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September 12, 2008

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COMMISSION
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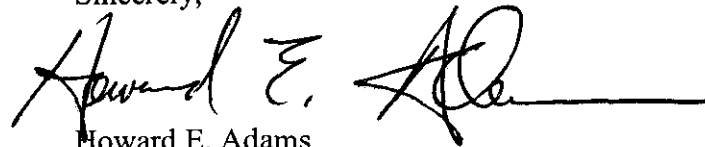
Ms. Ann Cole
Public Service Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Easley Building, Room 110
Tallahassee, FL 32399-0850

Re: Application of Sun River Utilities, Inc. Original Certificates to Provide Water and Wastewater Service in Charlotte and DeSoto Counties, Florida
Docket # 08-0272-WS

Dear Ms. Cole:

Enclosed for filing is a Notice of Voluntary Dismissal on behalf of DeSoto County. I am enclosing the original and eight copies, please date stamp one copy and return for my file. Please let me know if you have any questions regarding this filing or if we can be of further assistance in this matter.

Sincerely,



Howard E. Adams
Attorney for DeSoto County

COM _____
ECR _____
GCL 2 Enclosures
OPC _____
RCP _____
SSC _____
SGA _____
ADM _____
CLK _____
HEA/kra
Ann Cole Ltr #2

Cc: Martin Friedman, Esq.
Robert Brannen, Esq.
Martha Young Burton, Esq.
Caroline Klancke, Esq.

DOCUMENT NUMBER-DATE

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215 South Monroe St., 2nd Floor (32301) • P.O. Box 10095 • Tallahassee, FL 32302-2095 • (850) 222-3533 • (850) 222-2126 fax

TALLAHASSEE

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FPSC-COMMISSION CLERK

CLEARWATER

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

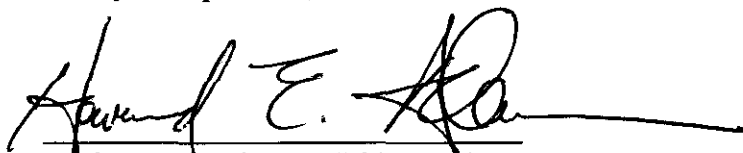
In re: Application of Sun River Utilities, Inc.
Original certificates to provide water and
Wastewater Service in Charlotte and DeSoto
Counties, Florida.

Docket # 08-0272-WS

**NOTICE OF VOLUNTARY DISMISSAL OF OBJECTION OF DESOTO COUNTY TO
SUN RIVER UTILITIES, INC., APPLICATION FOR ORIGINAL CERTIFICATES TO
PROVIDE WATER AND WASTEWATER SERVICE**

COMES NOW DeSoto County, Florida, by and through its undersigned attorneys and hereby voluntarily dismisses its objection as filed in the above-styled cause relating to the Application For Original Certificate To Provide Water And Wastewater Service in Charlotte and DeSoto Counties as filed by Sun River Utilities, Inc. DeSoto County would represent unto the Florida Public Service Commission that the parties have entered into a stipulation and agreement for water and wastewater utilities, settling those disputes which existed between the parties in this issue. A copy of that agreement is attached hereto as Exhibit "A" for the information of the Florida Public Service Commission. This documentation is a public record as voted and approved by the DeSoto County Commission.

Respectfully submitted this 12th day of September, 2008.



Fred Busack (Fla. Bar # 0117994)
John Pelham (Fla. Bar # 0360041)
Howard E. Adams (Fla. Bar # 322210)

Fred Busack, Esquire
Pennington Law Firm
2701 N. Rocky Point Dr. Suite 900

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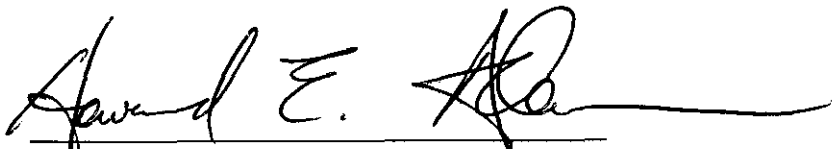
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CERTIFICATE OF SERVICE

The undersigned attorney hereby certifies that the following persons have been served via U.S. mail the foregoing Notice of Voluntary Dismissal: Caroline M. Klancke, Senior Attorney, Office of the General Counsel, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850; Martha Young Burton, Assistant County Attorney, County of Charlotte, 18500 Murdock Circle, Port Charlotte, FL 32948-1094; Martin Friedman, Esq., Rose, Sundstrom & Bentley, LLP, 2180 W. State Road 434, Suite 2118, Longwood, FL 32779-5009; Robert Brannen, Esq., Rose, Sundstrom & Bentley, LLP, 2548 Blairstone Pines Drive, Tallahassee, FL 32301-5925;


Howard E. Adams

**AGREEMENT BETWEEN
SUN RIVER UTILITIES, INC.
AND
DESOTO COUNTY, FLORIDA**

THIS AGREEMENT, is made and entered into this 21 day of July, 2008, by and between the DeSoto County Board of County Commissioners, hereinafter referred to as the "Commission" and Sun River Utilities, Inc., a Florida Corporation, hereinafter referred to as the "Sun River."

RECITATIONS:

1. Sun River's parent corporation has an ownership interest in an industrial park in DeSoto County known as DeSoto Park, more particularly described in Exhibit A attached hereto and made a part hereof, which is adjacent to Sun River's Charlotte County service territory; and
2. On May 14, 2008, Sun River filed an Application for Original Certificates for an Existing Utility with the Florida Public Service Commission (the "Application") seeking, among other things, to add DeSoto Park to its service territory; and
3. DeSoto County Utilities Department (the "Department") maintains and operates municipal water and wastewater utility facilities whose service territories include DeSoto Park; and
4. DeSoto Park lies within the Department's current service territory; and
5. On June 10, 2008, DeSoto County (the "County") filed an Objection to the Application on the grounds, *inter alia*, that the Department has the capacity, ability and willingness to serve DeSoto Park, has already contracted with customers in DeSoto Park to reserve capacity in the Department's utility system, and will provide service when the developers of DeSoto Park are prepared to accept service; and
6. The County is desirous of protecting the Department's utility service territory and continuing to serve the residents and businesses in DeSoto County, including those in DeSoto Park; and
7. Sun River expects to make very large capital investments in order to design, permit, and construct the central water, wastewater and reclaimed water utility facilities in order to provide service to its certificated service territory; and
8. Sun River is desirous of securing for itself a bulk potable water supply from the County for use by Sun River outside of the Department's utility service territory; and
9. The County may be desirous of securing for itself an option to obtain bulk wastewater treatment and/or reclaimed water service for use by the Department outside of the

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Sun River service area; and

10. Sun River may be desirous of securing for itself an option to obtain bulk wastewater treatment and/or reclaimed water service for use by customers within the DeSoto Park service area until Sun River completes construction of its own wastewater treatment plant.

11. The County is desirous of seeing DeSoto Park constructed such that it will be a credit to the DeSoto County community and a generator of economic activity within the County; and

12. The parties hereto are desirous of entering into this Agreement to insure that the above goals are met.

NOW, THEREFORE, in consideration of the mutual covenants entered into between the parties, and in consideration of the benefits to accrue to each, it is agreed as follows:

1. The above recitations are true, correct, and incorporated herein by specific reference;
2. Service Area: It is agreed between the parties that Sun River's DeSoto County service area shall be strictly limited to its affiliated property also known as DeSoto Park and more fully described in Exhibit "A" attached hereto and made a part hereof ("DeSoto Service Area").
3. Injunction: Sun River stipulates and agrees that it will not seek to expand the DeSoto Service Area described in Exhibit "A" unless requested and approved in writing by DeSoto County. Sun River further stipulates and agrees to the granting of injunctive relief and award of fees and costs in favor of the County in the event Sun River attempts to seek additional service territory within DeSoto County beyond that described in Exhibit "A."
4. Utility's Obligation: Sun River shall be responsible for the design, permitting, construction, and operation of the central potable water, wastewater and reclaimed water utility facilities needed in order to provide such services to its certificated service territory in Charlotte and DeSoto Counties. Sun River shall not build any water, wastewater or reclaimed water facilities in DeSoto County outside DeSoto Park unless otherwise approved by the County. The County's choice to approve or disapprove such construction outside DeSoto Park shall be in the County's sole discretion.
5. County Inspection Rights: The infrastructure shall be built in accordance with professional engineering standards and in compliance with the Florida Department of Environmental Protection ("DEP") rules, specifications and standards. Construction plans shall be provided to the County for review. The County shall have thirty (30) days to complete such review and provide comments

to Sun River. The County may conduct periodic inspections, both during and after the construction of such infrastructure facilities in order to ensure that the infrastructure is being properly constructed, operated and maintained. If at any time the County determines that the infrastructure facilities do not meet the standards agreed to herein, Sun River agrees that it will not seek dismissal of any request for injunctive or declaratory relief or damages sought by the County. Sun River further agrees to provide at no cost to the County as-built plans upon completion of construction. The as-built plan submission shall include paper (bluelines), reproducible (mylars), and electronic (CD format) copies that reference the Florida State Plane Coordinate System with two or more point references. Sun River shall also provide video inspection of all pipelines where such inspection is feasible.

6. **Bulk Wastewater Option:** Sun River agrees to reserve for the County 250,000 gallons per day of wastewater treatment capacity in Sun River's new wastewater treatment plant for a period of three (3) years from the completion date of its new wastewater treatment plant at no charge to the County. During this period, the County shall have the option of entering into an agreement to purchase bulk wastewater treatment plant capacity and/or reclaimed water from Sun River by giving six months (i.e., 180 days) notice to Sun River of its intent to do so. County shall be responsible for constructing collection lines, force mains and any required lift stations the County may need, outside of Sun River's DeSoto Service Area. After this reservation period, the County may still enter into an agreement to purchase bulk wastewater treatment plant capacity and/or reclaimed water from Sun River, but only if Sun River has the requested capacity available. In the event Sun River is unable to supply wastewater or reclaimed water services to customers within the DeSoto Park service area, and the County has available wastewater and/or reclaimed water capacity, Sun River shall enter into a bulk wastewater and/or reclaimed water service agreement with the County to serve such customers until it completes construction of its wastewater and/or reclaimed water infrastructure facilities. Sun River shall be responsible for constructing collection lines, force mains and any required lift stations Sun River may need to allow such connection to the County's wastewater and/or reclaimed water system. Sun River acknowledges and agrees that in no event will customers in the DeSoto Park service area be left without wastewater and/or reclaimed water service due to Sun River's inability to serve these customers because it has not yet completed construction of its infrastructure facilities.
7. **Bulk Potable Water Service:** Sun River and the County shall enter into a bulk water service agreement in substantially the same format as the agreement attached hereto as Exhibit "B" wherein Sun River shall purchase potable water from the County.
8. **Water Use Permitting:** To the extent permitted by law and upon the written request of Sun River, the County shall assist Sun River with its water use matters within DeSoto County before the Southwest Florida Water Management District

and the Peace River Manasota Regional Water Supply Authority. Any costs that the County incurs to provide such assistance, including but not limited to attorney's fees and costs, shall be reimbursed by Sun River upon receipt of an invoice for such services.

9. Withdrawal of County Objection: Concurrent with the execution of this document and the inclusion of the fully executed Agreement as a part and condition of any approval of service area granted within Desoto County by the Florida Public Service Commission to Sun River, the County agrees to file a withdrawal of its Objection to the Application so that the Florida Public Service Commission may grant the Certificate Application at issue. Sun River specifically acknowledges and agrees that should it breach this Agreement, the Florida Public Service Commission shall have the right and responsibility to withdraw its approval of any approved service area within DeSoto County upon receipt of such notice of breach received from the County.

10. Notices: The parties designate the following persons as representatives to be contacted and to receive all notices regarding this Agreement:

If to the County, such notice shall be addressed to the County at:

DeSoto County Florida
201 East Oak Street, Suite 201
Arcadia, Florida 34266
Attention: County Administrator

With a copy to:

Pennington Law Firm
2701 N. Rocky Point Dr., Suite 900
Tampa, Florida 33607
Attention: Fred Busack, Esquire

If to Sun River, such notice shall be addressed to the Utility at:

Sun River Utilities, Inc.
5660 Bayshore Road, Suite 36
North Fort Myers, Florida 33917
Attention: A. A. Reeves, Vice President

With a copy to:

Rose, Sundstrom & Bentley, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301
Attention: Robert C. Brannan, Esquire

Any Notice or other document required or allowed to be given pursuant to this Agreement shall be in writing and shall be delivered personally, or by recognized overnight courier, or sent by Certified Mail, Postage Prepaid, Return Receipt Requested. The use of electronic communication is not considered as providing proper notice pursuant to this Agreement.

11. Assignment: This Agreement shall be binding upon, and inure to the benefit of both County and Sun River's successors and assigns.
12. Beneficiaries: This Agreement is solely for the benefit of the County and Sun River and no other causes of action shall accrue upon or by reason hereof to or for the benefit of any third party, who or which is not a formal party to this Agreement.
13. Amendment: This Agreement may be amended only if executed in writing and signed by the parties hereto.
14. Force Majeure: In the event that the performance of this Agreement by either party is prevented or interrupted in consequence of any cause beyond the control of the other party, which may include, but is not limited to, acts of God or the public enemy, war, national emergency, allocation or other governmental restrictions upon the use or availability of labor or materials, rationing, civil insurrection, riot, disorder, demonstration, terrorism, strike, embargo, flood, tidal wave, fire, explosion, windstorm, hurricane, earthquake or other casualty, disaster or catastrophe of plant facilities or line breaks, neither party shall be liable for such non-performance.
15. Applicable Law and Venue: This Agreement shall be governed by the laws of the State of Florida, as well as all applicable local ordinances of the County. Venue for any suit involving this Agreement shall be in DeSoto County, Florida or as otherwise mutually agreement by the parties hereto.
16. Entire Agreement and Effective Date: This Agreement constitutes the entire agreement between the Parties with regard to the content herein and has been entered into voluntarily and with independent advice and legal counsel and has been executed by authorized representatives of each party on the date written above. However, this Agreement is not to be construed to supercede or in anyway contradict County utility ordinances currently existing or as they shall be amended from time to time. In the event any provision of this Agreement contradicts a County utility ordinance, the provision in the County utility ordinance shall prevail. Further, all construction in DeSoto County that Sun River may plan or undertake pursuant to its rights and obligations herein shall be subject to County review, permitting and approvals in the same manner as all other construction in the County. This Agreement shall become effective (the "Effective Date") when the last party to this Agreement executes the Agreement


and the water supply contract attached hereto as Exhibit "B" becomes effective.


17. Execution in Counterparts: This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto as of the date first above written.


BOARD OF COUNTY COMMISSIONERS
DESOTO COUNTY, FLORIDA

ATTEST:

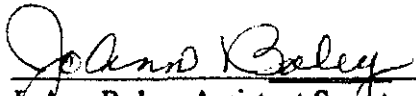

B. Roger Pulley
County Administrator


T. Felton Garner
Chairman

Approved as to form and correctness:


Howard Holtzendorf, County Attorney

Attest:


JoAnn Boley, Assistant Secretary

SUN RIVER UTILITIES, INC.

By: 
Joel Schenkman, President

EXHIBIT A

DESOTO SERVICE AREA (DESOTO PARK)

The following described lands located in DeSoto County, Florida:

All of Section 31, Township 39 South, Range 24 East, DeSoto County, Florida.

Along with:

The South 1/2 of the South 1/2 of Section 30, Township 39 South, Range 24 East, DeSoto County, Florida.

Less and Except:

Road Right-of-Way for U.S. Highway #17 (State Road #35).

Also Less and Except:

A portion of Section 30 & 31, Township 39 South, Range 24 East, DeSoto County, Florida, being more specifically described as follows:

Commence at the Southwest corner of said Section 31, thence South 89° 41' 45" East along the South line of said Section 31, a distance of 50.39 feet to the East of right-of-way line of U.S. Highway #17 (100 feet wide); thence North 0° 24' 39" East along said East right-of-way line, a distance of 3,728.32 feet to the intersection of the East right-of-way of U.S. Highway #17 and the North right-of-way of Enterprise Blvd., said point being the Point of Beginning; thence South 89° 34' 59" East along the North right-of-way of said Enterprise Blvd., a distance of 2138.80 feet; thence North 0° 11' 34" East along said right-of-way, a distance of 55.00 feet; thence South 89° 34' 59" East along said right-of-way, a distance of 441.24; thence North 00° 11' 14" East, a distance of 1524.75 feet to the North line of Section 31; thence North 00° 34' 13" East, a distance of 1333.50 feet to the North line of the South 1/2 of the South 1/2 of said Section 30; thence North 89° 30' 57" West along the North line of the South 1/2 of the South 1/2 of said Section 30, a distance of 2563.24 feet to the East right-of-way of U.S. Highway #17; thence South 00° 52' 15" West along said right-of-way, a distance of 1793.74 feet; thence South 00° 25' 15" West, along said right-of-way, a distance of 586.65 feet; thence South 00° 23' 47" West along said right-of-way, a distance of 535.91 feet to the Point of Beginning.

Less and Except: (Tower Site)

A portion of Section 31, Township 39 South, Range 24 East, DeSoto County, Florida, being more specifically described as follows:

Commence at the Southwest corner of said Section 31; thence South 89° 41' 45" East along the South line of said Section 31, a distance of 50.39 feet to a point on the East right-of-way of U.S. Highway #17; thence North 0° 24' 39" East along said right-of-way, a distance of 126.12 feet;

thence South $89^{\circ} 41' 45''$ East, a distance of 197.83 feet to the Point of Beginning; thence continue South $89^{\circ} 41' 45''$ East, a distance of 270.00 feet; thence North $0^{\circ} 18' 15''$ East, a distance of 396.55 feet; thence North $89^{\circ} 41' 45''$ West, a distance of 270.00 feet; thence South $0^{\circ} 18' 15''$ West, a distance of 396.55 feet to the Point of Beginning.

EXHIBIT B

SUN RIVER UTILITIES, INC. WATER SUPPLY CONTRACT

THIS CONTRACT, is entered into this _____ day of _____, 2008, by and between DeSoto County, a political subdivision of the State of Florida, acting by and through its Board of County Commissioners, the governing board thereof (hereinafter the "County") and Sun River Utilities, Inc., a Florida corporation (hereinafter ("Sun River"))(and collectively the "Parties").

WITNESSETH:

WHEREAS, pursuant to an Application for Original Certificates for an Existing Utility pending before the Florida Public Service Commission, Sun River wishes to provide water and wastewater services to a portion of DeSoto County as more particularly described in Exhibit A attached hereto and made a part hereof (hereinafter "DeSoto Park"); and

WHEREAS, the Parties are desirous of entering into a contract to allow Sun River to provide water and wastewater service to DeSoto Park; and

WHEREAS, Sun River has notified the County that it will require a bulk water service agreement to serve DeSoto Park and the rest of its service area; and

WHEREAS, the County has entered into that certain Second Amended Interlocal Agreement Creating the Peace River/Manasota Regional Water Supply Authority, recorded at Official Records Book 570, Page 981 of the Public Records of DeSoto County, Florida; Official Records Book 2850, Page 1475 of the Public Records of Charlotte County, Florida; Official Records Book 2072, Page 1915 of the Public Records of Manatee County, Florida; and as Instrument # 2005235135 of the Official Records of Sarasota County, Florida; and that certain Peace River/Manasota Regional Water Supply Authority Master Water Supply Contract,

recorded at Official Records Book 570, Page 1007 of the Public Records of DeSoto County, Florida; Official Records Book 2850, Page 1501 of the Public Records of Charlotte County, Florida; Official Records Book 2072, Page 1941 of the Public Records of Manatee County, Florida; and as Instrument # 2005235134 of the Official Records of Sarasota County, Florida (hereinafter collectively the "PR/MRWSA Contracts") which have recently been adopted in order to meet the water demand needs of the DeSoto Park Service Area water customers and all other water customers in DeSoto County; and

WHEREAS, it is necessary and in the public interest that the County provide potable water to the DeSoto Park Service Area and Sun River pursuant to the terms of this Sun River Utilities, Inc. Water Supply Contract (hereinafter the "Contract");

NOW, THEREFORE, in consideration of the foregoing premises, which shall be deemed an integral part of this Contract and the Parties hereto agree are true and correct, and of the mutual covenants and agreements, hereinafter set forth, the Parties, intending to be legally bound hereby agree as follows:

1. **DEFINITIONS:** In the absence of a clear implication otherwise, capitalized terms under this Contract and in the attached exhibits shall have the following meanings:

1.1 **Contract Year.** The fiscal year of the County (beginning on each October 1, and ending on the following September 30) during the term of this Contract.

1.2 **Delivery Point(s).** The point(s) of delivery of water by the County under this Contract, as more specifically described in Exhibit B, attached hereto.

1.3 **DeSoto Utility Regulation Ordinance.** DeSoto Ordinance Number 1999-01 as amended by DeSoto Ordinance Number 2002-04 and as subsequently amended or superseded pursuant to action by the DeSoto County Board of County Commissioners in the future.

1.4 Effective Date. The date when the last party to this Contract executes the Contract.

1.5 GPM. Gallons per minute.

1.6 Water Allocation. For any Contract Year, the maximum quantity of water committed by the County to be delivered to Sun River as shown in Exhibit C.

1.7 Water Charge. For any Contract Year, the rate to be paid by Sun River for water delivered by the County to the Delivery Point(s), as such rate is established and as may be revised from time to time in accordance with the DeSoto Utility Regulation Ordinance, by the Board of County Commissioners of DeSoto County.

1.8 Water Use and Needs Report. The report, prepared in substantially the same format as Exhibit D attached hereto, to be prepared by Sun River and delivered to the County pursuant to the terms of this Contract.

2. **TERM.** The term of this Contract shall begin on the Effective Date and end on the 10-year anniversary of the Effective Date, or by mutual agreement of the Parties, or if Sun River conveys its interest in the DeSoto Park Service Area to another entity.

3. **CONDITIONS PRECEDENT.** All rights, obligations, and liabilities of the Parties shall be subject to the satisfaction of the conditions precedent identified in this Section as follows:

3.1 The complete execution of this Contract by the County and Sun River; and

3.2 The representations set forth in Section 4 are true and correct as of the Effective Date; and

3.3 Delivery by Sun River to the County a current accounting of all existing, reserved and future connections for which the water delivered to Sun River will be distributed. Said

accounting shall be in a format acceptable to the County and in substantially the same format as the report in Exhibit E attached hereto.

3.4 Delivery by Sun River to the County of an initial Master Plan of Planned Future Improvements to illustrate how service is to be provided to customers within the Sun River Service Area. Said Master Plan shall be in a format acceptable to the County and shall indicate planned construction start and completion dates. Sufficient distribution system planning must be illustrated to justify requested water allocation in the Water Use and Needs Report. Sun River shall annually update and resubmit said Master Plan for the County's review on the anniversary of the Effective Date.

4. REPRESENTATION OF THE PARTIES. The Parties make the following representations:

4.1 Both Parties are duly organized and existing in good standing under the laws of the State of Florida; and

4.2 Both Parties have the power, authority, and legal right to enter into and perform the obligations set forth in this Contract, and the execution, delivery, and performance hereof by them (a) has been duly authorized; (b) does not require any other approvals by any other governmental officers or bodies; (c) will not violate any judgment, order, law, or regulation applicable to either of the Parties; and (d) does not constitute a default under, nor result in the creation of, any lien, charge, encumbrance, or security interest upon the assets of either party under any agreement or instrument to which it is a party or by which the party and its assets may be bound or effected; and

4.3 This Contract has been duly entered into and delivered and, as of the Effective Date, constitutes a legal, valid, and binding obligation of the Parties hereto, fully enforceable in

accordance with its terms; and

4.4 There is no action, suit, or proceeding, at law or in equity, before or by any court or governmental authority pending, or, to the best of each party's knowledge, threatened against either party, wherein any unfavorable decision, ruling, or finding would materially adversely effect the performance by a party of its obligations hereunder or the other transactions contemplated hereby, or which, in any way, would adversely effect the validity or enforceability of this Contract, or any other agreement or instrument entered into by the parties in connection with the transaction contemplated hereby; and

4.5 The Parties agree that Sun River shall be subject to all rules, regulations and obligations outlined in the DeSoto Utility Regulation Ordinance(s), as such may be amended from time to time, in the same manner as any other water franchisee of the County, provided however, that such compliance does not conflict with or duplicate any obligations imposed on Sun River by the Florida Public Service Commission.

5. DELIVERY OF WATER ALLOCATION. During each Contract Year, the County shall use its best efforts to deliver to Sun River its Water Allocation, as follows:

5.1 Delivery Schedule. The County shall not be required to deliver water to Sun River in excess of the Water Allocation, nor shall the County be required to provide water to Sun River, if prohibited by any applicable federal, state, regional, or local statute, rule, ordinance, law, administrative order, or judicial decree or in violation of applicable environmental permits. Further, in the event that at any time there is insufficient potable water available from the Peace River/Manasota Regional Water Supply Authority to fully meet the Water Allocation, then the Water Allocation shall be reduced pro-rata in accordance with Section 10.2 of the Peace River/Manasota Regional Water Supply Authority Master Water Supply Contract.

5.2 Rate of Delivery. The County need not deliver water to Sun River at a rate which shall cause the County to exceed its delivery schedule as outlined in Section 10.4 of the Peace River/Manasota Regional Water Supply Authority Master Water Supply Contract. In the event that Sun River's rate of water usage causes the County to exceed the delivery schedule as outlined in Section 10.4 of the Peace River/Manasota Regional Water Supply Authority Master Water Supply Contract, and the Authority imposes a Conservation Rate upon the County for such demand, Sun River, in addition to the Water Charges outlined in Section 6 herein, shall pay to the County the difference between the Conservation Rate and the County's normal water charges payable to the Authority for the amount of water usage that caused the County to exceed its delivery schedule from the Authority.

5.3 Source of Water. The County's obligation to supply Sun River with its Water Allocation is limited to water delivered to the County from the Peace River/Manasota Regional Water Supply Authority. The County is not required to provide water to satisfy Sun River's Water Allocation from any other source.

5.4 Future Water Allocation. Future water allocations may be requested by Sun River for its service areas from time to time. Sun River may not request future water allocations to serve customers outside the current service area pending before the Florida Public Service Commission without the express written consent of the County's Board of County Commissioners. Upon receipt of a request by Sun River to increase future water allocations for Sun River's service areas, the County shall consider whether Sun River is currently operating within the parameters of the then-current DeSoto Utility Regulation Ordinance(s). If so, the County shall submit the increased water allocation request to the Peace River/Manasota Regional Water Supply Authority as part of the County's water demands projection to be delivered to the

Peace River/Manasota Regional Water Supply Authority pursuant to Section 12 of the Peace River/Manasota Regional Water Supply Authority Master Water Supply Contract. No later than October 15 of each year, Sun River shall submit to the County a Water Use and Needs Report. Within thirty (30) days of receipt of the Water Use and Needs Report, the County shall notify Sun River that it has accepted Sun River's Water Use and Needs Report and that it will submit the increased water allocation request to the Peace River/Manasota Regional Water Supply Authority as part of the County's water demand projections report due on or before the following January 15 in accordance with Section 12 of the Peace River/Manasota Regional Water Supply Authority Master Water Supply Contract. Failure of Sun River to submit the Water Use and Needs Report by October 15 waives the County's obligation to provide additional water allocation to Sun River for the coming year as outlined in this section.

5.5 Delivery Point. The County shall only deliver water to Sun River at its Delivery Point(s) specified in Exhibit B.

6. **WATER CHARGE**. For each Contract Year, Sun River shall pay the County the applicable water charge as follows:

6.1 Rate Setting Elements. On or before September 30 of each calendar year, the Board of County Commissioners of DeSoto County shall fix the Water Charge for the subsequent Contract Year to be paid by Sun River, taking into account:

6.1.1 the water charge paid by the County to the Peace River Manasota Regional Water Supply Authority Master Water Supply Contract as such may be amended from time to time;

6.1.2 the County's then-existing DeSoto Utility Regulation Ordinance(s); and

6.1.3 any additional costs, which are not arbitrary and capricious, associated with the

delivery of water by the County to Sun River, including but not limited to increased costs anticipated to be paid by the County to the Peace River/Manasota Regional Water Supply Authority to meet future water allocation increases requested by Sun River.

6.2 Rate Setting and Internal Audit. The initial Water Charge payable by Sun River to the County pursuant to this Contract shall be \$3.75 per 1,000 gallons (hereinafter the "Initial Water Charge"). The Initial Water Charge shall be effective from the Effective Date through the following November 30 (hereinafter the "Initial Water Charge Period"). Thereafter, the Board of County Commissioners shall fix the Water Charge after an internal audit of the costs associated with delivery of water to Sun River in the previous calendar year and projected costs for the delivery of water in the subsequent calendar year. Sun River's rate shall be set in a per 1,000 gallon rate and divided into a monthly charge. Upon request, Sun River shall be entitled to review the internal audit at its completion and shall have the right to make comment either in writing or by oral presentation to the County Board of County Commissioners regarding the fixing of the Water Charge.

6.3 Effective Date of Water Charge. Other than the Initial Water Charge, the Water Charge set pursuant to Section 6.1 of this Contract shall be effective beginning on the immediately following December 1 and shall remain in effect until the immediately following November 30, unless adjusted pursuant to Section 6.5 of this Contract. During the interim period between, (a) the date the Board of County Commissioners of DeSoto County fixes the Water Charge to be paid by Sun River, and (b) the effective date of the revised Water Charge, any deficiency between the monthly Water Charge currently being paid by Sun River to the County and the monthly water charges owed by the County to the Peace River/Manasota Regional Water

Supply Authority for water provided to Sun River shall be paid by Sun River by making ten equal monthly payments beginning December 1 and continuing through to the following September 30.

6.4 Irrevocable Commitment to Pay. It is the intent of the Parties that Sun River shall bear all the costs incurred by the County in providing Sun River with water pursuant to this Contract. In no event shall Sun River pay a Water Charge which is less than the County's costs for obtaining water from the Peace River/Manasota Regional Water Supply Authority, including any administrative or incidental costs incurred by the County. Sun River shall be obligated to pay its Water Charge regardless of whether or not it utilizes the whole of its Water Allocation. Moreover, Sun River recognizes that circumstances such as equipment failure, construction delays, failure to obtain permits, limitations on permits, transmission line ruptures or defects, acts of God, etc., may prevent the performance by the County of its obligations pursuant to this Contract. Nevertheless, Sun River shall pay its Water Charges throughout the term of this Contract. Said payments by Sun River shall be made without notice or demand and without set-off, counterclaim, abatement, suspension or deduction.

6.5 Rate Adjustments. If the Peace River/Manasota Regional Water Supply Authority should raise rates subsequent to the County's fixing Sun River's Water Charge, the County shall adjust, and Sun River shall pay, an adjustment in Sun River's Water Charge in an amount equal to the County's costs incurred by reason of such rate increase, including any administrative or incidental costs. The revised Water Charge set pursuant to this Section shall be effective sixty (60) days after the date the County adjusts Sun River's Water Charge and shall remain in effect until the immediately following November 30.

6.6 Payment. On or before the twentieth day of each month, the County shall bill Sun

River the Water Charge and payment shall be made by Sun River to the County within thirty (30) days following receipt of said bill by Sun River. The County, in addition to all other legal remedies, shall have the right to discontinue the delivery of water under this Contract for non-payment by Sun River.

6.7 Assignment of Fees, Water Charges, and Receivables. Sun River hereby assigns to the County any fees, water charges, or other receivables due to Sun River by Sun River's customers for the provision of water. Such assignment shall be absolute in the event of any default in payment by Sun River to the County, upon written demand made by the County. Notwithstanding the foregoing, said assignment shall be subordinate to any pledge of fees, water charges and receivables made by Sun River in connection with any financing of its water and/or wastewater facilities. Upon application by the County, a court of competent jurisdiction may appoint a receiver to collect such fees, water charges, or other receivables and pay the County the Water Charge owed by Sun River to the County in the manner provided in Section 6.6 of this Contract. In the event Sun River should file a petition for bankruptcy Sun River hereby agrees and consents to the entry of an order providing the County with relief from the automatic stay or adequate protection.

6.8 Impact Fees. In addition to the Water Charge, Sun River shall also be liable to the County for water capital charges, also known as impact fees, and any other fees and costs pursuant to the DeSoto Utility Regulation Ordinance(s), as such may be amended from time to time, in the same manner as any other water franchisee of the County.

7. **WATER QUALITY.** The County shall use its best efforts to deliver water of the same quality, and same terms as set forth in the Peace River Manasota Regional Water Supply Authority Master Water Supply Contract to the Delivery Point(s).

8. **WATER MEASUREMENT.** The County shall measure all water delivered at the Delivery Point(s) and shall maintain complete and accurate records of its water measurements. Water flow measurements recorded by the County shall be the exclusive means of determining the quantity of water delivered to the Delivery Point(s) under this Contract. The metering equipment installed at the Delivery Point(s) shall be of the standard make and type, installed at a readily accessible location, and shall record flow with an accuracy sufficient to meet all applicable reporting requirements. The cost for said metering equipment and installation thereof shall be the responsibility of Sun River, but the meter(s) and any infrastructure constructed upstream of the meter(s) shall be conveyed to the County upon acceptance of the same by the County's engineer and/or agent. The cost of any subsequent calibration, repair or replacement of the metering equipment shall be shared equally by the Parties. The County shall annually check the accuracy of the metering equipment and arrange for recalibration if necessary. Sun River may be present when the metering equipment is checked for accuracy and the test records shall be made available for Sun River's inspection upon reasonable written request. Sun River may request, and the County shall conduct, more frequent testing and recalibration. However, all costs associated with requested testing and recalibration, more frequent than the annual testing and recalibration, shall be at the sole expense of Sun River.

9. **PIPELINE EXTENSION.** At no cost to the County or the Peace River/Manasota Regional Water Supply Authority, Sun River agrees to construct a 24" water transmission pipeline acceptable to the Peace River/Manasota Regional Water Supply Authority (the "Authority") between the southern terminus of the Authority's pipeline adjacent to DeSoto Park in Desoto County, within the public right-of-way of Highway 17 or in utility easements adjacent thereto, to Sun River's water treatment plant location in Charlotte County (approximately 2

miles) and convey at no cost such pipeline and easements to the Authority or the County upon the written request of the County. Such pipeline shall have a tee installed at the southern terminus of the pipeline with the southern opening capped to allow future connection and the western portion of the tee attached to Sun River's water treatment facilities. Until such pipeline is conveyed to the Authority or the County, said pipeline shall remain the property and responsibility of Sun River. However, once conveyed, such pipeline shall be the property and sole responsibility of the entity to which the County directs that Sun River should convey the pipeline.

10. **PLEDGE OF REVENUES.** The County reserves the right to pledge or assign all or any part of the revenues derived from the rates and fees charged under this Contract to the repayment of any loan, bond, or other indebtedness of the County utility system.

11. **FRANCHISE.** The County is in the process of restructuring its utility franchise ordinance. Sun River has determined that it wishes to become a utility franchisee of the County but also remain subject to Florida Public Service Commission oversight. To that end, Sun River and the County agree as follows:

11.1 **County Franchisee.** As a condition of this Contract, and provided such activities do not conflict with the requirements of the Public Service Commission, Sun River agrees to do all things necessary to become a utility franchisee of the County but also remain subject to the oversight of the Public Service Commission. Should the DeSoto Park portion of Sun River's service area ever cease to be subject to Public Service Commission oversight, the DeSoto Park service area shall remain solely a utility franchisee of the County unless the Parties wish to terminate that standing as otherwise provided herein.

11.2 **Ordinance Revision.** Sun River and the County agree to work together to

restructure the current utility franchise ordinance.

12. **ASSIGNMENT.** No assignment, delegation, transfer, or novation of this Contract or any part hereof shall be made, unless approved in writing by both the County and Sun River.

13. **SUCCESSORS & PARENTS BOUND.** Sun River hereby binds itself, its parent companies, its partners, successors, assigns and legal representatives to the County with respect to all covenants of this Contract.

14. **FORCE MAJEURE.** The County's non-performance of its obligations under this Contract may be excused by the occurrence of strikes, or other labor disputes, damage to or destruction of the facilities delivering water to Sun River, or prevention of performance by governmental authority or by act of God.

15. **NOTICES.** All notices or other writings permitted or required to be delivered to the County at its County Administrator's office:

DeSoto County Florida
201 East Oak Street, Suite 201
Arcadia, Florida 34266
Attention: County Administrator

With a copy to:

Pennington Law Firm
2701 N. Rocky Point Dr., Suite 900
Tampa, Florida 33607
Attention: Fred Busack, Esquire

If to Sun River, such notice shall be addressed to the Utility at:

Sun River Utilities, Inc.
5660 Bayshore Road, Suite 36
North Fort Myers, Florida 33917
Attention: A. A. Reeves, Vice President

With a copy to:

Rose, Sundstrom & Bentley, LLP

2548 Blirstone Pines Drive
Tallahassee, Florida 32301
Attention: Robert C. Brannan, Esquire

Any Notice or other document required or allowed to be given pursuant to this Contract shall be in writing and shall be delivered personally, or by recognized overnight courier, or sent by Certified Mail, Postage Prepaid, Return Receipt Requested. The use of electronic communication is not considered as providing proper notice pursuant to this Contract.

16. **DISCLAIMER OF THIRD PARTY BENEFICIARIES.** This Contract is solely for the benefit of the County and Sun River and no right or cause of action shall accrue upon or by reason hereof, or for the benefit of any other person.

17. **AMENDMENT.** This Contract may only be amended by a writing duly executed by the County and Sun River.

18. **CONSTRUCTION & VENUE.** This Contract shall be governed by and construed in accordance with the laws of the State of Florida as well as all applicable local ordinances of the County. Venue for any suit involving this Contract shall be in DeSoto County, Florida or as otherwise mutually agreed by the parties hereto.

19. **SEVERABILITY.** If any part, section, subsection, or other portion of this Contract or any application thereof to any person or circumstance is declared void, unconstitutional, or invalid for any reason, such part, section, subsection, or other portion, or the prescribed application thereof shall be severable, and the remaining provisions of the Contract, and all applications thereof not having been declared void, unconstitutional, or invalid, shall remain in full force and effect.

20. **ENTIRE AGREEMENT.** This Contract constitutes the entire agreement between the Parties with regard to the content herein and has been entered into voluntarily and with

independent advice and legal counsel and has been executed by authorized representatives of each party on the date written above. However, this Contract is not to be construed to supercede or in anyway contradict County utility ordinances currently existing or as they shall be amended from time to time. In the event any provision of this Contract contradicts a County utility ordinance, the provision in the County utility ordinance shall prevail. Further, all construction that Sun River may plan or undertake pursuant to its rights and obligations herein, shall be subject to County review, permitting and approvals in the same manner as all other construction in the County.

21. COUNTY EXCLUSIVE SUPPLIER. Sun River agrees that the County shall be its exclusive supplier of water during the term of this Contract.

22. WAIVER. Unless otherwise specifically provided by the terms of this Contract, no delay or failure to exercise a right resulting from any breach of this Contract shall impair such right or shall be construed to be a waiver thereof, but such right may be exercised from time to time and as often as may be deemed expedient. Any waiver shall be in writing and signed by the party granting such waiver. If any representation, warranty or covenant contained in this Contract is breached by any party and thereafter waived by another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive, either expressly or impliedly, any other breach under this Contract.

23. FURTHER ASSURANCES. The County and Sun River 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 the other party and not inconsistent with the provisions of this Contract and not involving the assumption of obligations or liabilities different from, in excess of or in addition to those expressly provided for in this Contract to carry out the

intent of this Contract.

24. FIRE PROTECTION. The parties agree that the following shall apply to the DeSoto Park Service Area with regard to water flows for fire protection.

24.1 At least thirty (30) days before Sun River delivers any water to a customer located in DeSoto County, Sun River agrees to demonstrate to the satisfaction of the County that the water distribution system in the DeSoto Park Service Area meets or exceeds current fire flow requirements of 1000 GPM at a 20 psi residual for residential connections and 2000 GPM at 20 psi residual for commercial connections or such other fire flow requirements the County may have in place at the time of the testing, so long as delivery pressure at the Delivery Point is at least 2000 GPM. Should the water distribution system fail to meet the requirements outlined above, within sixty (60) days of receipt of a written notice by the County that the system has been found deficient, Sun River shall submit to the County for its review and comment, a system improvement plan that includes watermains, loops or other improvements to meet or exceed the required fire flow requirements and a construction schedule for the implementation of the plan. Upon the County's approval of the plan, Sun River shall install the improvements in accordance with the plan, but in no event shall Sun River have more than one (1) year from the date of said approval to install the improvements. The County shall be allowed to inspect the installation during construction. Sun River shall then resubmit the system for flow testing to meet the County's fire flow requirements. If the system does not pass, the County shall have the right, but not the duty, to improve the system to meet the fire flow requirements and be reimbursed by Sun River for the cost to do so. The system shall be tested on an annual basis thereafter on the anniversary of the Effective Date. On each subsequent testing, the rights and responsibilities of the parties shall remain the same as on the initial testing.

24.2 In the event the County utilizes water from Sun River's distribution system for fire protection and said fire protection is not for the protection of Sun River's customers, the County shall give Sun River a credit against its Water Charge for the quantities of water so utilized by the County.

25. EXHIBITS AND ADDENDUMS. This Contract incorporates the following exhibits and addendums which are attached hereto and made a part hereof:

- Exhibit A Sun River Service Areas (DeSoto Park and Charlotte County portions)
- Exhibit B Delivery Point(s)
- Exhibit C Water Allocation
- Exhibit D Water Use and Needs Report Format
- Exhibit E Existing, Reserved and Future Connections Report Format

26. EXECUTION IN COUNTERPARTS. This Contract may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, this Contract has been duly executed by the parties hereto as of the date first above written.

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

ATTEST:

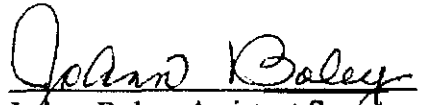
**B. Roger Pulley
County Administrator**

**T. Felton Garner
Chairman**

Approved as to form and correctness:

Howard Holtzendorf, County Attorney

Attest:



JoAnn Boley, Assistant Secretary

SUN RIVER UTILITIES, INC.

By: 

Joel Schenkman, President

EXHIBIT A

SUN RIVER SERVICE AREA

The following described lands located in Charlotte County, Florida:

The NE 1/4 of the NW 1/4 of the SW 1/4 of the SW 1/4, of Section 12, Township 40 South, Range 23 East.

The SE 1/4 of the NW 1/4 of the SW 1/4 of the SW 1/4, of Section 12, Township 40 South, Range 23 East.

The NW 1/4 of the SW 1/4 of Section 12, Township 40 South, Range 23 East.

The SW 1/4 of the NW 1/4 of Section 12, Township 40 South, Range 23 East, lying South of Lee Branch Creek

Less and except

The East 1/2 of the NE 1/4 of the SW 1/4 of the NW 1/4 of Section 12, Township 40 South, Range 23 East, Charlotte County, Florida.

The Westerly 30 feet of the SW 1/4 of the SW 1/4 of Section 12, Township 40 South, Range 23 East.

All of Section 11, Township 40 South, Range 23 East, Charlotte County, Florida, lying East of Hunter's Creek and lying South of Lee Branch Creek.

The NE 1/4 of the SE 1/4 of Section 11, Township 40 South, Range 23 East, lying East of Hunter's Creek.

Together with

The North 1/4 of Section 12, Township 40 South, Range 23 East, Charlotte County, Florida, lying East of the Seaboard Coastline Railroad and North of the Southern Right-of-Way of Turbak Road, said Southern Right-of-Way being more fully described as follows:

Commence at the SE corner of the NE 1/4 of the NE 1/4 of said Section 12; thence N 0°19'45"E, along the East line of Section 12, for a distance of 150 feet; thence S 88°55'19" W a distance of 50 feet for a Point of Beginning; thence N 88°55'19" W a distance of 2317.67 feet; thence S 47°46'59" W, a distance of 153 feet more or less to the SW corner of the NE 1/4 of said Section 12.

A portion of Section 12, Township 40 South, Range 23 East, Charlotte County, Florida, being more specifically described as follows:

Beginning at the Southeast corner of said Section 12, thence West along the South line of said Section 12, a distance of 2577.55 feet, thence North, a distance of 385.34 feet; thence West, a distance of 531.75 feet, thence North, a distance of 897.20 feet thence West, a distance of 511.21 feet, thence North, a distance of 438.40 feet, thence East a distance of 511.21 feet, thence North, a distance of 178.65 feet; thence East, a distance of 606.14 feet, thence South a distance of 600 feet more or less, thence east, a distance of 2860 feet more or less to the East line of said Section 12, thence South along the East line of said Section 12 to the point of beginning.

The South 1/4 of Section 1, Township 40 South, Range 23 East, Charlotte County, Florida, lying East of Seaboard Coastline Railroad.

The North 1/4 of Section 14, Township 40 South, Range 23 East, Charlotte County, Florida, lying East of Hunters Creek.

Together with

The South 1/2 of the Southeast 1/4 of the Southwest 1/4 of the Southwest 1/4 of Section 12, Township 40 South, Range 23 East, Charlotte County, Florida.

The South 1/2 of the Northeast 1/4 of the Southwest 1/4 of the Southwest 1/4 and the North 1/2 of the Southeast 1/4 of the Southwest 1/4 of the Southwest 1/4 of Section 12, Township 40 South, Range 23 East, Charlotte County, Florida.

The Northeast 1/4, of the Northeast 1/4, of the Northeast 1/4, of the Northeast 1/4, of Section 13, Township 40 South, Range 23 East, Charlotte County, Florida. Less and except the Right-of-Way for a public highway along the East side of said land, and Less and except the Right-of-Way for a public road along the North line of said land, and Less and except the following: Commence at the Northeast corner of said Section 13; thence along the North boundary of said Section 13, North 88°26'45" West, 45.15 feet, to the Westerly maintained Right-of-Way line of State Road 35 (US 17) for a point of beginning; thence along said Westerly maintained Right-of-Way line, South 00°23'35" West, 330.28 feet; thence North 88°24'16" West, 8.00 Feet; thence North 00°23'35" East, 330.28 feet, to said North boundary of Section 13; thence along said North boundary, South 88°26'45" East, 8.00 feet, to the point of beginning.

Together with

A portion of Section 13, Township 40 South, Range 23 East, Charlotte County, Florida, being more specifically described as follows:

Commence at the Southeast corner of said Section 13; thence South 87 degrees 21'06" West along the South line of said Section 13, a distance of 91.87 feet to the West right-of-way of State Road #35 (U.S. Highway #17) and the Point of Beginning; thence continue South 87 degrees 21'06" West a distance of 646.51 feet thence North 01 degrees 58'09" West a distance of 2383.80 feet; thence North 88 degrees 27'53" East a distance of 337.71 feet; thence North 01 degrees 32'01" West a distance of 277.75 feet; thence North 30 degrees 58'39" West a distance of 125.00 feet; thence 69 degrees 19'18" West a distance of 312.50 feet; thence North 01 degree

32'07" West a distance of 80.00 feet; thence South 88 degrees 27'53" West a distance of 22.82 feet; thence North 01 degree 32'07" West a distance of 330.00 feet; thence North 02 degrees 46'04" West a distance of 1,700.17 feet; thence North 88 degrees 23'07" East a distance of 329.07 feet; thence North 02 degrees 47'31" West a distance of 635.34 feet to the South right-of-way of Palm Shores Boulevard; thence North 88 degrees 20'46" East a distance of 275.52 feet to the West right-of-way of State Road #35 (U.S. Highway #17); thence South 02 degrees 47'57" East along said right-of-way a distance of 2,006.62 feet; thence South 88 degrees 18'40" West along said right-of-way a distance of 5.28 feet to the point of curvature of a curve to the left having as elements a radius of 11,333.16 feet and a central angle of 03 degrees 02'06.1"; thence along arc of said curve a distance of 600.33 feet to the point of compound curvature of a curve to the left having as elements a radius of 11,585.16 feet and a central angle of 04 degrees 34'53.3"; thence along arc of said curve a distance of 926.37 feet; thence South 02 degrees 38'54" East along said right-of-way a distance of 23.40 feet, thence North 87 degrees 21'06" East along said right-of-way a distance of 36.00 feet; thence South 02 degrees 38'54" East along said right-of-way a distance of 300.00 feet; thence North 87 degrees 21'06" East along said right-of-way a distance of 10.00 feet; thence South 02 degrees 38'54" East along said right-of-way a distance of 1,439.06 feet to the Point of Beginning.

And

Parcel 1

Section 4, Township 40 South, Range 24 East, Charlotte County, Florida.

Together with

Parcel 2

All of Section 5, Township 40 South, Range 24 East, Charlotte County, Florida, less and except a strip 100 ft wide running Northerly from the S line of the N 1/2 to the N line of the N 1/2 in the W 1/2 of the W 1/2.

Together with

Parcel 3

The Northeast 1/4 of the Northeast 1/4 of Section 6, Township 40 South, Range 24 East, Charlotte County, Florida.

Together with

Parcel 4

The Northeast 1/4 of Section 9, Township 40 South, Range 24 East, Charlotte County, Florida, less the South 815.85 feet.

Together with

Parcel 5

The South 1/2 and the Northeast 1/4 of Section 8, Township 40 South, Range 24 East, Charlotte County, Florida, which parcel includes all of said Section 8, less and except a strip 100 ft wide running northerly from the S line of the S 1/2 to the N line of the S 1/2 in the E 1/2 of the W 1/2.

Together with

Parcel 6

All of Section 9, Township 40 South, Range 24 East, Charlotte County, Florida, less and except the Northeast 1/4 of said Section 9.

Plus

The South 815.85 feet of the NE 1/4 of Section 9, Township 40 South, Range 24 East, Charlotte County, Florida.

Together with

Parcel 7

The West 1/2 of Section 10, Township 40 South, Range 24 East, Charlotte County, Florida.

Together with

Parcel 8

The Southerly 150 feet of Sections 7 and 8, Township 40 South, Range 24 East, Charlotte County, Florida.

And

A parcel of land lying in Sections 5, 6, 7, and 8, Township 40 South, Range 24 East, Charlotte County, Florida, described as follows:

Begin at the NW corner of said Section 6, thence S 89°43'07" E, along N line of said Section 6, 1,786.20 feet to Point of Beginning; thence S 01°06'38" W along easterly line of Ann H. Ryals property as described in O.R Book 1435, Pages 1513 and 1514, of the Public Records of Charlotte County, Florida, 1287.30 feet; thence S 73°2'33" E along said easterly line, 919.56 feet, thence S 00°41'16" E along said easterly line, 1,116.55 feet to SE corner of said Ryals property; thence N 89°41'03" W along S line of said Ryals property, 2,475.81 feet to the E right-

of-way line of State Road 35 (U.S. Highway 17) as monumented; thence S 00°26'53" W along said E right-of-way line, 1,844.49 feet to N line of William E. Roe property as described in O.R. Book 855, Page 1941, Public Records of Charlotte County, Florida, thence S 89°45'11" E along said N line, 1,883.20 feet to NE corner of said Roe property; thence S 00°31'12" W along E line of said Roe property, 118.50 feet to SE corner of said Roe property; thence N 89°45'11" W along S line of said Roe property, 1,585.05 feet to E right-of-way of State Road 35 (U.S. Highway 17) as monumented, thence S 00°20'17" W along said E right-of-way line, 670.37 feet to a point on the S line of said Section 6; thence N 89°49'39" W along said S line and on said right-of-way line of State Road 35 (U.S. Highway 17), 298.00 feet; thence S 00°20'17" W along said E right-of-way line, 677.88 feet; thence S 00°24'44" W along said E right-of-way line, 652.61 feet to N line of Raymond Smith property as described in O.R. Book 963, Pages 2090 and 2091, Public Records of Charlotte County, Florida; thence S 89°32'33" E along N line of said Smith property as monumented by ABS & Associated, Inc., Registered Land Surveyors, 1,138.93 feet to an iron rod set by said registered surveyors for the NE corner of Lot 11 of FLORADONIA SUBDIVISION, as recorded in Plat Book 1, Page 44, Public Records of Charlotte County, Florida; thence S 00°27'48" W along E line of said Smith property and also E line of said Lot 11, 1,326.85 ft. to an iron rod set by said registered surveyors for the SE corner of said Lot 11 in centerline of Catalpa Avenue; thence S 89°08'19" E along said centerline of Catalpa Avenue and along S line of the N 1/2 of Section 7, 4,675.89 feet to the E 1/4 corner of said Section 7; thence S 88°40'35" E, along said centerline and along S line of N 1/2 of Section 8, 3,406.06 feet; thence N 5,380.44 feet to a point on the N line of the S 1/2 of Section 5; thence N 89°00'36" W along said N line, 2,545.405 feet; thence N 07°47'49" W along said W line, 988.17 feet; thence N 39°33'51" W, 1,397.205 feet; thence N 46°23'45" W, 875.12 feet to N line of said Section 6; thence N 89°43'07" W along said N line, 3372.19 feet to Point of Beginning. LESS and except a 100 foot wide strip running northerly from the S line of N 1/2 of Section 8 to the N line of the S 1/2 of Section 5.

And

The South 1/2 of Section 7, Township 40 South, Range 24 East, Charlotte County, Florida Less right-of-way to State Road No. 35 (U.S. Highway No. 17) along West side and less the South 150.00 feet and also less the South 1/8 of Northwest 1/4 of Southwest 1/4.

Also that part of the Southwest 1/4 of Section 8, Township 40 South, Range 24 East, Charlotte County, Florida less the South 150.00 feet.

And

A part of Section 6, Township 40 South, Range 24 East described as follows:

Begin at the NW corner of Section 6, Township 40 South, Range 24 East, thence S 89°38'49" E along North line of said Section 6, 50 feet to East right of way of U.S. Highway 17; thence S 0°30'10" W along said East right of way, 50 feet to Point of Beginning; thence S 89°38'33" E, 1735.61 feet; thence S 1°10'26" W, 1237.08 feet; thence S 73°23'45" E, 919.56 feet; thence S 0°37'28" E, 1116.55 feet; thence N 89°37'15" W, 2626.59 feet to East right of way of U.S. Highway 17; thence N 0°30'10" E along said East right of way, 2,609.46 feet to Point of

Beginning, all lying and being in Township 40 South, Range 24 East, Charlotte County, Florida.

LESS AND EXCEPT PARCEL 105

That portion of the Northwest quarter and the Southwest quarter of Section 6, Township 40 South, Range 24 East, Charlotte County, Florida, being described as follows:

Commence at the Northwest Corner of Section 6, Township 40 South, Range 24 East; thence along the north line of said Section 6, S 89°43' 07" E, 0.39 feet to the survey base line of State Road 35 (U.S. Highway No. 17); thence along said survey base line S 00°29'34" W, 50.00 feet; thence S 89°42'41" E, 49.85 feet for a Point of Beginning, said point lying on the easterly existing right of way line of State Road 35 (U.S. Highway 17) (per deed exception, Official Records Book 836, Page 595); thence continue S 89°42'41" E, 152.35 feet thence S 00°29'34" W, 1,533.83 feet, thence S 00°26'93" W, 1,075.70 feet; thence N 59°41'03" W, 150.74 feet to said easterly existing right of way line; thence along said existing right of way line, N 00°21'54" E, 13.93 feet to the south line of the Northwest quarter of said Section 6; thence continue along said easterly existing right of way line, N 00°36'22" E, 2,595.52 feet to the Point of Beginning.

Together with

A portion of Sections 17 & 18, Township 40 South, Range 24 East, Charlotte County, Florida, being more particularly described as follows:

Beginning at the northwest corner of said Section 17, Township 40 South, Range 24 East, thence South 89°12'01" East, a distance of 3670.96 feet along the North line of Section 17; thence South 00°34'08" West, a distance of 1319.39 feet; thence North 89°10'55" West, a distance of 400.63 feet; thence South 00°35'02" West a distance of 2562.50 feet; thence North 88°36'17" West, a distance of 961.33 feet; thence North 01°38'32" East, a distance of 10.23 feet; thence North 88°37'57" West, a distance of 700.15 feet; thence South 01°26'04" West, a distance of 10.00 feet; thence North 88°31'23" West, a distance of 47.79 feet; thence North 89°00'58" West, a distance of 1345.95 feet; thence North 00°20'43" West, a distance of 269.02 feet; thence North 89°09'14" West, a distance of 159.92 feet; thence North 00°14'38" West, a distance of 964.18 feet; thence North 88°49'13" West, a distance of 654.72 feet; thence South 00°09'14" East, a distance of 620.47 feet; thence South 88°53'32" East, a distance of 1425.59 feet; thence South 00°44'50" West, a distance of 628.61 feet; thence North 89°05'26" West, a distance of 53.45 feet; thence North 01°06'14" East, a distance of 9.92 feet; thence North 89°10'01" West, a distance of 308.04 feet; thence North 89°10'07" West a distance of 357.08 feet; thence North 00°34'59" East, a distance of 622.09 feet; thence North 88°53'32" West, a distance of 476.00 feet; thence North 00°06'42" West, a distance of 3268.77 feet to the North line of Section 18, Township 40 South, Range 24 East; South 88°29'58" East, along the North line of Section 18, a distance of 3271.22 feet to the Point of Beginning.

Less and Except the following described abandoned railroad right-of-way:

A 100 foot wide strip of land lying with Section 17, Township 40 South, Range 24 East, Charlotte County Florida, said strip of land lying 50 feet each side of the following described

Centerline:

Beginning at the Northwest corner of said Section 17, Township 40 South, Range 24 East, South $89^{\circ}12'01''$ East, a distance of 1568.05 feet, to the Centerline; thence South $00^{\circ}12'53''$ West, a distance of 3855.30 feet along said Centerline to a point on the Northerly right-of-way line of State Road 764, also known as Washington Loop Road.

Together with

All of Section 3, Township 40 South, Range 24 East, Charlotte County, Florida.

Together with portions of Sections 10, 11 & 2, Township 40 South, Range 24 East, Charlotte County, Florida, being more particularly described as follows:

Commencing at the Southeast corner of said Section 10, thence N $88^{\circ}35'55''$ W, along the South line of said Section 10, a distance of 2711.65 feet to the South $\frac{1}{4}$ corner of said Section 10; thence N $01^{\circ}16'01''$ E, leaving said South line of Section 10, a distance of 2868.63 feet to a Point of Beginning; thence N $55^{\circ}38'29''$ E, a distance of 813.61 feet; thence N $32^{\circ}31'48''$ E, a distance of 1070.25 feet; thence S $72^{\circ}17'21''$ E, a distance of 2065.42 feet; thence N $21^{\circ}02'51''$ E, a distance of 405.77 feet; thence N $08^{\circ}23'14''$ E, a distance of 26.47 feet; thence N $40^{\circ}01'38''$ E, a distance of 1212.23 feet; thence N $90^{\circ}00'00''$ E, a distance of 165.03 feet; thence N $37^{\circ}31'10''$ E, a distance of 179.97 feet; thence N $44^{\circ}14'18''$ E, a distance of 153.32 feet; thence N $06^{\circ}13'24''$ E, crossing the South line of said Section 2, a distance of 474.86 feet; thence N $26^{\circ}19'16''$ W, a distance of 1554.13 feet; thence N $78^{\circ}25'26''$ E, a distance of 1535.88 feet; thence N $31^{\circ}07'54''$ E, a distance of 682.02 feet; thence S $82^{\circ}30'42''$ E, a distance of 339.94 feet; thence N $19^{\circ}50'47''$ E, a distance of 822.67 feet; thence N $23^{\circ}37'01''$ E, a distance of 69.24 feet; thence N $29^{\circ}18'40''$ E, a distance of 929.37 feet; thence N $02^{\circ}52'17''$ W, a distance of 34.64 feet; thence N $24^{\circ}11'12''$ W, a distance of 242.50 feet; thence N $13^{\circ}29'12''$ E, a distance of 1111.94 feet to a point on the North line of said Section 2; thence N $89^{\circ}36'54''$ W, along said North line of Section 2, a distance of 4291.62 to the Northwest corner of said Section 2; thence S $00^{\circ}09'15''$ W, along the West line of said Section 2, a distance of 5289.16 feet to the Southwest corner of said Section 2; thence N $88^{\circ}35'55''$ W along the North line of said Section 10, a distance of 2711.65 feet to the North $\frac{1}{4}$ corner of said Section 10; thence S $01^{\circ}16'01''$ W, a distance of 2554.67 feet to the Point of Beginning;

Together with the following described lands located in DeSoto County, Florida:

All of Section 31, Township 39 South, Range 24 East, DeSoto County, Florida.

Along with:

The South $\frac{1}{2}$ of the South $\frac{1}{2}$ of Section 30, Township 39 South, Range 24 East, DeSoto County, Florida.

Less and Except:

Road Right-of-Way for U.S. Highway #17 (State Road #35).

Also Less and Except:

A portion of Section 30 & 31, Township 39 South, Range 24 East, DeSoto County, Florida, being more specifically described as follows:

Commence at the Southwest corner of said Section 31, thence South 89° 41' 45" East along the South line of said Section 31, a distance of 50.39 feet to the East of right-of-way line of U.S. Highway #17 (100 feet wide); thence North 0° 24' 39" East along said East right-of-way line, a distance of 3,728.32 feet to the intersection of the East right-of-way of U.S. Highway #17 and the North right-of-way of Enterprise Blvd., said point being the Point of Beginning; thence South 89° 34' 59" East along the North right-of-way of said Enterprise Blvd., a distance of 2138.80 feet; thence North 0° 11' 34" East along said right-of-way, a distance of 55.00 feet; thence South 89° 34' 59" East along said right-of-way, a distance of 441.24; thence North 00° 11' 14" East, a distance of 1524.75 feet to the North line of Section 31; thence North 00° 34' 13" East, a distance of 1333.50 feet to the North line of the South 1/2 of the South 1/2 of said Section 30; thence North 89° 30' 57" West along the North line of the South 1/2 of the South 1/2 of said Section 30, a distance of 2563.24 feet to the East right-of-way of U.S. Highway #17; thence South 00° 52' 15" West along said right-of-way, a distance of 1793.74 feet; thence South 00° 25' 15" West, along said right-of-way, a distance of 586.65 feet; thence South 00° 23' 47" West along said right-of-way, a distance of 535.91 feet to the Point of Beginning.

Less and Except: (Tower Site)

A portion of Section 31, Township 39 South, Range 24 East, DeSoto County, Florida, being more specifically described as follows:

Commence at the Southwest corner of said Section 31; thence South 89° 41' 45" East along the South line of said Section 31, a distance of 50.39 feet to a point on the East right-of-way of U.S. Highway #17; thence North 0° 24' 39" East along said right-of-way, a distance of 126.12 feet; thence South 89° 41' 45" East, a distance of 197.83 feet to the Point of Beginning; thence continue South 89° 41' 45" East, a distance of 270.00 feet; thence North 0° 18' 15" East, a distance of 396.55 feet; thence North 89° 41' 45" West, a distance of 270.00 feet; thence South 0° 18' 15" West, a distance of 396.55 feet to the Point of Beginning.

EXHIBIT B

CONNECTION POINTS

1. A point at the westernmost end of the DeSoto Park parcel on the east side of U.S. Highway 17 or such point close to this location as is mutually acceptable to the parties hereto, and
2. A point at the southernmost extension of the Peace River/Manasota Regional Water Supply Authority's pipeline still located in DeSoto County and on the west side of U.S. Highway 17 or such point close to this location as is mutually acceptable to the parties hereto.

EXHIBIT C
Water Allocation/Demands

Annual Average Day (MGD)			
Fiscal Year	Existing Allocation	Water Supply Demands	Total
FY08			
FY09			
FY10			
FY11			
FY12			
FY13			
FY14			
FY15			
FY16			

Peak Monthly Average Day (MGD) ()			
Fiscal Year	Existing Allocation	Water Supply Demands	Total
FY08			
FY09			
FY10			
FY11			
FY12			
FY13			
FY14			
FY15			
FY16			

Maximum Day (MGD) ()			
Fiscal Year	Existing Allocation	Water Supply Demands	Total
FY08			
FY09			
FY10			
FY11			
FY12			
FY13			
FY14			
FY15			
FY16			

Annual Average Day, Peak Month Average Day, Peak Day are expressed in million gallons per day (MGD)

**EXHIBIT D
Water Use and Needs Report Format**

In accordance with the Sun River Utilities, Inc. Water Supply Contract, Sun River shall offer the following Water Use and Needs Report to establish the future water needs in the Sun River service area. Such data, if accepted by the County, would be incorporated into the County's annual request for additional water supply from the Peace River/Manasota Regional Water Supply Authority. Sun River shall offer the following data on an annual basis:

Annual Average Day (MGD)			
Fiscal Year	Existing Water Use	Additional Water Use	Total
FY08			
FY09			
FY10			
FY11			
FY12			
FY13			
FY14			
FY15			
FY16			

Annual Average Day is expressed in million gallons per day (MGD)

Sun River agrees to supply an updated Existing, Reserved and Future Connection Report, which shall justify the additional water use proposed within the request.

Submitted By: Sun River Utilities, Inc.

Accepted by: DeSoto County

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Signature: _____

Signature: _____

EXHIBIT E

Existing, Reserved and Future Connections Report Format

In accordance with the Sun River Utilities, Inc. Water Supply Contract, Sun River shall offer the following Existing, Reserved and Future Connections Report to support the water needs within the Sun River service area. Such data shall be incorporated into the Annual Water Use and Needs Report and shall justify the additional water allocations associated with the request. Sun River shall offer the following data on an annual basis:

CONNECTIONS	ERUs	GAL/ERU	TOTAL GALLONS
Existing 8-1-08		255	
Reserved: DeSoto Park 2008		255	
		255	
		255	
		255	
		255	
Future:			
DeSoto Park		255	
		255	
		255	
		255	
		255	
		255	
TOTAL			

Annual Average Day is expressed in million gallons per day (MGD)