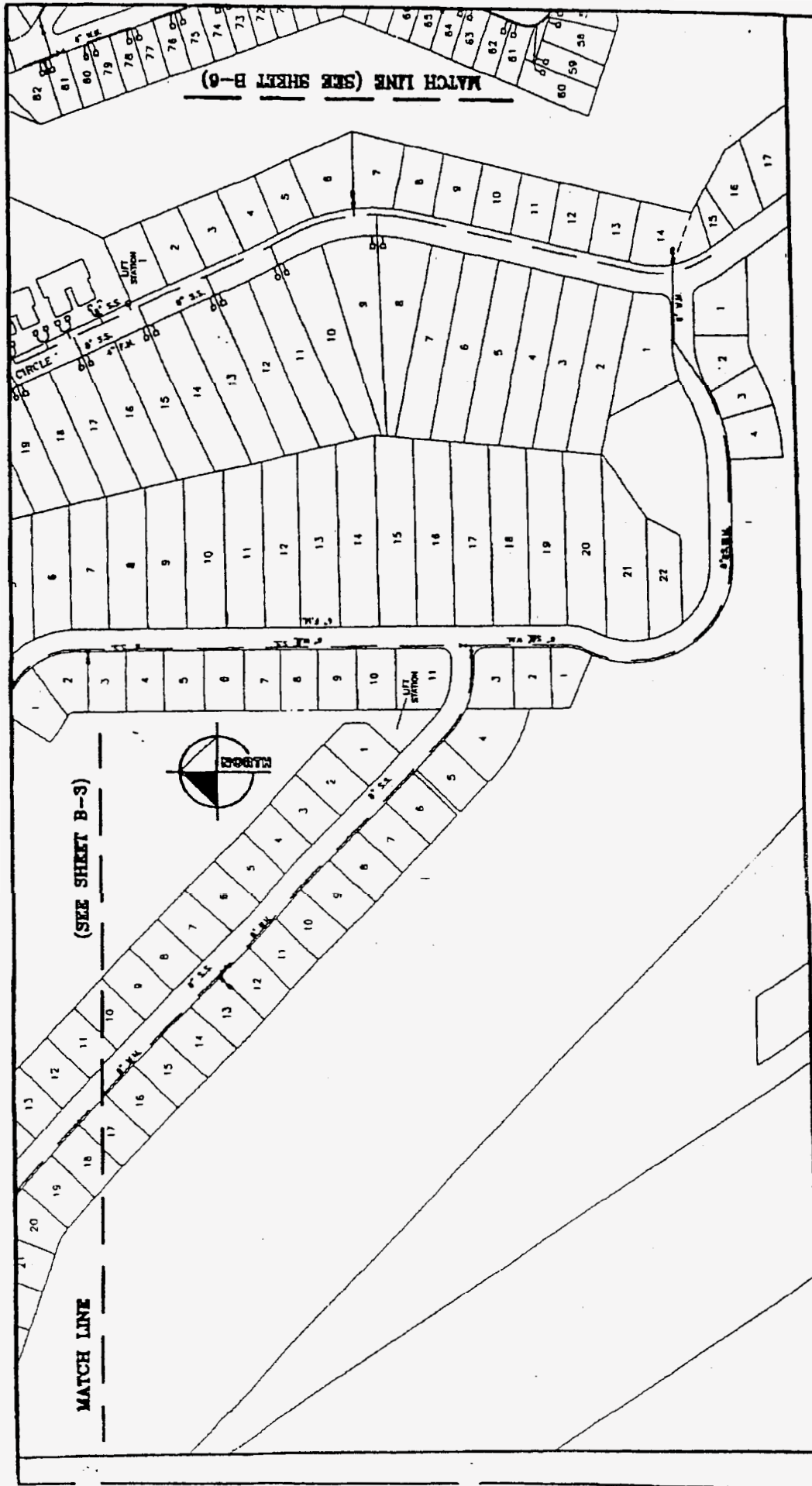
Kind of Pipe	Size	First of Year	Added	Removed	End of Year
PVC	2"	3,200			3,200
PVC	3"	200			200
PVC	4"	1,750			1,750
PVC	6"	30,850			30,850
PVC	8"		7,920		7,920

EXHIBIT "4"

DOCUMENTS

SEE ATTACHED

FL#2004011463 B 554 P 951
REC NO. 01430026262



 Kimley-Horn and Associates, Inc.	NO.	DATE	BY	SCALE	FOR	SHEET
				1" = 300'	AQUASOURCE	B-2
			DESIGNED BY	FILE	TITLE	
			CHECKED BY	04-0711007	LAKE SUZY	
					DESC: WATER DISTRIBUTION SYSTEM	

FL#2004011463 B 554 P 953
 REC NO. 01430026262



B-5

DESC: WATER DISTRIBUTION SYSTEM

TIME: LAKE SUZY

DATE: AQUASOURCE

04071007

PLD

1" = 200'

TEC/ACR

DATE

NO.

SCALE:

DRAWN BY

CHECKED BY

MATCH LINE (SEE SHEET B-6)

MATCH LINE (SEE SHEET B-8)

MATCH LINE (SEE SHEET B-5)

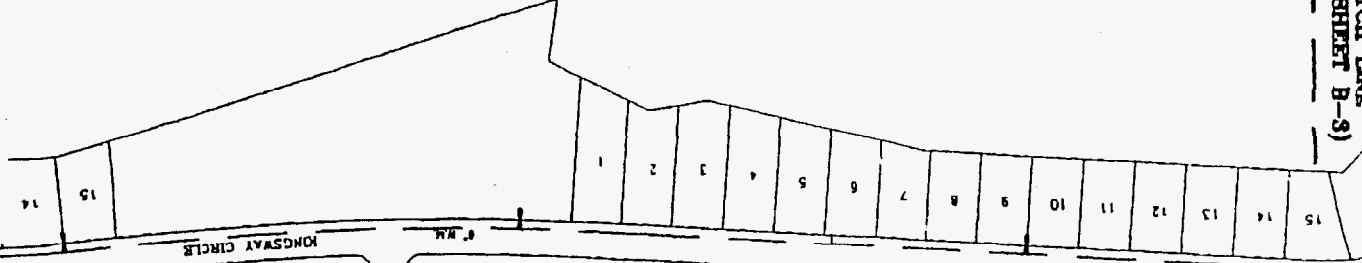
MATCH LINE (SEE SHEET B-4)

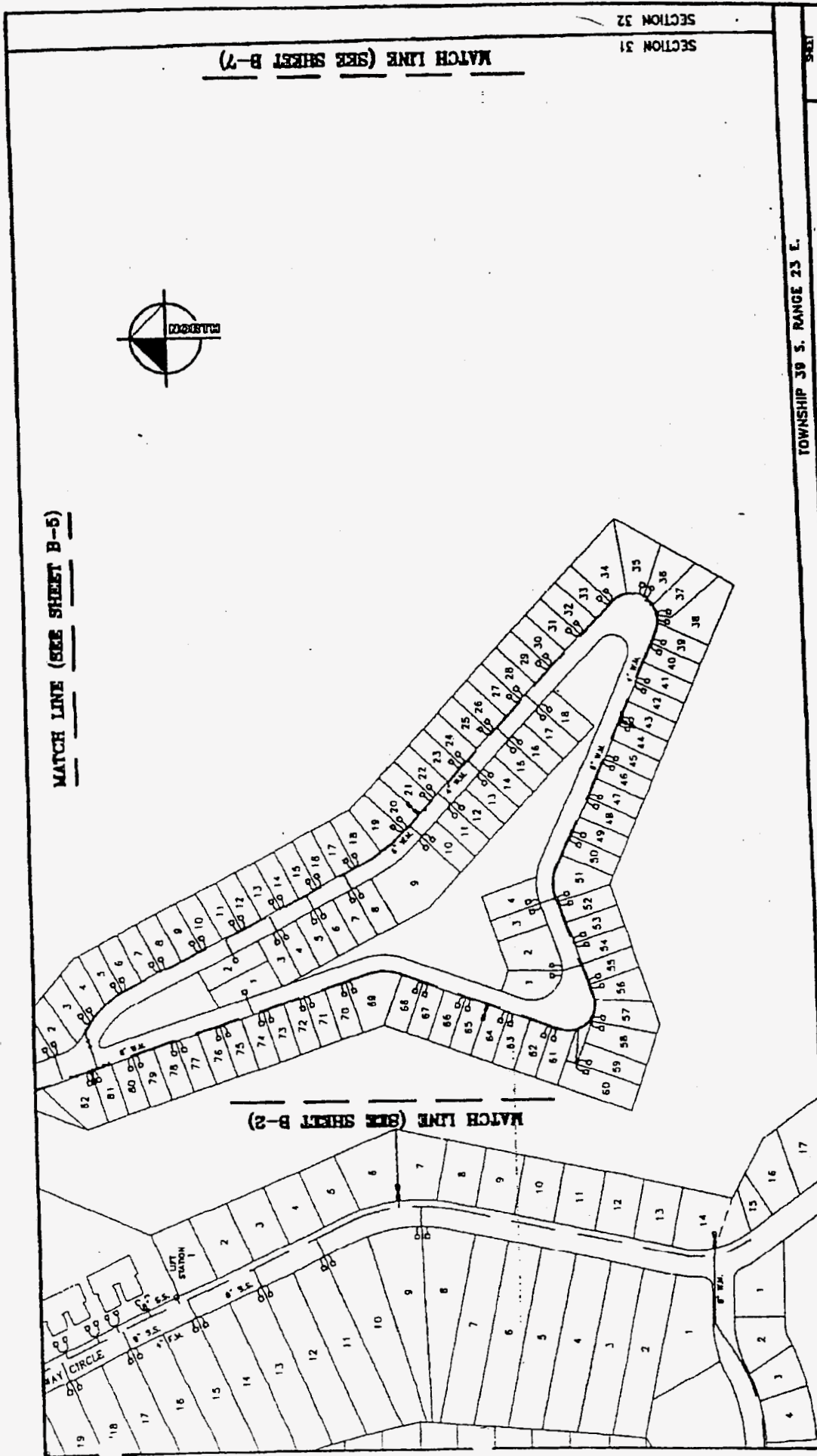


9	0
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24	23	22
1	2	3

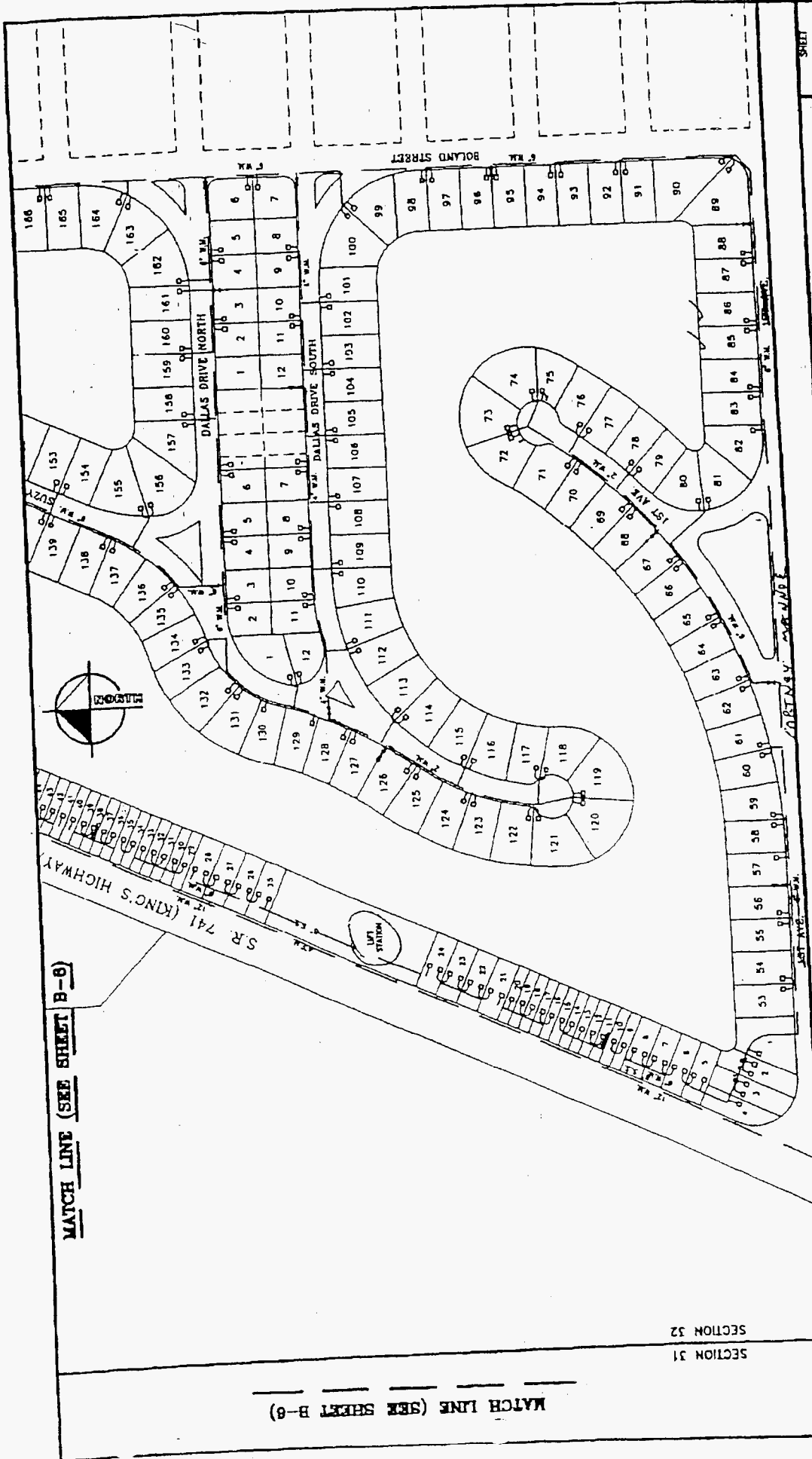
124	123	122
1	2	3





SHEET		B-6	
FOR AQUASOURCE		TITLE LAKE SUZY	
SCALE: 1" = 100'		DATE: 04/07/07	
DRAWN BY: []		CHECKED BY: []	
DATE: []		FILE: []	
TOWNSHIP 39 S. RANGE 23 E.		DESC: WATER DISTRIBUTION SYSTEM	
KIMLEY-HORN and Associates, Inc.		[]	

FL#2004011463 B 554 P 957
 REC NO. 01430026262



MATCH LINE (SEE SHEET B-8)

MATCH LINE (SEE SHEET B-8)

SECTION 31
SECTION 32

B-7

SHEET

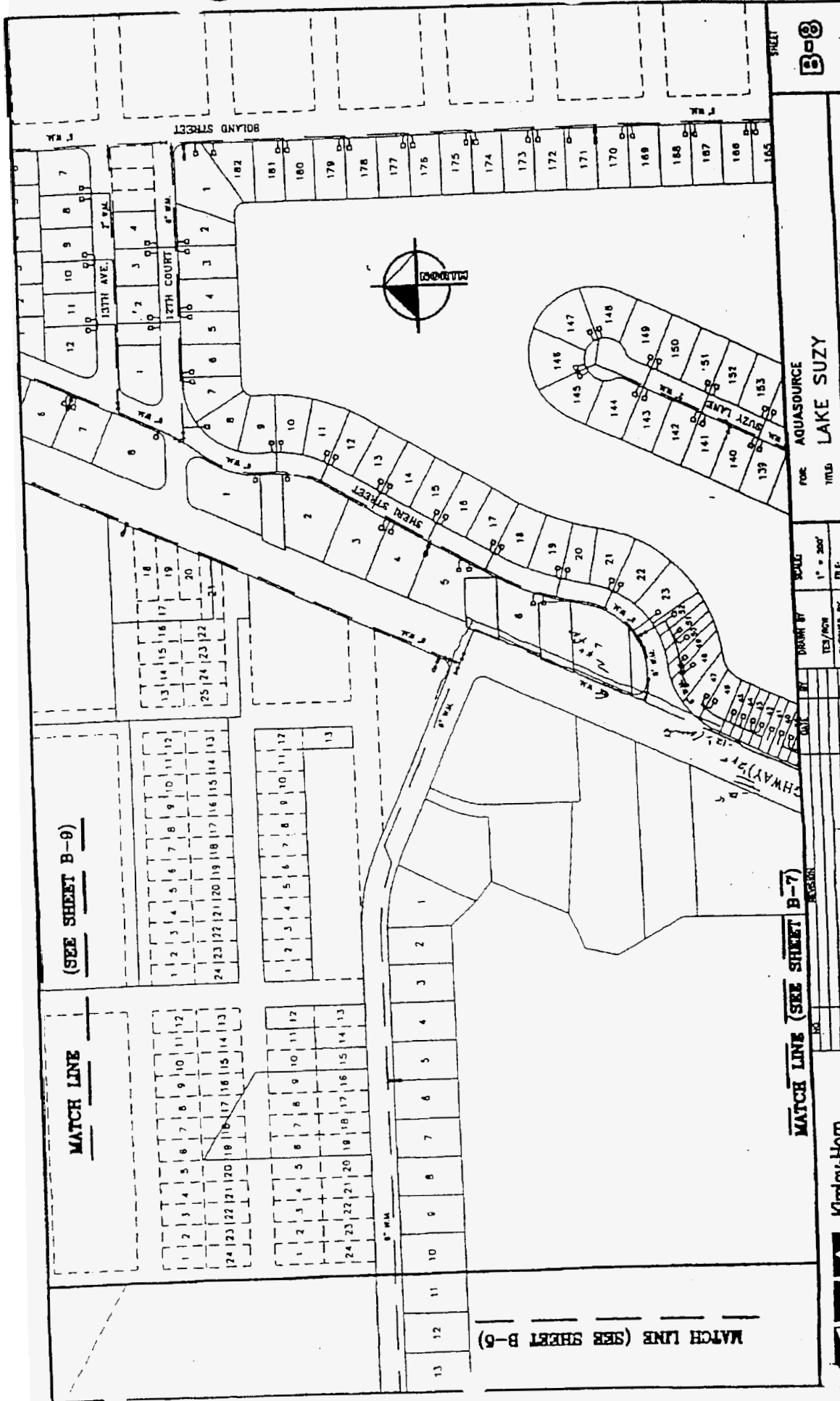
FOR: AQUASOURCE
 TITLE: LAKE SUZY
 DESC: WATER DISTRIBUTION SYSTEM

SCALE: 1" = 200'
 DATE: / /
 DESIGNED BY: / /
 CHECKED BY: / /
 FILE: 04071007

Kimley-Horn
 and Associates, Inc.



FL#2004011463 B 554 P 958
 REC NO. 01430026262



FOR AQUASOURCE
LAKE SUZY
WATER DISTRIBUTION SYSTEM

SCALE 1" = 200'
DRAWN BY
CHECKED BY
FILE 044071007

MATCH LINE (SEE SHEET B-5)
MATCH LINE (SEE SHEET B-6)
MATCH LINE (SEE SHEET B-7)

Kimley-Horn
and Associates, Inc.



FL#2004011463 B 554 P 959
REC NO. 01430026262

EXHIBIT "5"

FL#2004011463 B. 554 P 961
REC NO. 01430026262

PERMITS

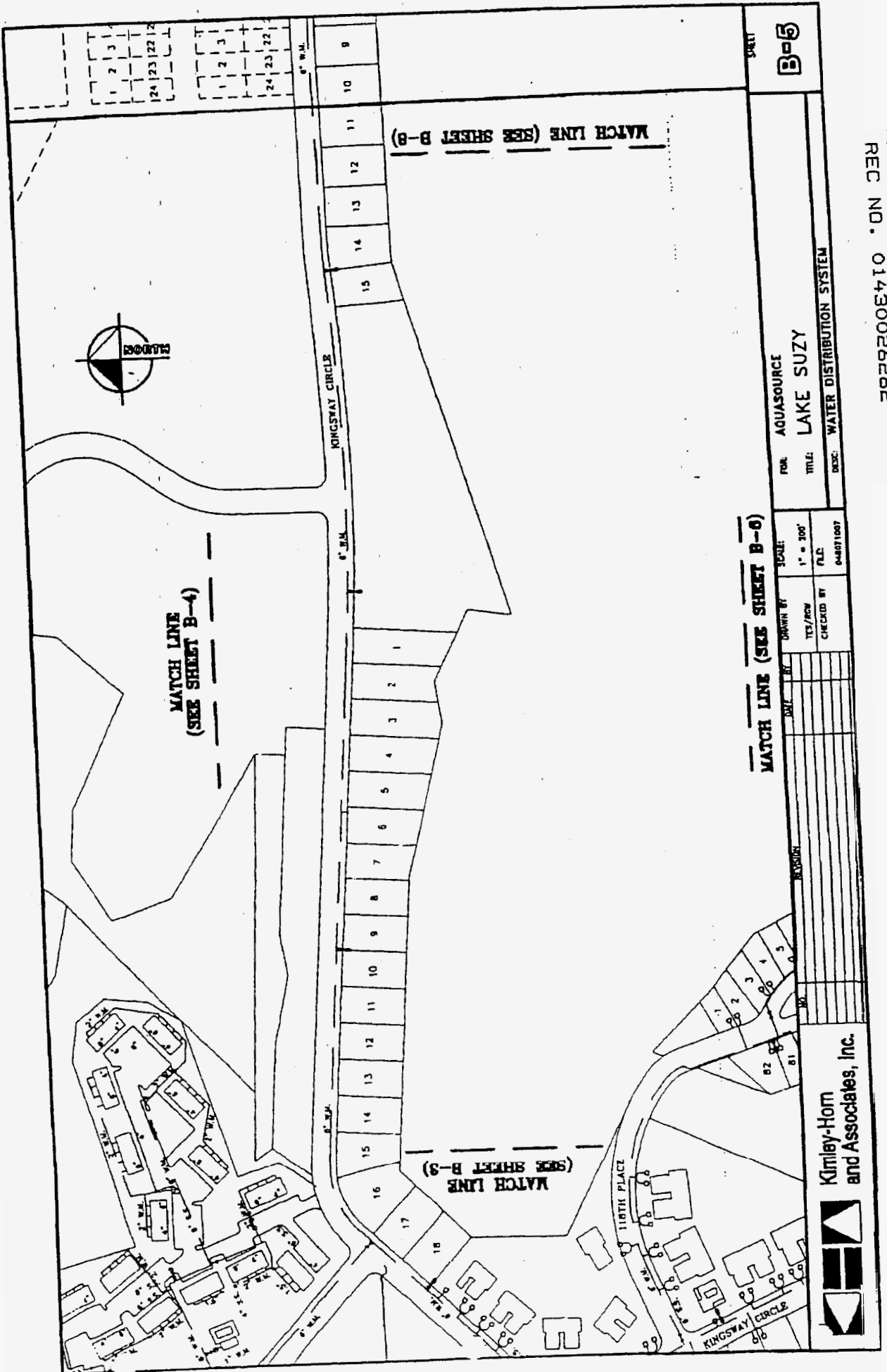
[TO BE PROVIDED IF APPLICABLE]

EXHIBIT "6"

PSC CERTIFICATED
SERVICE AREA

(SEE ATTACHED)

FL#2004011463 B 554 P 962
REC NO. 01430026262



806

FOR: AQUASOURCE
 TITLE: LAKE SUZY
 DESC: WATER DISTRIBUTION SYSTEM

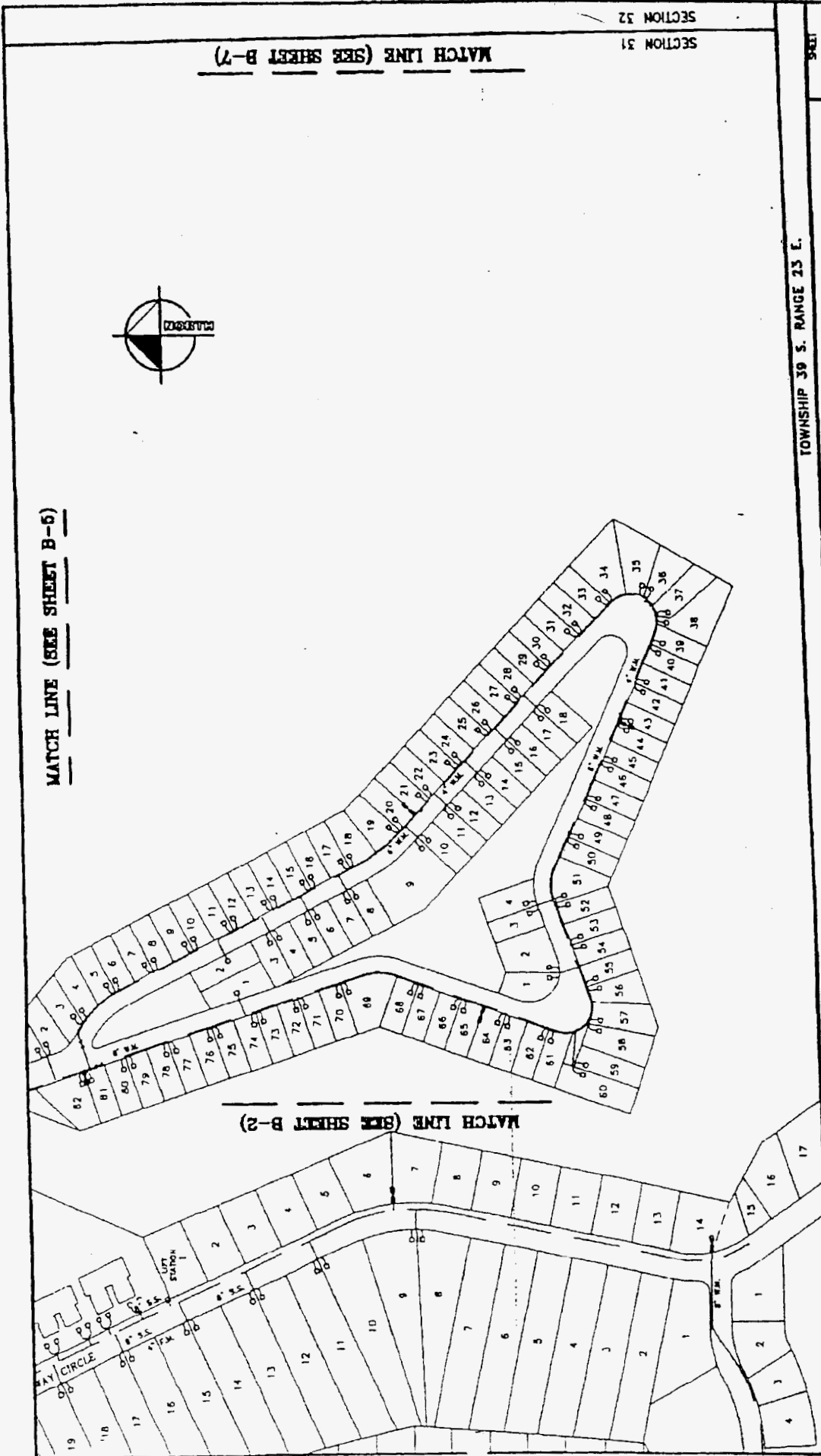
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 DATE: 04/01/07

DESIGNED BY: [blank]
 CHECKED BY: [blank]

Kimley-Horn
 and Associates, Inc.



FL#2004011463 B.554 P.966
 REC NO. 01430026262



MATCH LINE (SEE SHEET B-6)

MATCH LINE (SEE SHEET B-7)

MATCH LINE (SEE SHEET B-2)

SHEET
B-6

TOWNSHIP 39 S. RANGE 23 E.

FOR AQUASOURCE
TITLE LAKE SUZY

DESK: WATER DISTRIBUTION SYSTEM

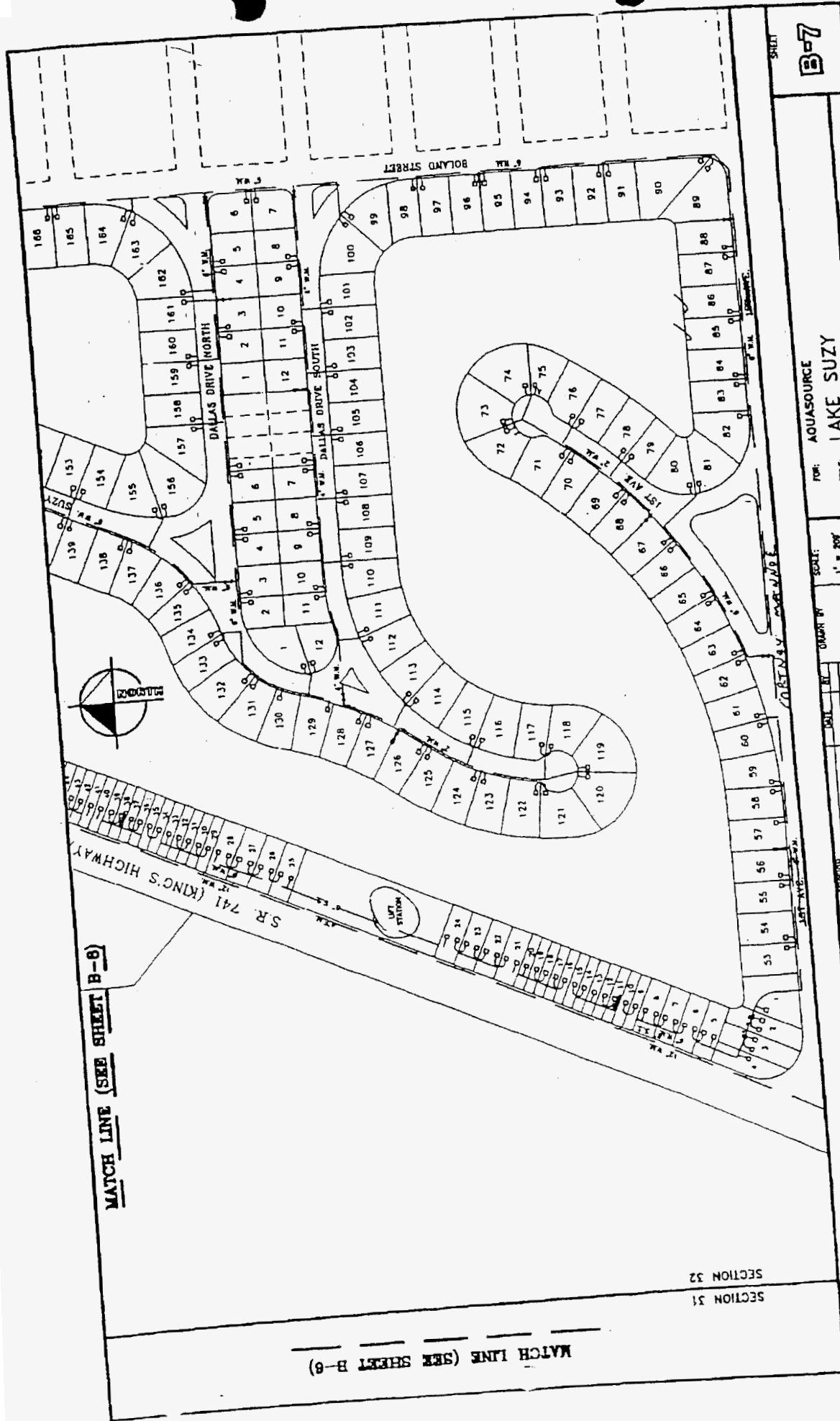
SCALE: 1" = 200'
FILE: 048011007

NO.	DATE	BY	CHECKED BY

Kimley-Horn
and Associates, Inc.



FL#2004011463 B. 554 P. 967
REC NO. 01430026262



MATCH LINE (SEE SHEET B-8)

MATCH LINE (SEE SHEET B-8)

SECTION 31

SECTION 32

B-7

SHEET

FOR: AQUASOURCE
TITLE: LAKE SUZY

DATE: WATER DISTRIBUTION SYSTEM

SCALE:

1" = 200'

DESIGNED BY:

TEXT/PROV

CHECKED BY:

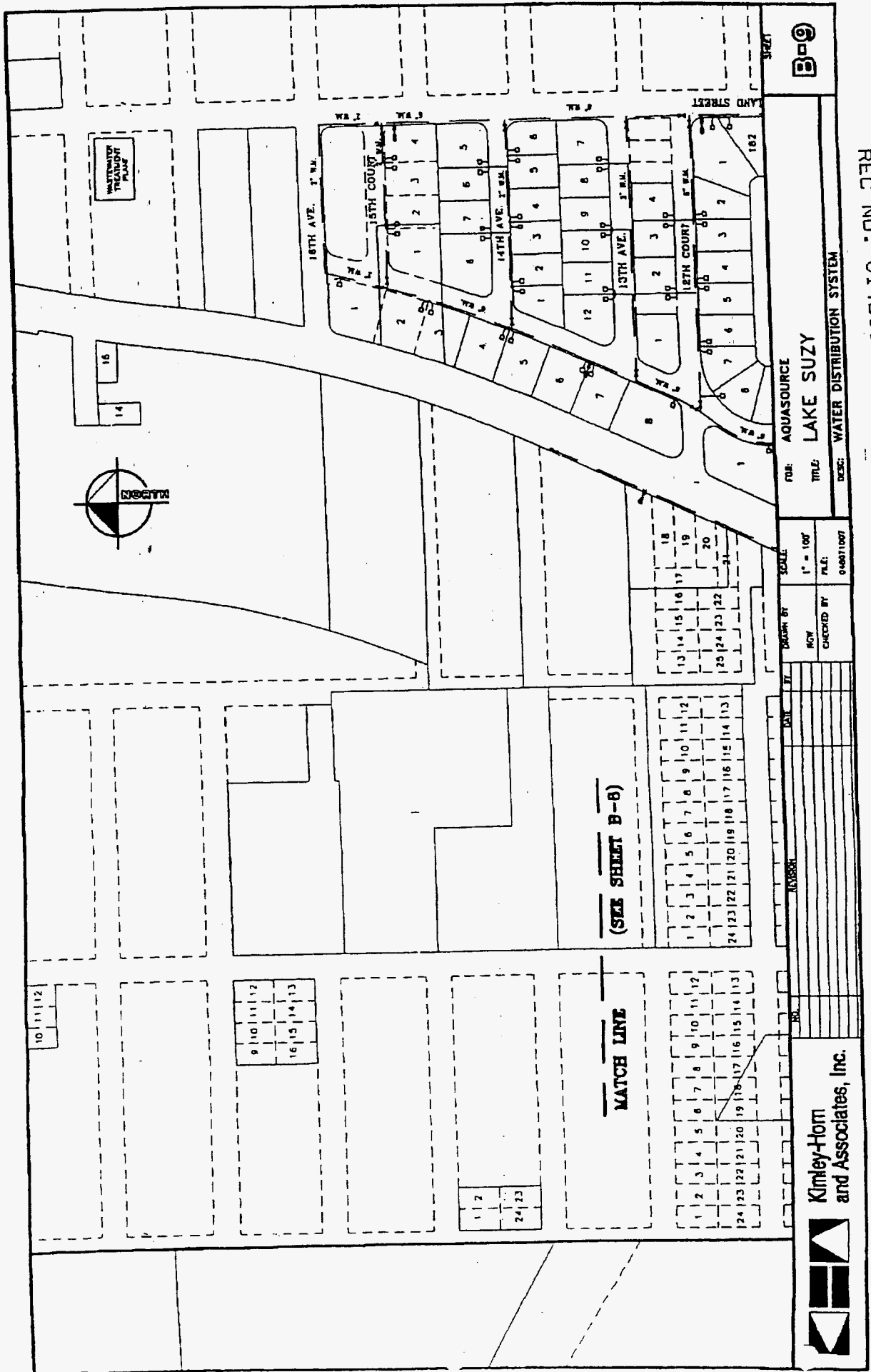
FILE:

04-07-10-87

Kimley-Horn
and Associates, Inc.



FL#2004011463 B 554 P 968
REC NO. 01430026262



FL#2004011463 B 554 P 970
 REC NO. 01430026262



CITY: AQUASOURCE
 TITLE: LAKE SUZY
 DESC: WATER DISTRIBUTION SYSTEM

SCALE: 1" = 100'
 DATE: 04/01/07
 DRAWN BY: [blank]
 CHECKED BY: [blank]

Kimley-Horn
 and Associates, Inc.



FL#2004011463 B 554 P 971
REC NO. 01430026262

SARASOTA COUNTY
DESOTO COUNTY

Eddie's Plantation Restaurant TF

Nocatee Elementary School TF

17

Riverside RV Resort & Campground TF

Lettuce Lake Campground TF

Oak Haven Campground TF

North Port

Lake Suzy

Subject Property
24358 Kingsway Circle

TF Live Oak RV Resort

DESOTO COUNTY
CHARLOTTE COUNTY

Charlotte
County

Deep Creek

Legend

- Utility Service Areas
- TF Water/Wastewater Treatment Facility
- Charlotte County
- Deep Creek
- North Port
- Lake Suzy



0 1.5 Miles

EXHIBIT "7"

AGREEMENTS

FL#2004011463 B 554 P 972
REC NO. 01430026262

SEE ATTACHED

May 4, 1999

**Lake Suzy Utility, Inc
List of Agreements**

FL#2004011463 B 554 P 973
REC NO. 01430026262

Developer	Date of Execution	Status
Villas of Kings Crossing	3/25/94	Completed
Lake Pembroke	3/22/94	In progress
North Shore Condos	9/5/96	Still need Bills of Sale and As-Builts
Eagle West Corp	11/7/96	Developer owes ± \$130,000 in contributions (past due)
Kingsway Country Club	1/12/98	Completed
Ronald A. Struthers, Trustee	2/26/98	Owes ± \$22,000 in contributions (past due)
Winslow Life Raft	12/23/98	Completed
Laural Oaks Academy	1/14/99	Lake Suzy to install \$35,000 in water lines and fire hydrants
Crystal Bay	To be executed	In progress

EXHIBIT "C"

ORDINANCE No. 2004-26

DESOTO COUNTY, FLORIDA

AN ORDINANCE OF DESOTO COUNTY, FLORIDA, GRANTING TO LAKE SUZY UTILITY, INC., AN EXCLUSIVE FRANCHISE TO PROVIDE WASTEWATER SERVICE WITHIN A PORTION OF DESOTO COUNTY, FLORIDA; PRESCRIBING THE TERMS AND CONDITIONS ACCOMPANYING THE GRANT OF FRANCHISE; OUTLINING FRANCHISEE'S DUTIES; PROVIDING FOR SEVERABILITY OF PROVISIONS; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, pursuant to the authority of Chapter 125, Florida Statutes, and other applicable laws, DeSoto County is authorized to provide wastewater facilities and service within DeSoto County, Florida; and

WHEREAS, on 23rd day of February, 1999, the DeSoto County Board of County Commissioners (hereinafter referred to as the "County") passed Ordinance No. 1999-01 relating to the regulation of water and wastewater systems and bulk water utilities in DeSoto County, Florida; and

WHEREAS, the Board is authorized to grant exclusive wastewater franchises within DeSoto County, Florida pursuant to said Ordinance and the authority conveyed by the Florida Legislature pursuant to Section 367.171, Florida Statutes; and

WHEREAS, Lake Suzy Utility, Inc. (hereinafter referred to as the "Franchisee") has requested the grant of an original exclusive wastewater franchise, pursuant to terms and conditions set forth herein; and

WHEREAS, the County and the Franchisee are this date exchanging the County's Kingsway Wastewater System for the Franchisee's Lake Suzy Water System; and

WHEREAS, the County has deemed it to be in the best interest of the recipients of wastewater service in the lands described herein to grant an exclusive wastewater franchise for the construction and operation of a wastewater system within the lands described below; and

WHEREAS, a public hearing was held by the County on September 28, 2004; and

WHEREAS, public notice required by law has been provided.

THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF DESOTO COUNTY, FLORIDA, that:

SECTION 1. GRANT OF AUTHORITY. There is hereby granted to Franchisee, its successors and assigns, the exclusive right, privilege or franchise to construct, maintain and operate in, under, upon, over and across the present and future streets, alleys, bridges, easements and other public places within the lands described in Exhibit "A" hereof (hereafter called the "Franchised Lands"), in accordance with established practice with respect to wastewater construction and maintenance, for a term of thirty (30) years beginning from the date of the final adoption of this ordinance and terminating at midnight of the last day of the thirty (30) year term, wastewater facilities (including pipes, pumps, tanks, lift stations, plants, ponds and other appurtenant facilities) for the purpose of supplying wastewater service, collection, transmission, treatment and disposal to the County and its successors, and inhabitants within the franchised lands or as may be expanded from time to time. This grant of authority shall hereafter be referred to as the "Franchise."

SECTION 2. OBSTRUCTING STREETS. The facilities of the Franchisee shall be so located or relocated and so erected as to interfere as little as possible with traffic over said streets, alleys, bridges and public places, and with reasonable egress from and ingress to abutting property. The location or relocation of all facilities shall be made under the supervision and with the approval of such representatives as the governing body of the County may designate for the purpose, but not so as to unreasonably interfere with the proper operation of the Franchisee's facilities and service. When any portion of a street is excavated by the Franchisee in location or relocation of any of its facilities, the portion of the street so excavated shall, within a reasonable time and as early as practicable after such excavation, be replaced by the Franchisee at its expense and in a condition consistent with the specifications and/or those of the Florida Department of Transportation.

SECTION 3. INDEMNITY. County shall in no way be liable or responsible for any accident or damage that may occur in the construction, operation or maintenance by the Franchisee of its facilities or the furnishing of wastewater service to customers hereunder, and the acceptance of this ordinance shall be deemed an agreement on the part of the Franchisee to indemnify the County and hold harmless against any and all liability, loss, cost, damage or expense which may accrue to the County by reason of the negligence, default or misconduct of the Franchisee in the construction, operation or maintenance of its facilities hereunder or the furnishing of wastewater service to customers. In case Franchisee refuses or neglects to repair any of said public grounds, drains, storm sewers, catch basins or other like improvements within a reasonable time after work is completed and notice in

writing of such refusal or neglect shall have been given by County to Franchisee, the County may direct the necessary repairs thereof to be made at the expense of Franchisee, and Franchisee shall be responsible for all damages sustained by any person or persons by reason of such refusal or neglect on the part of Franchisee.

SECTION 4. RELOCATION. When any of the streets, roads, alleys, avenues, bridges, parkways or other public places upon, under or in which any plants, works, mains, services, conduits, tanks or apparatus of Franchisee have been placed, shall be graded, curbed, paved, resurfaced, widened, or otherwise changed so as to make the relocation or reconstruction of such utility components necessary, Franchisee, its successors or assigns shall make such necessary changes required by said construction in a reasonable time after receiving written notice from the authorized representative of the County. The cost of such work shall be borne by Franchisee. Should it become necessary or should Franchisee desire to extend from time to time its pipes or other facilities, Franchisee shall make application to the County for permission therein and for the establishment of permanent grades and Franchisee shall not be required to install such pipes or other facilities until such permanent grades have been established. County shall establish such permanent grades upon such application. Recovery of relocation costs shall be permitted in future rate proceedings.

SECTION 5. ACCEPTANCE. The Franchisee shall execute the acceptance of this renewal franchise located below and file the same with the County within thirty (30) days after the date of adoption of this Ordinance. The franchise shall go into effect when the acceptance has been filed with the Clerk to the Board of County Commissioners.

SECTION 6. RATES AND CHARGES. The Franchisee successors and assigns, shall at all times be limited in its charges for service furnished in accordance with its franchise to the schedule of charges which shall be presented to and approved by the Board of County Commissioners. The wastewater rates currently in effect on the date of adoption of this Ordinance shall continue in effect until modified or changed by the parties hereto. The Franchisee's currently approved Florida Public Service Commission wastewater tariff shall be modified consistent with the terms of this Franchise as set forth in Exhibit "B" attached to and incorporated in this Ordinance. For a period lasting two (2) years after the effective date of this Ordinance, Franchisee agrees it shall not seek any increases in any of its rates, fees, and charges. For three (3) years after the effective date of this Ordinance, Franchisee agrees that it shall only seek and be entitled to indexing of rates, fees and charges so long as the rates as adjusted by the index continue to equal the return on revenue implicit in the initial rates that are established. Thereafter, the Franchisee may, if it deems it necessary to amend or change said schedule of charges, give the County notice in writing of same. Within sixty (60) days after notice as a forementioned, the

County shall authorize and hold a public hearing and within thirty (30) days after such public hearing, if the County shall decline to act, then the Franchisee may forthwith put into effect such amendments or change of schedule. It is understood and agreed that if the Franchisee should raise charges as hereinabove stated, the monies so collected shall be escrowed by the County with a National or State Banking Institution, or post with the County a good and sufficient Surety Bond, for a period of ninety (90) days. In the event the County should deny the raise at any time during this ninety (90) day period, the Franchisee shall refund to its customers the monies collected by virtue of the raise. However, upon the expiration of the said ninety (90) days, the monies collected, if no action is taken by the County theretofore, shall become the funds of the Franchisee and there shall be no further obligation on the part of the Franchisee to escrow any monies or in the case of a Surety Bond, said Surety Bond will no longer be in force, and the increase in charges will continue the same as if the request of the Franchisee had been granted. If at any time the rate for the wastewater services are insufficient to maintain and operate with an allowance for a fair return on the replacement or reproduction value of the Franchisee's property used and useful in furnishing wastewater and with an allowance for maintenance and operation of the Franchisee and of allowance for replacement of equipment, and of a reasonable allowance for debt service and a proper allowance being made for the reasonable depreciation of the wastewater system which will include all pipe lines, storage tanks, machinery and equipment and appurtenances thereto and in general all parts and portions of the wastewater system in the entirety, and all taxes of every description levied or imposed on the Franchisee or its property, revenues, income and expenses, the County shall have the right and power to fix and make effective such rates as are reasonable, sufficient and compensatory, after taking into consideration the matters herein referred to. Any tax, fee, or charge imposed by any governmental authority on the Franchisee which is a tax, fee, or charge imposed solely because the Franchisee is a utility, as distinguished from other individuals, corporations or businesses in general (including those fees and charges levied by this Franchise), may be apportioned among the consumers as a direct tax upon the consumers without resort to the County for permission to increase the Franchisee's rates. Wastewater rates shall be based upon water consumption.

SECTION 7. REVIEW OF FRANCHISEE'S PLANS AND SPECIFICATIONS. The Franchisee agrees that the location or relocation of all facilities shall be made in compliance with such rules and regulations as are now or hereafter may be imposed by the County. The Franchisee agrees that all plans and specifications for the extension, location or relocation of any wastewater facilities shall be approved by the County prior to commencement of any construction. Such approval shall not unreasonably interfere with the proper operation and construction of the Franchisee's facilities and services. The Franchisee agrees to pay the inspection costs of the County in addition to the franchise fee. This inspection cost shall be a charge approved by the County by Ordinance.

SECTION 8. COMPLIANCE WITH REGULATION. The Franchisee agrees that in the construction, operation, extension, expansion and maintenance of the wastewater system, it will, at all times, comply with all County ordinances, comprehensive plans, statutes, and duly promulgated rules, standards and regulations as may be imposed by the County, State or Federal Government or their agencies and within their lawful authority. The County has the right, upon request, to inspect Franchisee facilities during normal Franchisee working hours.

SECTION 9. FRANCHISE FEES. Within thirty (30) days after the last day of each month following the grant of this franchise, the Franchisee, its successors and assigns, shall pay or have paid to the County or its successors a franchise fee in an amount equal to six percent (6%) of Franchisee's gross base revenues from the sale of all wastewater service to all wastewater customers within the Franchised Lands for the preceding month. Franchisee shall be permitted to pass through this cost to its customers, but not as a separate line item on its bills to customers. Furthermore, the amount of this fee shall not be included in the calculations of gross base revenues hereunder.

SECTION 10. FIRE DISTRICT FEE. In consideration of the County's provision and availability of fire service and the grant of this Franchise, Franchisee, its successors and assigns, agrees to pay or have paid to the County or its successors a fire district fee in an amount equal to two percent (2%) of Franchisee's gross base revenues from the sale of all wastewater service to all wastewater customers within the Franchised Lands for the preceding month. Franchisee shall be permitted to pass through this cost to its customers, but not as a separate line item on its bills to customers. Furthermore, the amount of this fee shall not be included in the calculations of gross base revenues hereunder.

SECTION 11. RIGHT OF WAY UTILIZATION FEE. In consideration for the continual use of County's rights of way, Franchisee, its successors and assigns, agrees to pay or have paid to the County or its successors a right of way utilization fee equal to thirty percent (30%) of the then applicable wastewater impact, capital, and/or connection fees or charges collected by Franchisee pursuant to its tariff. Said right of way utilization fee shall be payable to County upon receipt by Franchisee of any such fees or charges referenced above.

SECTION 12. COMPREHENSIVE LIABILITY INSURANCE. At all times during the term of the franchise the Franchisee will, at the Franchisee's expense, maintain in force general comprehensive liability insurance with an insurance company approved by the County, the policy or policies to be in form satisfactory to the County Attorney. The coverage represented by the policy or policies shall be for the protection of the County, its officers, representatives, agents, officials, and employees against liability for loss or damages for bodily injury, death, and property damage occasioned by the activities of the Franchisee under the

franchise. Minimum liability limits under the policy or policies are to be One Million Dollars (\$1,000,000.00) combined single limits for personal injury or death, or damage to property resulting from any one occurrence and in the aggregate. The policies mentioned in the foregoing sentence shall each contain a provision that a written notice of any cancellation or reduction in coverage of the policies shall be delivered to the County thirty (30) days in advance of the effective date of any cancellation.

SECTION 13. SERVICE STANDARDS. The Franchisee shall at all times provide and furnish an adequate, safe, continuous and reliable wastewater service within the Franchised Lands to the County and its inhabitants, subject however to the further provisions of this section. The Franchisee shall not be liable to the County or its inhabitants nor shall the County, or any inhabitant who is a customer of the Franchisee be liable to the Franchisee hereunder by reason of failure of the Franchisee to deliver, or the County or a customer to receive, wastewater service as a result of acts of God or the public enemy, inability of pipeline suppliers or wastewater suppliers to furnish an adequate supply due to an emergency, an order or decision of a public regulatory body, or other acts beyond the control of the party affected. Whenever any of the occurrences named above take place, the Franchisee shall have the right and authority and it shall be its duty to adopt reasonable rules and regulations in connection with the limits curtailing or allocating extensions of service or supplying of wastewater to any customer or prospective customer, and withholding the selling of wastewater to new customers, provided that such rules and regulations shall be uniform as applied to each class of customers, and shall be nondiscriminatory.

SECTION 14. SERVICE EXTENSION. Franchisee will provide central wastewater service to every County water customer within the Franchised Lands contemporaneously with the extension of County water service. The Franchisee shall extend wastewater service to the County's existing fire station system when the Franchisee's pipes are within 300 linear feet of said fire station. The Franchisee shall not refuse wastewater service to any potential customer which the County has agreed to provide water service.

SECTION 15. INSPECTION OF RECORDS. The accounts and records of the Franchisee pertaining to wastewater service rendered under this franchise shall be maintained at Franchisee's place of business in Florida, in accordance with County regulations and County may, at its option, upon reasonable notice to Franchisee, at any reasonable time during the term of this Franchise examine said accounts and records as such relate to the calculation of the franchise payment to the County. Such examination of accounts and records of Franchisee by County shall be made during the regular business hours of the Franchisee at their general office, or to make investigations, inspections, examinations, and tests. The Franchisee shall maintain its records in sufficient detail that revenues within the corporate limits of the County are readily discernable from other revenues for auditing purposes. All examinations shall be

at the sole expense of the County. However, if the County conducts an audit of the Franchisee's books and records, and substantial discrepancies are discovered which result in sums which should have been paid to County, then the cost of such audit will be paid by Franchisee.

SECTION 16. COVENANT NOT TO COMPETE. As a further consideration of this franchise, the County agrees not to engage in the business of distributing and selling wastewater during the life of this franchise or any extension thereof in competition with the Franchisee, its successors and assigns within the Franchised Lands.

SECTION 17. FRANCHISE PURCHASE OPTION. The County hereby reserves the right at any time after the expiration or termination of this grant to purchase all or some of the property of the Franchisee used under this franchise in the manner provided by former Section 167.22, Florida Statutes (1961). The Franchisee shall be deemed to have given and granted such right to purchase by its acceptance hereof, which shall be filed with the County Administrator within thirty (30) days after this Ordinance takes effect.

SECTION 18. ELECTION OF OPTION TO PURCHASE. That in the event Franchisee shall at any time during the term of this ordinance desire to sell the wastewater facilities and property then existing and shall have received a bona fide offer from any other person, firm, corporation, or from any other municipal corporation, authority or political subdivision of the State of Florida satisfactory to Franchisee to purchase the same, Franchisee shall within ten (10) days after receipt of said bona fide offer advise County in writing of the purchase price and other terms and provisions of such offer, and the County shall for a term of sixty (60) days after the giving of such notice have the option to elect to purchase the wastewater facilities and property from Franchisee upon the terms and conditions as are set forth in said offer, and shall close on said purchase within six months of said election. In the event County shall fail or refuse to exercise the right and option granted to it by this Section within the time limit set forth above, and Franchisee shall sell the wastewater facilities and property to the prospective purchaser thereof, the right and option given to County to purchase the property under the terms and provisions of Section 14 of this ordinance shall continue in full force and effect as to such purchaser, and its successors or assigns. This option shall not apply to the intercompany transfer of assets or stock by Franchisee's parent company AquaSource Utilities, Inc., or Philadelphia Suburban Corporation to another subsidiary, nor shall this option apply if the stock of AquaSource Utilities, Inc., or Philadelphia Suburban Corporation is transferred.

SECTION 19. MASTER PLAN. Franchisee shall prepare and submit to the County a master facilities plan on or before six (6) months from the effective date hereof (and continuing during each succeeding year thereafter consistent with the requirements for wastewater capital improvement elements contained in

Part II, Chapter 163, Florida Statutes. Such master plans shall depict and describe the Franchisee's plans for extension of facilities and services in the franchised lands described in Exhibit "A" hereof for the life of this franchise and shall incorporate no less than 1,600,000 gallons per day, average annual basis of wastewater treatment and disposal capacity. Franchisee agrees that its management personnel shall meet with County management personnel no less frequently than once per calendar quarter to review and confirm planning parameters. To facilitate development of wastewater service capacity that may be utilized by customers of Franchisee, the County is currently negotiating for the purchase of bulk wastewater service capacity from the City of North Port, Florida. Franchisee shall have the option of timely meeting its service commitments under this franchise through construction of its own plant facilities or purchase of capacity from the County subject to payment by Franchisee or the developer/customer of capital and connection charges imposed upon the County by virtue of any such agreement with North Port. Franchisee shall have ninety (90) days from the date it receives written notice from the County that the North Port option exists (together with a copy of the contract between North Port and the County) to make its election hereunder.

SECTION 20. TITLE TO FACILITIES. Title to all wastewater utility components wherever situate on public grounds or on easements for public utility purposes, shall be and remain in Franchisee, its successors or assigns.

SECTION 21. APPROVAL OF TRANSFER. No sale, assignment or lease of this franchise shall be effective until it is approved by the Board of County Commissioners and until the vendee, assignee or lessee has filed in the office of the Board of County Commissioners an instrument duly executed reciting the fact of such a sale, assignment or lease accepting the terms of the franchise, and agreement to perform all the conditions thereof.

SECTION 22. REPORTING. Franchisee shall file reports with County as contemplated and required by Section 2, Ordinance No. 1999-01, or as may be amended from time to time.

SECTION 23. INCORPORATION OF CONDITIONS FROM SECTION 3, ORDINANCE NO. 1999-01. The parties agree that all conditions applicable to a public sewerage system not otherwise specified herein contained in Section 3 of Ordinance No. 1999-01, or as may be amended from time to time shall apply to Franchisee and be a condition of this Franchise as if set forth herein.

SECTION 24. DEFAULT. The failure on the part of the Franchisee to comply in any substantial respect with any of the provisions of this Ordinance shall be grounds for forfeiture of this grant but no such forfeiture shall take effect if the reasonableness or propriety thereof is protested by the Franchisee until a court of competent jurisdiction, with a right of appeal by either party, shall hold that the Franchisee has failed to comply in a substantial respect with provisions

of this franchise, and the Franchisee shall have six months after the final determination of the question to make good the defaults before a forfeiture shall result with the right in the County, at its discretion, to grant such additional time to Franchisee for compliance as necessities in the case may require.

SECTION 25. FAILURE TO COMPLY. Failure on the part of the Franchisee to comply in any substantial respect with any of the provisions of this Ordinance shall be grounds for forfeiture of this grant, but no such forfeiture shall take effect if the reasonableness or propriety thereof is protested by the Franchisee until the question of such default has been submitted to arbitration, in accordance with the American Arbitration Code. In event of the arbitrators finding that the Franchisee has defaulted under any of the provisions of this franchise, the Franchisee shall have sixty (60) days after the final determination of the question to make good the default before a forfeiture shall result, with the right of the County at its discretion to grant such additional time to the Franchisee for compliance as necessities in the case require. If Franchisee admits or does not protest such notice of default, Franchisee shall cure such defaults within sixty (60) days or shall forfeit its rights under this franchise.

SECTION 26. SEVERABILITY. This franchise is granted pursuant to the laws of the State of Florida relating to this granting of such rights and privileges by municipal corporations. If any section, sentence, clause, part or provision of this Ordinance is for any reason held illegal, invalid, or unconstitutional, such invalidity shall not affect the validity of the ordinance as a whole, or any other of the remaining portions. The invalidity of any portion of this Ordinance shall not affect any consideration or other obligation of the Franchisee.

SECTION 27. EFFECTIVE DATE. The provisions of this Ordinance shall become effective upon the later of (1) due execution and acceptance by the County and Franchisee, (2) the date the Florida Public Service Commission adopts an order approving the cancellation of Franchisee's certificates, and (3) the closing of the transfer of the Lake Suzy Water System to the County and the closing of the transfer of the Kingsway Wastewater System to the Franchisee.

SECTION 28. ORDINANCE AND CONTRACT. This Ordinance, mutually agreed to by both parties, is both an Ordinance of the County as well as a contract between the County and the Franchisee.

SECTION 29. RESERVATIONS OF THE COUNTY.

(1) **Generally.** In addition to the specific reservations of the County set forth herein, the Board of County Commissioners hereby reserves unto the County the matters set forth in this section.

(2) **Police Powers.** In accepting a franchise, the Franchisee acknowledges that its rights thereunder are subject to the police powers of the

County to adopt and enforce ordinances, resolutions, rules, regulations, policies and practices necessary to the convenience, health, safety and welfare of the public; and it agrees to comply with all applicable ordinances, resolutions, rules, regulations, policies and practices by the County pursuant to such power. Any inconsistency between, or ambiguity created by the relationship between the provisions of this chapter and any other contemporaneous or future lawful exercise of the County's police powers shall be resolved in favor of the latter:

(3) **Intervention.** The County shall have the right of intervention in any action at law, suite or other proceeding relating to the System, the provision of services, or this Ordinance which the Franchisee is a party; and the Franchisee shall not oppose such intervention by the County.

(4) **Nonenforcement Not a Waiver.** The Franchisee shall not be excused from complying with any of the requirements of this chapter by any failure of the County on any one (1) or more occasions to insist upon or to seek compliance with any such terms of conditions.

SECTION 30. BINDING ON SUCCESSORS. All provisions of this ordinance which are obligatory upon or which inure to the benefit of Franchisee shall also be obligatory upon and shall inure to the benefit of all successors and assigns of Franchisee and the word "Franchisee" wherever used in this Ordinance shall include and be taken to mean not only utility company, but all successors and assigns of the Franchisee.

SECTION 31. REPEALS OF CONFLICTING ORDINANCES. All ordinances and parts of ordinances in conflict herewith be and the same are hereby repealed.

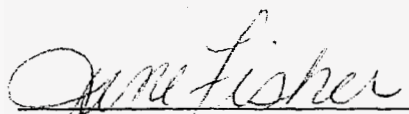
DULY PASSED AND ADOPTED by the Board of County Commissioners, DeSoto County, Florida, this 28th day of September, 2004.

BOARD OF COUNTY COMMISSIONERS
DESOTO COUNTY, FLORIDA

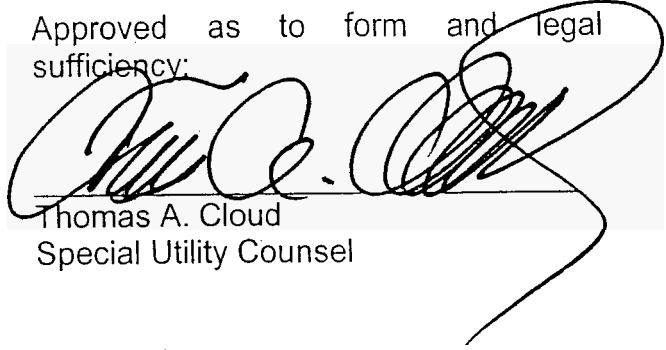
(SEAL)

By: 
William H. Altman, Chairman

ATTEST:


June Fisher
County Administrator

Approved as to form and legal
sufficiency:



Thomas A. Cloud
Special Utility Counsel

ACCEPTED by Franchisee this 8th day of October, 2004

By: Richard D. Hynes
President

[Corporate Seal]

ATTEST: Maria Gordiany
Corporate Secretary

EXHIBIT "A"
TO LAKE SUZY UTILITIES WASTEWATER FRANCHISE
"FRANCHISED LANDS"

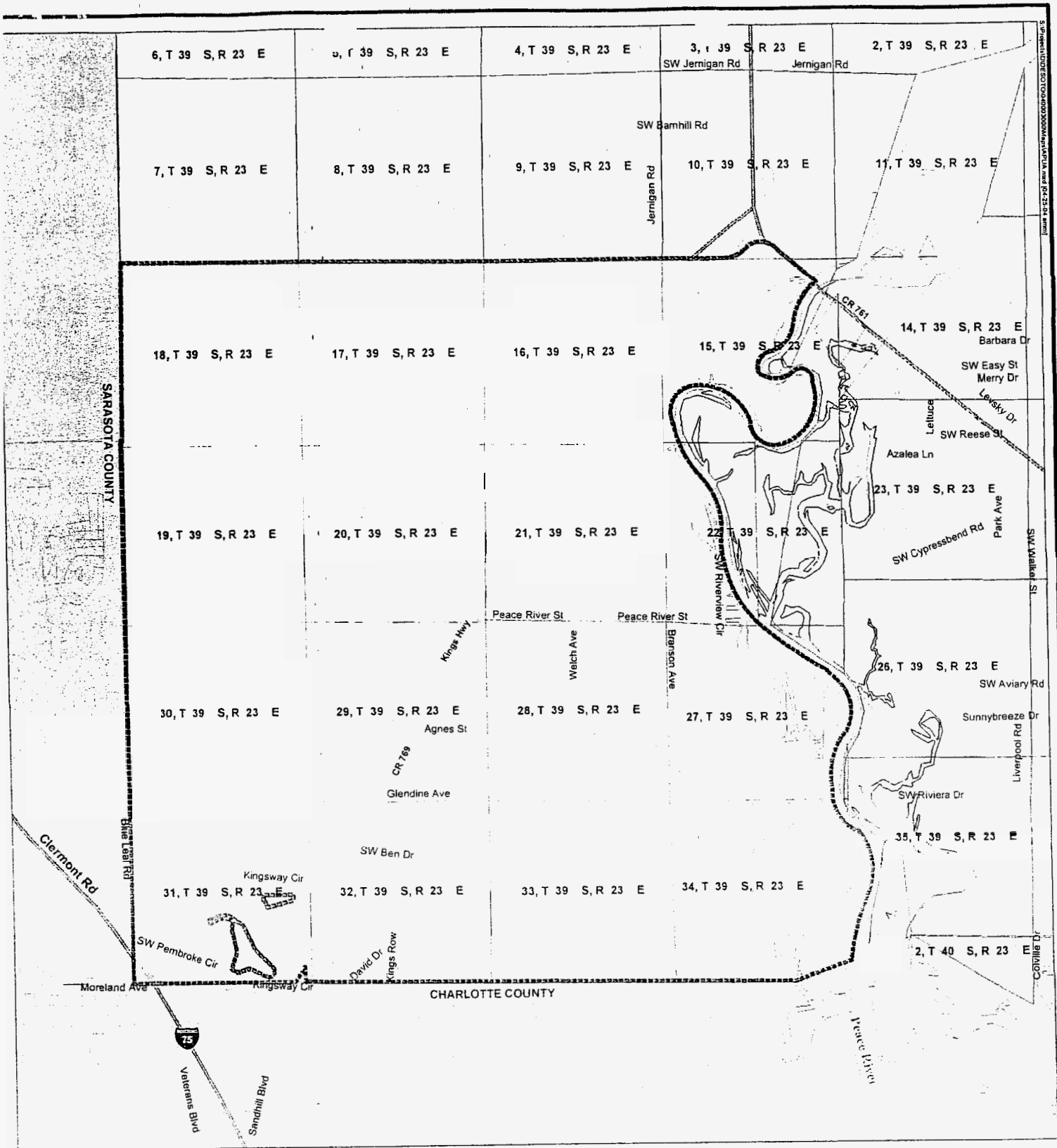
PSC Franchise Area

Township 39 S. Range 23 E all or part of those sections west of the Peace River including Sections 15, 16, 17, 18, 19, 20, 21, 22, 27, 28, 29, 30, 31, 32, 33, 34, and 35 and the DeSoto County Fire Station located south of CR 761.

LESS AND EXCEPT the following lands:

Begin at the southeast corner of section 31; Thence N 89°38'45" W along the south line of said section 31, 2388.17 feet; thence N 25°01'05" W, 39.15 feet, thence N 32°09'31" W, 134.59 feet; thence N 58°16'39" W, 152.45 feet; thence N 08°41'03" E, 58.79 feet; thence N 11°35'37" E, 720.86 feet; thence N 22°03'27" W, 563.84 feet; thence N 20°08'35" E, 472.51 feet to the POB of Parcel 1 of 2. Said POB being a point on a curve concave to the southwest with a radius of 400.00 feet and a tangent bearing of S 78°44'54" E; thence Southeasterly along arc of said curve, 369.13 feet; thence S 50°22'47" W, 159.29 feet; thence S 17°21'14" E, 704.05 feet; thence S 20°42'20" W, 582.63 feet; thence S 68°11'54" E, 177.71 feet; thence N 74°35'19" E, 353.72 feet; thence S 65°20'26" E, 726.23 feet; thence N 30°55'45" E, 287.95 feet; thence N 45°35'19" W, 863.70 feet; thence N 26°26'28" W, 725.47 feet; thence N 47°17'25" W, 194.61 feet; S 65°37'18" W, 58.42 feet to a point on a curve concave to the southwest with a radius of 460.00 feet, said course is radial to said curve; thence northwesterly along arc of said curve, 427.14 feet to a point on said curve to be labeled as POINT A; thence continuing along said curve 296.21 feet through a total angle of 90°06'00"; thence S 65°31'26" W, 239.89 feet to the easterly ROW of Kingsway Circle; thence S 24°28'34" E along the easterly ROW of Kingsway Circle, 60.00 feet; thence N 65°31'26" E, 241.76 feet to a point on a curve concave to the southwest with a radius of 400.00 feet, thence northeasterly along arc of said curve 249.43 feet to the POB being parcel 1 of 3.

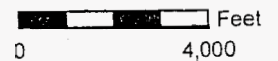
Thence beginning at above referenced POINT A; thence N 67°18'04" W, 240.34 feet; thence N 74°28'27" W, 56.04 feet; thence N 05°02'43" E, 309.07 feet; thence N 42°08'49" E, 189.00 feet; thence S 85°12'39" E, 778.88 feet; thence S 74°40'25" E, 365.65 feet; thence N 66°43'21" E, 116.00 feet; thence S 58°43'09" E, 183.27 feet to the POB of parcel 2 of 3; thence S 10°57'21" W, 110.00 feet; thence N 76°33'11" E, 814.18 feet; thence N 02°30'36" W, 169.87 feet to the ROW of Kingsway Circle; thence S 87°29'24" W, 465.49 feet along the ROW of Kingsway Circle to a point on a curve concave to the north with a radius of 530.00 feet; thence westerly along arc of said curve 67.52 feet; thence N 85°12'39" W, 217.99 feet; thence S 04°47'21" W, 221.24 feet; thence S 58°43'09" E, 51.12 feet to the POB being Parcel 2 of 3.



Legend

- Lake Suzy Wastewater Service Area

FL#2004011463 B 554 P 986
 REC NO. 01430026262



ORDINANCE NUMBER 2004-25

AN ORDINANCE OF DESOTO COUNTY, FLORIDA, RELATING TO THE REGULATION OF WATER AND SEWERAGE SYSTEMS AND BULK WATER UTILITIES IN DESOTO COUNTY, FLORIDA; AMENDING VARIOUS SECTIONS OF DESOTO COUNTY ORDINANCE NO. 1999-01; AMENDING CERTAIN DEFINITIONS IN SECTION 1; EXTENDING THE DURATION FOR FRANCHISES FROM 20 TO 30 YEARS IN SECTION 3; AMENDING SECTION 4(d); CREATING SECTION 8(f) AUTHORIZING THE COUNTY TO APPROVE TARIFFS WITHOUT SEPARATE HEARINGS UNDER CERTAIN CIRCUMSTANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.

WITNESSETH

WHEREAS, pursuant to Section 367.171, Florida Statutes, the Board of County Commissioners of DeSoto County (the "Board") has enacted Resolution Number 1997-22, revoking Resolution Number 1984-22, thereby rescinding the Florida Public Service Commission's jurisdiction over water and sewerage systems in DeSoto County, and restoring such regulatory authority to the Board; and

WHEREAS, Section 367.171, Florida Statutes, requires the Board to adopt regulations pertaining the water and sewerage systems in DeSoto County; and

WHEREAS, pursuant to Section 125.01(1)(k)(1), Florida Statutes, the Board is authorized to regulate water and sewerage systems in DeSoto County; and

WHEREAS, pursuant to Section 125.01(t), Florida Statutes, the Board is authorized to adopt ordinances and resolutions necessary for the exercise of its powers; and

WHEREAS, public hearings were held by the Board on January 12, 1999 and February 23, 1999; and

WHEREAS, the Board adopted Ordinance Number 1999-01 relating to the regulation of water and sewerage systems and bulk water utilities in DeSoto County, Florida on February 23, 1999, which became effective March 5, 1999; and

WHEREAS, the Board is in the process of consummating a transaction in which it will swap certain wastewater facilities it owns to Lake Suzy Utility, Inc. in return for receiving water facilities currently owned by Lake Suzy Utility, Inc.; and

WHEREAS, currently Lake Suzy Utility, Inc. is regulated by the Florida Public Service Commission; and

WHEREAS, the Board has never been confronted with the same set of circumstances in the past; and

WHEREAS, the Board finds it necessary to modify its 1999 water and wastewater regulatory ordinance to address issues not contemplated in the adoption of that ordinance; and

WHEREAS, public notice required by law has been provided.

THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF DESOTO COUNTY, FLORIDA, that:

SECTION 1. AMENDMENTS TO SECTION 1, ORDINANCE NUMBER

1999-01. Subsection 1(r)(1) and Subsection (1)(u)(3) are hereby amended to read as follows:

"Section 1. Definitions.

As used in this ordinance, the following terms mean:

....

(r) "Public sewerage system" shall not include:

- (1) governmentally owned or operated sewage systems, which includes only those owned by DeSoto County, the City of Arcadia, or any other city located within DeSoto County;....

(u) "Public water system" shall not include:

....

- (3) water systems owned or operated by a governmental agency which includes only those systems owned by or a legally created public water district, DeSoto County, the City of Arcadia, or any other city located within DeSoto County;...."

In all other respects, Section 1 of Ordinance 1999-01 shall remain unchanged by this ordinance.

SECTION 2. AMENDMENT TO SECTION 3 OF ORDINANCE NUMBER

1999-01. Subsection 3(b) of Ordinance Number 1999-01 is hereby amended to read as follows:

"(b) Franchise Term. The Board may grant a franchise to a public water or sewerage utility for any period of time not exceeding ~~twenty~~ thirty (20) (30) years, and to a bulk water utility for any period of time not exceeding thirty (30) years. At any time before the expiration of an original franchise, and upon application of a franchisee, the Board may grant a franchise or a

renewal thereof to a public water or sewerage utility for additional periods of time, each period not exceeding ~~twenty~~ thirty (20) (30) years, and to a bulk water utility for additional periods of time, each period not exceeding thirty (30) years. Provided, any franchise existing on March 5, 1997 shall have an initial term twenty (20) years, beginning on the date of the adoption of this Ordinance.”

SECTION 3. AMENDMENT TO SECTION 4, ORDINANCE NUMBER

1999-01. Subsection 4(d) of Ordinance Number 1999-01 is hereby amended to read as follows:

“(d) Public Hearing Requirement. The Board shall hold a public hearing on the application before any franchise is granted. Notice of the hearing, the name of the applicant, the area to be included in the franchise, the proposed rates and connection charges, the period for which the franchise is requested, and the time and place of the hearing shall be published by the County in a newspaper of general circulation in DeSoto County at least ten (10) days prior to the date of the hearing. The Board may waive the filing of an application and minimum filing requirements provided by subsection (b) of this Section 4 for those utilities qualifying under Subsection 8(f) of this Ordinance. Furthermore, the Board may conduct a public hearing to grant a franchise pursuant to this Section and this Ordinance at the same time it approves an initial tariff for those utilities qualifying under Subsection 8(f) of this Ordinance.”

SECTION 4. CREATION OF SUBSECTION 8(f) OF ORDINANCE

NUMBER 1999-01. A new Subsection 8(f) of Ordinance Number 1999-01 is hereby created to read as follows:

“(f) Notwithstanding anything to the contrary contained in this Ordinance Number 1999-01, as amended, the County may schedule and hold a public hearing to approve the grant of a franchise and approve the adoption of a tariff upon whatever terms and conditions it deems appropriate consistent with the provisions of this Ordinance if the franchisee is swapping assets with the County and if by virtue of said transfer becomes subject to the County’s regulatory jurisdiction under this Ordinance.”

SECTION 5. SEVERABILITY. In the event this Ordinance conflicts with any other DeSoto County ordinance or other applicable law, the more restrictive will apply. If any phrase or portion of this Ordinance is held invalid or unconstitutional by any court of competent jurisdiction, such portion will be deemed a separate, distinct and independent provision and such holding will not affect the validity of the remaining portions.

SECTION 6. EFFECTIVE DATE. This Ordinance shall take effect in accordance with state law.

PASSED AND DULY ADOPTED this 28TH day of SEPTEMBER, 2004.

**BOARD OF COUNTY COMMISSIONERS
DESOTO COUNTY, FLORIDA**

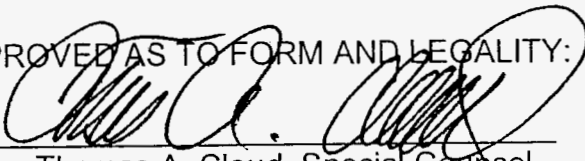


William H. Altman, Chairman

ATTEST:



June Fisher, County Administrator

APPROVED AS TO FORM AND LEGALITY:
By: 

Thomas A. Cloud, Special Counsel