

ORIGINAL

STATE OF FLORIDA
BEFORE THE PUBLIC SERVICE COMMISSION

In re: APPLICATION OF FLORIDA WATER
SERVICES CORP. FOR AMENDMENT OF
CERTIFICATE NUMBERS 570-W AND 496-S
TO ADD TERRITORY IN CHARLOTTE COUNTY.

Docket No. 980261-WS

OBJECTION OF THE BOARD OF COUNTY COMMISSIONERS OF
CHARLOTTE COUNTY, FLORIDA, TO THE APPLICATION OF
FLORIDA WATER SERVICES CORP. FOR AMENDMENT OF
CERTIFICATE NUMBERS 570-W AND 496-S TO ADD TERRITORY
IN CHARLOTTE COUNTY AND REQUEST FOR FORMAL
HEARING.

The BOARD OF COUNTY COMMISSIONERS OF CHARLOTTE COUNTY,
FLORIDA (hereinafter referred to as the "Board"), hereby files this Objection to the
Application of Florida Water Services Corp. (hereinafter referred to as "FWS") for
Amendment of Certificate Numbers 570-W and 496-S to Add Territory in Charlotte County,
and Request for Formal Hearing, and states that:

1. This objection relates to the Application of FWS for Amendment of Certificate
Numbers 570-W and 496-S to Add Territory in Charlotte County, filed February 19, 1998
(hereinafter referred to as the "Application").
2. The Board is the governing body of Charlotte County, Florida, a county
affected by the Application.
3. This Objection has been timely filed for purposes of the Board requesting a
public hearing on the Application, pursuant to Section 367.045(4), Florida Statutes, in that

30 days has not passed since the mailing of actual notice or publication of the Application to the Board.

4. The Board raises the following objections to the Application filed by FWS:

- a. The Application proposes to add property to the certificated area of FWS (see legal descriptions and maps in Exhibits O, P, P-1, Q, and Q-1 of the Application) that is wholly within Charlotte County, Florida, and also wholly within the boundaries of the service area of Charlotte County Utilities (CCU), a publicly owned water and wastewater system owned and operated by Charlotte County, Florida, pursuant to its powers as a home rule county, Florida Statutes Sections 125.01 and 153.08, and Charlotte County Ordinances Numbers 95-044 and 95-045, as amended. (The Charlotte County Board of County Commissioners established CCU's service area as Water & Sewer District No. 1 by Resolution Number 91-79 adopted April 23, 1991, copy enclosed as Exhibit 1.)
- b. CCU has already invested capital in the extension of utility service lines to this property, and is in fact already serving customers within the requested area. (A map is enclosed as Exhibit 2.) The deletion of this property from CCU's service area would cause irreparable monetary harm to Charlotte County rate payers and bond holders.
- c. FWS does not have water or wastewater capacity sufficient to service any additional area. FWS receives bulk water service and bulk wastewater service from CCU pursuant to a bulk service agreement (copy attached as Exhibit 3). Under the terms of that agreement, FWS is required to make payment to CCU for capacity reservation and for connection fees. At the present time FWS is in arrears for these payments. CCU is currently contemplating action against FWS for the recovery of these funds, which may include a moratorium on all future connections to the portion of the FWS utility which receives bulk service from CCU.
- d. CCU, the Board, and Charlotte County would be "substantially affected" by the requested expansion, as defined by Section 367.045(4), Florida Statutes.

5. Wherefore, the Board requests the following relief:

- a. That the Public Service Commission deny the Application;

- b. That pursuant to Rule 25-22.029, F.A.C., the Public Service Commission issue a Notice of Proposed Agency Action concerning the Application; and
- c. If necessary, the Public Service Commission hold a public hearing on the Application in order that the Board may preserve CCU's service area, such public hearing to be in Charlotte County, Florida, pursuant to Section 367.045(4), Florida Statutes.

Respectfully submitted,



Martha Young Burton
Assistant County Attorney
Fla. Bar #398179
Attorney for Charlotte County, Florida
Charlotte County Attorney's Office
18500 Murdock Circle
Port Charlotte, FL 33948-1094
(941) 743-1330

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served upon the attached Service List by U.S. Mail this 17th day of March, 1998.



Martha Young Burton

SERVICE LIST

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Bobbie L. Reyes, Esq.
Division of Legal Services
Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Matthew J. Feil, Esq.
Staff Attorney
Florida Water Services Corp.
P. O. Box 609520
Orlando, FL 32860-9520

Mr. Dallas Shepard, President
Lake Suzy Utilities, Inc.
12408 S.W. Sheri Avenue
Lake Suzy, FL 34266

CE
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DOC _____
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RESOLUTION
NUMBER 91-79

91 APR 29 PM 1:19

RECORDED

A RESOLUTION ESTABLISHING THE CHARLOTTE COUNTY WATER AND SEWER DISTRICT NO. 1 AND SETTING FORTH THE BOUNDARIES THEREOF.

BE IT RESOLVED by the Board of County Commissioners of Charlotte County, Florida:

1. Pursuant to Chapter 153.08, Fla. Stat., the Charlotte County Board of County Commissioners hereby establishes the Charlotte County Water and Sewer District No. 1 to consist of all of the real property currently receiving water and/or sewer service from General Development Utilities, Inc., in the County, except those properties presently receiving water and sewer service from a source other than General Development Utilities, Inc., directly or indirectly, and including all real property to be served by the County from the Acquired Facilities of GDU. The physical boundaries and outline of the Charlotte County Water and Sewer District No. 1 are set forth on Exhibit "A" attached to this resolution and by reference made a part hereof.

2. The Board of County Commissioners deems it necessary to create the Charlotte County Water and Sewer District No. 1 to facilitate its acquisition of the water and sewer assets of General Development Utilities, Inc., located within that District in order to protect the health, safety and welfare of the residents and property located therein and to properly finance the acquisition of said Utility assets by customers of General Development Utilities, Inc., located therein and by vacant properties located

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CHARLOTTE COUNTY

EXHIBIT
1

RECORD VERIFIED - [Signature]
JEAN JONES

1 ★ RETURN TO COMMISSION MINUTES
MURDOCK

APR 29 1991

therein which can be served by the water and sewer assets currently owned by General Development Utilities, Inc., as expanded from time to time.

3. Creating a separate water and sewer district within Charlotte County is further made necessary by the desire and determination of the Board of County Commissioners to provide water and sewer service throughout other areas of Charlotte County currently served by private utilities whose rate structure, customer base, etc., may require different service criteria and which are not presently capable of interconnection with the Utility within the Charlotte County Water and Sewer District No. 1.

4. Pursuant to Chapter 153, Fla. Stat., the Board of County Commissioners resolves to exercise the powers granted by Chapter 153, Fla. Stat., Part I, by acquiring, owning, operating and expanding water and sewer utility services within the District set forth above, and to that end to acquire the water and sewer assets of General Development Utilities, Inc., located within said District. In choosing to exercise the powers granted by Chapter 153, Fla. Stat., the Board of County Commissioners has caused to be made such surveys, investigations, studies, borings, maps, plans, drawings and estimates of costs and of revenues as it deems necessary to have prepared for it so that the Board has available to it a Comprehensive Study and Report contemplated by Chapter 153, Fla. Stat. Said Comprehensive Study and Report has been considered and the results thereof set forth both in the resolution and said Comprehensive Study and Report. Said Comprehensive Study and

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Report has been prepared for the Board by the Water and Sewer Utility Acquisition Team for the acquisition of the water and sewer assets of General Development Utilities, Inc., in the District, which Report has been presented in writing and orally before the Board of County Commissioners. By virtue of said Report and by virtue of the other information made available to it through public hearing, the Board of County Commissioners determines that the acquisition of the water and sewer assets and facilities of General Development Utilities, Inc., used within the Charlotte County Water and Sewer District No. 1 should be made to protect the health, welfare and safety of the residents and property owners within said District No. 1 and to render fire protection to the inhabitants of the County residing within said District.

PASSED AND DULY ADOPTED this 23rd day of April, 1991.

BOARD OF COUNTY COMMISSIONERS
OF CHARLOTTE COUNTY, FLORIDA

By 
Wm. D. Noel, Jr., Chairman

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

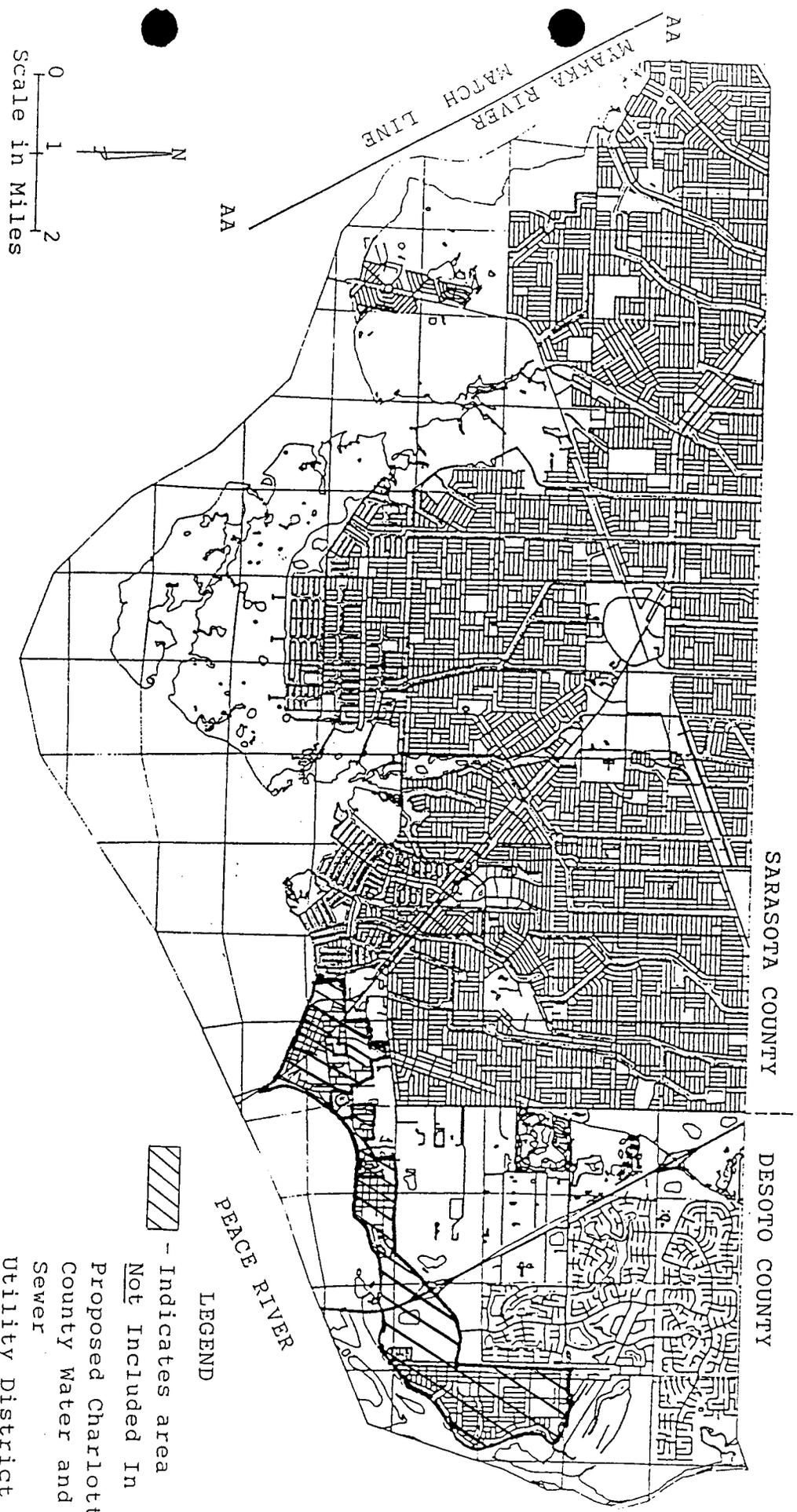
By 
Deputy Clerk

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

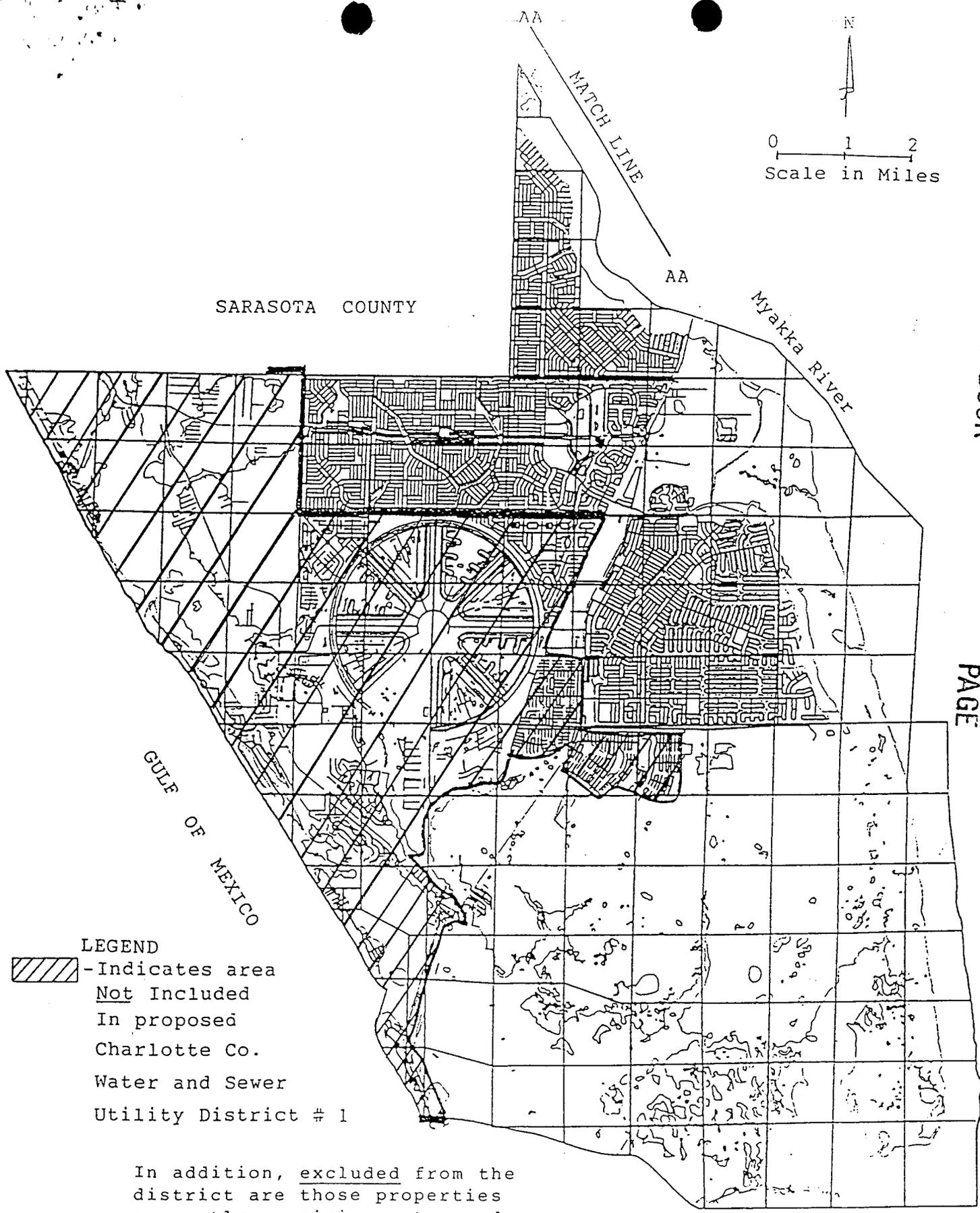

Robert H. Berntsson
Chief Assistant County Attorney

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In addition, excluded from the district are those properties presently receiving water and sewer service from a source other than General Development Utilities, Inc., directly or indirectly.



SARASOTA COUNTY

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Scale in Miles

Myakka River

GULF OF MEXICO

LEGEND

 -Indicates area
Not Included
In proposed
Charlotte Co.
Water and Sewer
Utility District # 1

In addition, excluded from the district are those properties presently receiving water and sewer service from a source other than General Development Utilities, Inc., directly or indirectly.

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SUBSTITUTE WATER AND SEWER AGREEMENT

THIS SUBSTITUTE AGREEMENT entered into this 7th day of October, 1988 by and between DEEP CREEK UTILITIES, INC., a Florida corporation (hereinafter "Deep Creek") and GENERAL DEVELOPMENT UTILITIES, INC., a Florida corporation (hereinafter referred to as "GDU").

W I T N E S S E T H:

WHEREAS, on or about July 7, 1982, Deep Creek and GDU entered into that certain Utility Agreement (hereinafter the "Sewer Agreement") whereby GDU agreed to provide Deep Creek with sewage treatment service for certain properties under certain terms and conditions that could, over a fifty year period, result in sewage demands for 10,000 residential units on the property described more particularly in Exhibit "A"; and

WHEREAS, the provision of sewer service provided for in the Sewer Agreement was based upon, among other things, Deep Creek's projections of sewer needs and the payment of reserve capacity charges; and

WHEREAS, on or about March 22, 1983, Deep Creek and GDU entered into that certain Water Purchase Agreement (hereinafter the "Water Agreement") whereby GDU agreed to provide Deep Creek with potable water to service the above-noted 10,000 residential units under certain terms and conditions; and

WHEREAS, the provision of water service was to be based upon a certain "forecast" of new connections to be made by Deep Creek and the payment to GDU of a reserve capacity charge; and

WHEREAS, said Water Agreement also provided for Deep Creek to sell to GDU a certain twelve (12) inch feeder water line (the "Line") more particularly shown on Exhibit "B" attached hereto and made a part hereof under certain terms and conditions; and

WHEREAS, by subsequent amendments to the Water and Sewer Agreements dated August 5, 1983 (First Amendment), January 10,

1984 (Second Amendment), October 5, 1984 (Third Amendment), May 22, 1985 (Fourth Amendment), August 6, 1985 (Sewer Purchase Agreement), October 2, 1985 (Fifth Amendment) and November 5, 1987 (Sixth Amendment) (hereinafter collectively referred to as the "Amended Agreements"), GDU agreed to further provide water and/or sewer services to properties not originally encompassed by the original Water and Sewer Agreements and those additional properties are more specifically described in Composite Exhibit "C", attached hereto and made a part hereof by reference; and

WHEREAS, Deep Creek's forecasts of required water and sewer capacities has, generally, been substantially below actual water and sewer connections experienced by Deep Creek based on substantial changes and fluctuations in market conditions within the geographic area; and

WHEREAS, on or about November 25, 1986, the Board of County Commissioners of Charlotte County approved a "Revised Pass Through Rate Adjustment" (hereinafter the "Pass-Through") to Deep Creek to allow it to collect a carrying cost recovery charge ("CCRC") and a reserve capacity charge from consumers in Deep Creek's certificated territory in order to compensate GDU for the costs of constructing and holding water and sewer capacity available to consumers within that territory; and

WHEREAS, the parties are presently in dispute regarding funds owed by Deep Creek to GDU for the cost of GDU providing water and sewer capacity guarantees under the terms of the Water and Sewer Agreements and Amended Agreements and wish to amicably settle these claims and provide a more realistic method for calculating future payments by Deep Creek to GDU consistent with Deep Creek's approved tariffs; and

WHEREAS the parties wish to further assure that the future provision of water and wastewater service to Deep Creek is clearly expressed in one comprehensive document in order to minimize future disputes and ambiguities.

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

1. The foregoing recitations are true and correct and are hereby incorporated by reference as if fully set forth herein.

2. The Water and Sewer Agreements and Amended Agreements noted above be and the same are hereby rescinded and superseded in toto by this Agreement and said Agreements and Amended Agreements shall be of no further force and effect.

3. GDU agrees:

A. Potable Water.

(1) To sell potable treated water to Deep Creek in order for it to provide service to the properties described in Exhibits "A" and "C" (hereinafter the "Properties") during the term of this contract or any renewal or extension hereof in accordance with standards of applicable federal, state and local regulatory agencies and subject to the terms of this Agreement. The amount of water capacity to be provided by GDU to Deep Creek shall be based on the daily rated water gallonage schedule identified in GDU's Approved Service Availability and Main Extension Policy (hereinafter "Service Policy"), as the same may be amended from time to time by the appropriate regulatory agency. A copy of GDU's present Service Policy is attached hereto and made a part hereof by reference as Exhibit "D".

(2) To furnish water at a reasonable constant normal pressure in accordance with public health requirements. Emergency failures of pressure or supply due to breaks in the main water supply line and/or power failure, flood, fire and use of water to fight fire, catastrophes and other matters beyond the control of GDU shall excuse GDU from the provisions hereof for such reasonable period of time as may be necessary to restore service to normal conditions.

(3) At all times, to operate and maintain its water treatment facilities in an efficient manner and will take such action as may be necessary to provide the capacities required. Any circumstances resulting in the temporary or partial failure to deliver water as required by this Agreement shall be remedied by GDU with all possible dispatch. In the event of an extended shortage of water, or the supply of water available to GDU for distribution to its consumers is otherwise diminished over an extended period of time for reasons beyond GDU's control, the supply of water to the Deep Creek's consumers shall be reduced or diminished in the same ratio or proportion as the supply to GDU's other consumers is reduced or diminished.

B. Sewage Service.

(1) To accept and provide to the Properties during the term of this contract or any renewal or extension hereof, treatment of sewage limited to domestic waste (as defined by Rule 17-6.038(22), Florida Administrative Code, as it may be amended from time to time) in accordance with applicable federal, state and local regulations and subject to the terms of this Agreement. The amount of sewage plant capacity to be provided by GDU to Deep Creek shall be based on the daily rated sewage gallonage schedule identified in the Service Policy, as the same may be amended from time to time by the appropriate regulatory agency.

(2) To be excused from the provisions hereof in case of the emergency failure of sewage force main equipment and/or collection system or treatment and disposal facilities beyond the control of GDU, and/or power failure, flood, fire, catastrophes and other matters beyond the control of GDU for such reasonable period of time as may be necessary to restore service to normal conditions.

(3) At all times, to operate and maintain its sewage treatment facilities in an efficient manner and to take such actions as may be necessary to provide the capacities

required hereby. Any circumstances resulting in the temporary or partial failure or inability to handle sewage as required by this Agreement shall be remedied by GDU with all possible dispatch.

4. Deep Creek Agrees.

A. To pay GDU the sum of Five Hundred Twenty Five Thousand Dollars (\$525,000) and to convey to GDU the Line at no cost and expense which represents a settlement of the difference between the amount paid by Deep Creek for capacity reservations previously granted by GDU and the amount of reserve capacity charges that were authorized to be collected by Deep Creek pursuant to its approved "Pass-Through" granted by the Board of County Commissioners of Charlotte County, in Docket No. 86-302-WS as of the effective date thereof, December 12, 1986 and to and through September 1, 1988. Payment by Deep Creek of the entire amount noted herein and transfer of the Line shall be in full and complete settlement of any and all claims or demands of GDU against Deep Creek and based upon amounts of monies for reserve capacity charges and CCRCs' to be collected by Deep Creek and paid to GDU through September 1, 1988 under the terms of the Water and Sewer Agreements and the Amended Agreements.

B. To pay GDU Four Hundred Seventy Five Thousand Dollars (\$475,000) of the above-noted amount contemporaneously upon the execution hereof. The remaining Fifty Thousand Dollars (\$50,000) shall be paid to GDU no later than January 1, 1989.

C. Within ten (10) days of the date hereof, Deep Creek will convey the Line to GDU free and clear of all encumbrances by appropriate bill of sale along with a "No-Lien Affidavit"; appropriate releases of lien; a sealed set of reproducible "as-built" drawings of the installed Line; all easements or permissions necessary to own, use and maintain said Line; and a certification as to the original cost of the Line. Any documents submitted in these regards shall be in a form reasonably acceptable to GDU. In addition, Deep Creek shall provide GDU with the joinder of Loreda Development, Inc. in said bill of sale

and easement grants if required or adequate evidence that Loreda Development, Inc. does not presently possess any right, title or claim to said Line or easement areas. Upon satisfaction of the above requirements, GDU shall assume sole responsibility and duty to maintain the Line.

D. To pay GDU a one-time water and sewer plant capacity charge (connection fee), at the prevailing rates as approved by Charlotte County, or the appropriate rate regulatory agency, as each unit is connected. Payment for this item will be made upon submission of appropriate invoice by GDU. Said payments shall be based upon an assumed capacity demand for each unit as defined in GDU's Service Policy. Such capacity demand is subject to change upon approval from Charlotte County or the applicable rate regulatory agency.

E. To provide GDU with a monthly statement, no later than the 15th day of each month, indicating the number of units and their type connected during the previous month and identifying the units connected by lot and block and/or appropriate legal description.

F. Capacity Reservations.

(1) Deep Creek Projections. Attached hereto as Exhibit "E" is Deep Creek's Initial Five Year Projection (the "Initial Five Year Projection") of required guaranteed connection capacities that Deep Creek forecasts will be necessary in the next five (5) year period for development within the Property. On October 1, 1989, and on each anniversary thereof during the term of this Agreement, Deep Creek shall provide to GDU a further written projection (the "Annual Projection") of required guaranteed water and sewer connections for the five (5) year period commencing on the date of this later projection and broken down on a year by year basis. In the event Deep Creek's Annual Projections show an increase in any yearly demand over the Initial Five Year Projection, GDU's approval will be required

pursuant to the provisions of this subparagraph. Once so approved by GDU pursuant to the terms hereof, said Annual Projection shall be known as the "Approved Five Year Projection".

GDU hereby agrees, subject to Deep Creek's compliance with the terms of this Agreement, that it will maintain, or provide when needed, sufficient water and sewer plant capacity to service the number of water and sewer connections set forth in the Initial Five Year Projection or the Approved Five Year Projection, in addition to any connections already in place on the date hereof (in the aggregate, the "Base Number of Connections"). If any of the Annual Projections provided to GDU after the Initial Five Year Projection specify a number of guaranteed water and sewer connections for any particular year which is greater than the number of connections specified in the Initial Five Year Projection or any prior Approved Five Year Projection, GDU will be obligated to provide water and sewer capacity to serve such excess connections only if GDU so elects, which election GDU shall make in writing within thirty days after delivery of any proposed projections containing such an increase. No such requested future projections shall be deemed to be approved by GDU's failure to act within said 30 day period.

(2) Reserve Capacity Charge. On the 10th day of each month during the term hereof, Deep Creek shall pay to GDU an amount equal to one-twelfth (1/12th) of the product of the per gallon reserve capacity charge in GDU's approved tariffs (as are initially set forth on Exhibit "D", Page 1) in effect on the date that the payment is due multiplied by: (a) the number of guaranteed connections specified by Deep Creek in its then current Initial, Annual or Approved Five Year Projection multiplied by; (b) the gallonage contained for each projected type of unit as set forth in GDU's Service Policy.

GDU acknowledges that as of September 1, 1988 Deep Creek has previously paid to GDU Two Hundred Eighty One Thousand Two Hundred Sixty Dollars (\$281,260.00) in reserve

capacity charges to be held for the future connections shown on Exhibit "F". Deep Creek shall, in addition, still be responsible for payment to GDU of additional monthly reserve capacity charges for said units which are shown on Exhibit "F" as "Amounts Due". Said "Amounts Due" shall be subject to change in the event of an increase in projected units for said years or an approved regulatory change in GDU's Service Policy. Said changes shall not be retroactively applied to Deep Creek unless authorized by the appropriate regulatory agency.

(3) Additional Connections. Any additional connections in excess of the Base Number of Connections ("Additional Connections"), shall not be committed or allowed by Deep Creek without specific written approval by GDU and at the request of Deep Creek. Said approval or disapproval shall be given by GDU, in writing, within thirty (30) days after Deep Creek's written request for same. No such approval or disapproval shall be assumed by GDU's failure to act within said thirty (30) days. GDU shall use its best efforts to meet Deep Creek's requests for Additional Connections as long as the financial obligations set forth in this Agreement are met and GDU is able to meet said request considering the reasonable demands or need for services of other customers within GDU's approved certificated areas. For each such connection identified by Deep Creek for which GDU provides water or sewer utility service in excess of the Base Number of Connections, Deep Creek shall pay to GDU a one-time Carrying Cost Recovery Charge ("CCRC") equal to the CCRC contained within GDU's approved tariffs in effect at the time approval for the connection is sought by Deep Creek, or if GDU has no such charge in its approved tariffs at such time, the amount of Five Hundred and Seventy Two Dollars and 35/100ths (\$572.35) for each such water utility service connection and Six Hundred and Thirty Dollars and 42/100ths (\$630.42) for each such sewer utility service connection. All of the above charges are subject to modification based on changes in GDU's reserve

capacity charges as approved by the Charlotte County Commission or the appropriate rate regulatory agency. Such amounts shall be paid by Deep Creek to GDU on the 15th day of the first month after said connections have been made by the consumer.

(4) Changes in Projections. Deep Creek's Initial Five Year Projection and Approved Five Year Projection may only be increased pursuant to the terms hereof and may not be decreased below the number of units shown in the Initial Five Year Projection or such later Approved Five Year Projections as may be approved by GDU pursuant to the terms hereof. In the event that GDU elects to accept an increase in guaranteed water and/or sewer connections for any given year, Deep Creek shall, within 10 days of receiving written notice of GDU's election, pay to GDU the CCRC charge specified in subparagraph (3) for each of such Additional Connections and, thereafter, Deep Creek shall pay the reserve capacity charges, as set forth in subparagraph (2) for each such Additional Connection until connected. In no event is it to be construed or is it intended that Deep Creek shall be in any way responsible to pay GDU both the reserve capacity charges and the CCRC charges for the same water and/or sewer connection encompassing the same years of reserve capacity. If GDU's CCRC charge is revoked or suspended, accumulated and unpaid reserve capacity charges shall be paid as a condition precedent to GDU's approval of any request for increased connections over those shown in the Initial Five Year Projection and the Approved Five Year Projection and reserve capacity charges shall be paid thereafter. Said charges shall be computed in accordance with Exhibit "G" and are subject to modification if GDU changes its reserve capacity charges in the future.

(5) Deep Creek will, within one (1) year of the effective date hereof, file with Charlotte County or the appropriate regulatory agency revised water and sewer Tariffs to reflect the provisions and charges set forth in this Agreement.

(6) GDU shall have the right to inspect and/or audit Deep Creek's books, records and accounts to determine compliance with the terms of this Paragraph.

5. All rates and charges made by GDU to Deep Creek, and to future customers who will be serviced by GDU, shall be made in accordance with the then current tariffs filed by GDU with Charlotte County or the appropriate rate regulatory agency, as may be from time to time adopted, amended and approved by said agency in accordance with its regulatory authority contained in applicable statutes, ordinances, rules and regulations.

6. 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 Deep Creek or other customers, or the acceptance thereof on the part of GDU, for other utility system extensions that may be required hereinafter by Deep Creek 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.

7. Deep Creek ^{^ Agrees} to pay GDU within (30) days after statement is rendered by GDU, all sums due and payable as set forth in such statement. Upon the failure or refusal of Deep Creek, to pay the amounts due on statements as rendered for monthly water and/or sewer services actually provided to connected Deep Creek customers, GDU may, upon thirty (30) days written notice being given to Deep Creek and Charlotte County of GDU's intent to terminate water and/or sewer service to Deep Creek, terminate said service until said charges are paid. Upon failure or refusal of Deep Creek to remit amounts due in such timely fashion for reserve capacity, CCRC or plant connection charges, GDU may, upon thirty (30) days written notice to Deep Creek, notify any and all affected regulatory agencies that no further water and/or sewer connections should be honored or permitted with the Properties and, thereafter, cease said connections until said charges are paid.

8. Except for those contemplated above, no-tie ins or hookups to the water or sewer system serving the Properties shall be made without the express consent of GDU and Deep Creek. GDU shall not utilize Deep Creek's distribution and collection systems to supply water and/or accept sewage from the customers other than those of Deep Creek and of Loreda Development, Inc., or within the Properties without the prior written consent of Deep Creek. Both GDU and Deep Creek acknowledge that in the event either party breaches the covenant contained herein it would be difficult, if not impossible, to reasonably assess the resulting damages and consequently, it is agreed that this covenant may be enforced by injunctive relief in a court of competent jurisdictions.

9. Deep Creek's Facilities and Meters:

A. Sewer System.

Deep Creek shall construct, own, operate and maintain all force mains, lift stations, collection systems and flow meter with totalizer within the Properties to the point of connection, at Deep Creek's sole cost and expense. Deep Creek shall maintain collection systems in such condition as to avoid excessive infiltration. GDU shall have the right to: inspect Deep Creek's facilities, after proper notification to Deep Creek; to read and calibrate the meter at GDU's discretion; and to check for illegal tie-ins, hook-ups or any other possible sources of contamination to ensure the system is functioning properly and not subject to excessive infiltration. Deep Creek agrees to correct, without delay, hazards to the system at its own expense. Excessive infiltration shall mean a determination by GDU that the flow through the sewage flow meter exceeds 15% of the flow through the master potable water meter as determined by the readings. Upon a determination by GDU that excessive infiltration exists, GDU shall notify Deep Creek to correct said infiltration 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 GDU for good cause shown by Deep Creek, shall result in immediate cessation of connections within the Properties to the sewer system and in GDU correcting the excessive infiltration at Deep Creek's sole cost and expense. Resumption of connections shall occur upon the correction of the excessive infiltration.

B. Water System.

(1) Deep Creek hereby agrees to construct any necessary water distribution systems, pump stations or water mains within the Properties in order to provide water service to customers therein. Deep Creek shall own, operate and maintain all water mains, pump stations and water distribution facilities within the Properties. Deep Creek shall maintain the distribution system in such condition as to avoid excessive exfiltration.

In addition, Deep Creek has installed a water meter, at its expense and as specified and approved by GDU's engineer. In addition, Deep Creek installed, at its expense, a back flow control device, as specified by GDU. GDU acknowledges the water meter, meter pit, and back flow control device have been properly installed and complies with GDU's specifications and are accepted for use. GDU shall have the right to inspect Deep Creek's water facilities at any time to check for cross connections, any other possible sources of contamination or sources of excessive exfiltration. Deep Creek agrees to correct, without delay, all such hazards to the system at its own expense. All construction, corrections and connections shall be in accordance with the approved plans by GDU's engineer.

(2) Deep Creek agrees that it shall provide to GDU, through its Chief Operator at the Peace River Water Treatment Plant, a record of the pumpage as reflected on the master meter on the last day of each and every month during the term of this agreement.

(3) Deep Creek agrees to construct and install a storage tank and high service pumps when the existing twelve (12") inch water main serving the Properties reaches its hydraulic capacity. This hydraulic capacity shall not exceed 1,600 gallons per minute, on a combined use by Deep Creek, Loreda Development, Inc. and other customers within the Properties.

10. 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.

11. This Agreement shall be binding on the parties, successors and assigns and may be freely assignable by either party hereto. Nothing contained herein shall be construed to preclude or constitute a waiver of GDU's rights to appear, comment or object to any such proposed transfer, assignment or sale of Deep Creek pursuant to applicable statutes, rules or ordinances of the appropriate regulatory agencies. Within ten (10) days of the effective date of any such assignment, sale or transfer, Deep Creek and the transferee shall submit a formal assignment and assumption of this Agreement to GDU in a form reasonably acceptable to GDU.

12. 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 hereto, at the last known address of the parties and to such governmental bodies or agencies as may be required by law, regulation, or ordinance.

13. It is further mutually agreed and understood by GDU and Deep Creek that the commitment to accept and provide water and/or sewer service may be limited in the event that GDU is prohibited, limited or restricted from accepting further connec-

tions 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 GDU to again render service. GDU shall give Deep Creek notice of such action as soon as possible when such agencies have taken such action. In such event, GDU and Deep Creek agree that GDU shall not be liable or in any way responsible for the provision of water and/or sewer capacity except for those units for which plant capacity fees have been collected by GDU and which have been already connected to the system.

14. This Agreement shall be for an initial period of five (5) years from the date of this Agreement and shall be automatically renewed annually for additional five (5) year terms unless a breach of contract occurs by either party and/or written termination notice is given as required in Paragraph 12 twenty-four (24) months prior to termination. Both parties acknowledge that this Agreement, its terms and provisions are subject to regulation, prohibition, limitation and restriction by local, regional, state and federal agencies, (including but not limited to Charlotte County, the South West Florida Management District and the Florida Department of Environmental Regulation.

15. This Agreement supersedes all previous agreements or representations, either verbal or written, heretofore in effect between Deep Creek and GDU, made with respect to the matters contained herein when duly executed constitutes the complete Agreement between Deep Creek and GDU.

16. This Agreement is to be signed, initially, in duplicate counterparts with each party thereafter obligated to execute a final Agreement signed by both parties. This Agreement, when executed in counterparts, shall become effective as of September 1, 1988.

Signed, sealed and delivered
in the presence of:

David R. [Signature]
Jan [Signature]

GENERAL DEVELOPMENT UTILITIES,
INC., a Florida corporation

By: [Signature]
Gregory Kisela
Assistant Vice President

[CORPORATE SEAL]

ATTEST: [Signature]
Nancy H. Roen, Secretary

UTILITIES
DEEP CREEK, INC., a Florida
corporation

By: [Signature]
Paula McQueen, Senior Vice-
President

Betty M. [Signature]
Daisy R. [Signature]

ATTEST: [Signature]
Geoffrey J. [Signature], Asst. Secretary

[CORPORATE SEAL]

LEGAL DESCRIPTION OF ORIGINAL SERVICE AREA

WATER

Punta Gorda Isles Section 20, Plat Book 11, Pages 2-A through 2-Z-42, of the Public Records of Charlotte County, Florida.

and

Punta Gorda Isles Section 23, Plat Book 12, Pages 2-A through 2-Z-41, of the Public Records of Charlotte County, Florida.

SEWER

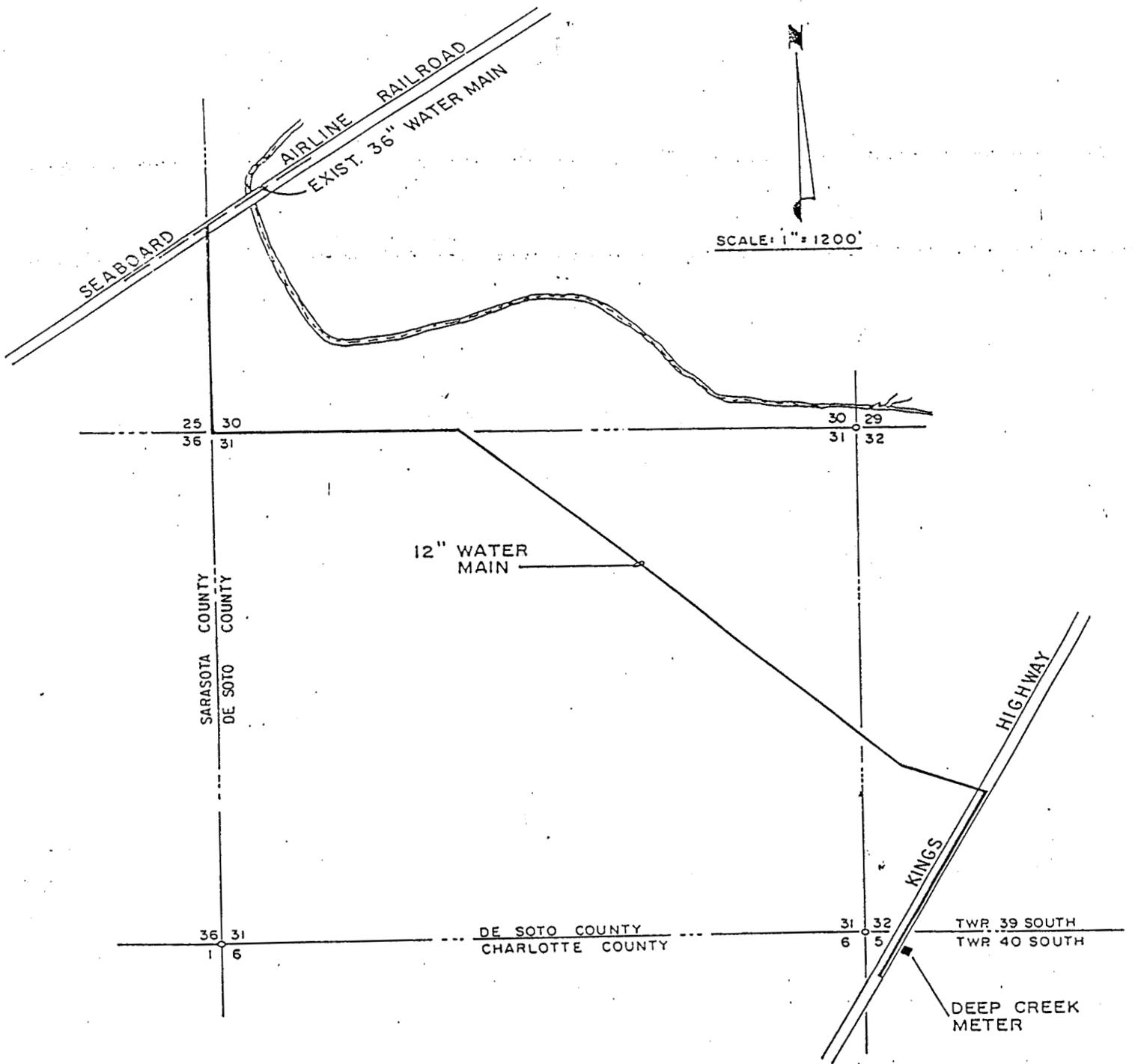
Punta Gorda Isles Section 20, Plat Book 11, Pages 2-A through 2-Z-42, of the Public Records of Charlotte County, Florida.

and

Punta Gorda Isles Section 23, Plat Book 12, Pages 2-A through 2-Z-41, of the Public Records of Charlotte County, Florida.

and

All of Blocks 26, 27, 28, 29 and 30 Harbor Heights Subdivision Section 8, Plat Book 3, page 84 of the Public Records of Charlotte County, Florida and Lots 71 through 107 of Block 21 Harbor Heights Subdivision, Plat Book 3, Page 22 of the Public Records of Charlotte County, Florida.



**12" WATER MAIN SERVING
LAKE SUZY & DEEP CREEK**

Approximately 13,000 Lineal Feet of twelve (12") inch PVC water main lying along certain easement granted by Loreda Development, Inc. in DeSoto County in land sections 30, 31 and 32, Township 30 South, Range 23 East and running Southwesterly along the Kings Highway Right of Way, into Charlotte County.

COMPOSITE LEGAL DESCRIPTIONS FOR

ADDITIONAL SERVICE AREAS

WATER AND SEWER

- (1) LAKE VIEW NURSING HOME (120 beds; 35,140 square feet)

LAND IN CHARLOTTE COUNTY, FLORIDA, DESCRIBED AS:

A parcel of land in Section 17, Township 40 South, Range 23 East, Charlotte County, Florida, being more specifically described as follows:

The Southerly 660 feet along with the Westerly 40 feet of the West 1/2 of the East 1/2 of the Northwest 1/4 of Section 17, Township 40 South, Range 23 East, less and except the Northerly 50 feet and the Southerly 25 feet thereof for roadway purposes.

- (2) LAKESHORE - POVIA-BALLANTINE CORPORATION (64 units)

LAND IN CHARLOTTE COUNTY, FLORIDA, DESCRIBED AS:

All of the West 1/2 of the West 1/2 of the Northwest 1/4, along with that part of the East 1/2 of the Northeast 1/4 of the Northwest 1/4 lying Northerly and Easterly of Interstate I-75, less taking for Rampart Boulevard.

- (3) LAKESHORE CONDOMINIUMS - POVIA-BALLANTINE CORPORATION
SIXTY-EIGHT (68) UNITS -- PHASE III & IV

LAND IN CHARLOTTE COUNTY, FLORIDA, DESCRIBED AS:

All of the West 1/2 of the West 1/2 of the Northwest 1/4, along with that part of the East 1/2 of the Northeast 1/4 of the Northwest 1/4, lying Northerly and Easterly, of Interstate I-75, less taking for Rampart Boulevard.

- (4) LAKESIDE CONDOMINIUMS

PHASE I

A parcel of land lying in Section 17, Township 40 South, Range 23 East, Charlotte County, Florida, and being more particularly described as follows:

From the Northeast corner of said Section 17, run N89 47'49"W along the North line of said Section 17, a distance of 2,339.79 feet to the Northwest corner of the East 1/2 of the West 1/2 of the Northwest 1/4 of the Northeast 1/4 of said Section 17; thence S00 35'44"W along the West line of said East 1/2 a distance of 50.00 feet to the Southerly Right-of-Way line of Rampart Boulevard and the Point of Beginning of the lands herein described; thence continue S00 35'44"W along said Fractional Section line a distance of 449.00 feet; thence S89 24'16"E a distance of 148.00 feet; thence N00 35'44"E a distance of 62.00 feet; thence S89 24'16"E a distance of 93.00 feet; thence S00 35'44"W a distance of 45.00 feet; thence S89 24'16"E a distance of 93.10 feet; thence N00 36'48"E a distance of 434.29 feet to the Southerly Right-of-Way line of Rampart Boulevard; thence N89 47'49"W along said Southerly Right-of-Way line a distance of 334.24 feet to the Point of Beginning.

Said lands containing 3.284 acres, more or less.

Said lands situate, lying and being in Charlotte County, Florida.

PHASE II

A parcel of land lying in Section 17, Township 40 South, Range 23 East, Charlotte County, Florida, and being more particularly described as follows:

From the Northeast corner of said Section 17, run N89 47'49"W along the North line of said Section 17 a distance of 2,339.79 feet to the Northwest corner of the East 1/2 of the West 1/2 of the Northwest 1/4 of the Northeast 1/4 of said Section 17; thence S00 35'44"W along the West line of said East 1/2 a distance of 50.00 feet to the Southerly Right-of-Way line of Rampart Boulevard; thence continue S00 35'44"W along said Fractional Section line a distance of 449.00 feet to the Point of Beginning of the lands herein described; thence continuing S00 35'44"W along said Fractional Section line a distance of 238.00 feet; thence S89 24'16"E a distance of 93.00 feet; thence S00 35'44"W a distance of 35.00 feet; thence S89 24'16"E a distance of 241.01 feet; thence N00 36'48"E a distance of 290.00 feet; thence N89 24'16"W a distance of 93.10 feet; thence N00 35'44"E a distance of 45.00 feet; thence N89 24'16"W a distance of 93.00 feet; thence S00 35'44"W a distance of 62.00 feet; thence N89 24'16"W a distance of 148.00 feet to the Point of Beginning.

Said lands containing 2.188 acres, more or less.

Said lands situate, lying and being in Charlotte County, Florida.

PHASE III

A parcel of land lying in Section 17, Township 40 South, Range 23 East, Charlotte County, Florida, and being more particularly described as follows:

From the Northeast corner of said Section 17, run N89°47'49"W along the North line of said Section 17 a distance of 2,339.79 feet to the Northwest corner of the East 1/2 of the West 1/2 of the Northwest 1/4 of the Northeast 1/4 of said Section 17; thence S00°35'44"W along the West line of said East 1/2 a distance of 50.00 feet to the Southerly Right-of-Way line of Rampart Boulevard; thence continue S00°35'44" along said Fractional Section line a distance of 687.00 feet to the Point of Beginning of the lands herein described; thence continuing S00°35'44"W along said Fractional Section line a distance of 239.00 feet; thence S89°24'16"W a distance of 148.00 feet; thence N00°35'44"E a distance of 15.00 feet; thence S89°24'16"E a distance of 185.95 feet; thence N00°36'48"E a distance of 189.00 feet; thence N89°24'16"W a distance of 241.01 feet; thence N00°35'44"E a distance of 35.00 feet; thence N89°24'16"W a distance of 93.00 feet to the Point of Beginning.

Said lands containing 1.575 acres, more or less.

Said lands situate, lying and being in Charlotte County, Florida.

PHASE IV

A parcel of land lying in Section 17, Township 40 South, Range 23 East, Charlotte County, Florida, and being more particularly described as follows:

From the Northeast corner of said Section 17, run N89°47'49"W along the North line of said Section 17 a distance of 2,339.79 feet to the Northwest corner of the East 1/2 of the West 1/2 of the Northwest 1/4 of the Northeast 1/4 of said Section 17; thence S00°35'44"W along the West line of said East 1/2 a distance of 50.00 feet to the Southerly Right-of-Way line of Rampart Boulevard; thence continue S00°35'44"W along said Section line a distance of 926.00 feet to the Point of Beginning of the lands herein described; thence continuing S00°35'44"W along said Fractional Section line a distance of 343.56 feet to a point on the Northerly Right-of-Way line of Tangelo Avenue; thence S89°40'24"E along said Right-of-Way line a distance of 333.84 feet; thence N00°36'48"E a distance of 356.99 feet; thence S00°35'44"W a distance of 15.00 feet; thence N89°24'16"W a distance of 148.00 feet to the Point of Beginning.

Said lands containing 2.691 acres, more or less.

Said lands situate, lying and being in Charlotte County, Florida.

(5) KINGSWAY GOLF VILLAS

Tract 3
Kings Crossing
DeSoto County, Florida

(6) CLUBSIDE CONDOMINIUMS

Tract 1, Block A
Kings Crossing
DeSoto County, Florida

19.0 GUARANTEED REVENUE AGREEMENT.

If authorized by the Commission pursuant to Order and under such terms and conditions as may be authorized under said Commission Order, Utility may establish a policy of requiring, as a condition precedent to service, that the contributor (developer) enter into a guaranteed revenue agreement.

20.0 RESERVE CAPACITY CHARGE

If contributor wishes to reserve treatment plant capacity to insure that there will be available sufficient capacity at various planned stages of development, and if Utility agrees to reserve such capacity for contributor, the contributor will be required to begin paying its proportionate part of the cost associated with the investment that has been committed. The reserve capacity rates are based on an allocation of the cost of money, depreciation, property taxes and related income and revenue taxes necessary to support the cost of the proportionate investment in plant.

The following rates per gallon average daily demand are payable for each year for which capacity is reserved.

Reserve Capacity Charge	Water	\$0.46
	Sewer	\$0.60

At the option of the contributor, the contributor may pay connection (plant capacity) charges under Paragraph 3.0 of this Policy at the time the plant capacity is reserved, rather than at the time the connections are made. However, contributor will still be responsible for paying, at the time of connection, any difference in plant capacity charges between the time plant capacity is initially reserved and the approved plant capacity charge amounts at the time connections are made. If this option is selected, the reserve capacity charge shall be payable at the following rates per gallon average daily demand for each year for which capacity is reserved.

Reserve Capacity Charge (Prepaid Connection Charge Option):

	Water	\$0.05,
	Sewer	\$0.09

Gordon J. Pfersich
Senior Vice President

SCHEDULE OF DAILY RATED GALLONAGE
FOR VARIOUS OCCUPANCIES

Types of Building Usage

Apartments. . . . .	.155 gpd(1)
Bars and Cocktail Lounges . . . . .	.5 gpd/seat
Boarding Schools (students and staff) . . . . .	.75 gpcd(2)
Bowling Alleys (toilet wastes only, per lane) . . . . .	.100 gpd
Country Clubs (per member). . . . .	.25 gpcd
Day Schools (students and staff). . . . .	.10 gpcd
Drive-in Theatres (per car space) . . . . .	.5 gpd
Factories (with showers). . . . .	.30 gpcd
Factories (without showers) . . . . .	.10 gpd/100 sq. ft
Hospitals (with laundry). . . . .	.250 gpd/bed
Hospitals (without laundry) . . . . .	.200 gpd/bed
Hotels and Motels (no restaurants or laundry)*. . . . .	.150 gpd/rm or unit
Laundromats . . . . .	.225 gpd/washer
Mobile Home Parks . . . . .	.185 gpd/trailer
Movie Theatres, Auditoriums, Churches (per seat). . . . .	.3 gpd
Nursing Homes . . . . .	.100 gpd/bed
Office Buildings. . . . .	.10 gpd/100 sq ft
Public Institutions (other than those listed herein). . . . .	.75 gpcd
Restaurants (per seat). . . . .	.50 gpd/seat
Restaurants (fast food) (per seat). . . . .	.30 gpd/seat
Single-Family Residence	
Water: 5/8 x 3/4" meter. . . . .	.225 gpd
1" meter. . . . .	.315 gpd
1 1/2" meter . . . . .	.410 gpd
Sewer . . . . .	.190 gpd
Townhouse Residences (3). . . . .	.155 gpd
Stadiums, Frontons, Ball Parks, etc (per seat). . . . .	.3 gpd
Stores (without kitchen wastes) . . . . .	.5 gpd/100 sq ft
Speculative Buildings . . . . .	.30 gpd plus 10 gpd/100 sq ft
Warehouses. . . . .	.30 gpd plus 10 gpd/1000 sq ft

- (1) gpd - gallons per day
- (2) gpcd - gallons per capita per day
- (3) Condominiums shall be rated in accordance with the type (apartments, townhouses, etc.)

NOTE: Sewage gallonage refers to sanitary sewage flow on a unit basis for average daily flow in gallons per day.

* Motels and Hotels with other facilities to be qualified as per schedule (i.e., with laundry add 50 gpd, with restaurant add 50 gpd per seat.)

Gordon J. Pfersich
Senior Vice President

FORECAST OF NEW CONNECTIONS

<u>YEAR</u>	<u>NEW CONNECTIONS</u>	<u>FIVE YEAR FLOATING PROJECTION</u>
1988 & PRIOR	2,049	
1989	140	
1990	150	800
1991	160	850
1992	170	900
1993	180	950
1994	190	1,000
1995	200	1,050
1996	210	1,100
1997	220	1,150
1998	230	1,190
1999	240	1,220
2000	250	1,240
2001	250	1,250
2002	250	1,250
2003	250	1,250
2004	250	1,250
2005	250	1,250
2006	250	1,250
2007	250	1,250
2008	250	1,230
2009	250	1,210
2010	250	1,190
2011	250	1,170
2012	230	1,150
2013	230	1,150
2014	230	1,150
2015	230	1,150
2016	230	1,150
2017	230	1,150
2018	230	1,120
2019	230	1,090
2020	230	1,060
2021	230	1,041
2022	200	1,111
2023	200	911
2024	211	711
2025	300	511
	-----	300
	10,300	
	=====	

Deep Creek Utility Agreement
dated October 7, 1988

DEEP CREEK UTILITIES, INC.
RESERVE CAPACITY CHARGES PAID
FOR FUTURE UNITS
AS OF SEPTEMBER 1, 1988

YEAR	UNITS	YEARS PAID	AMOUNT PAID		AMOUNT DUE (1)	
			WATER	SEWER	WATER	SEWER
1988	120				\$ 4,140	\$ 4,560
1989	140	3 2/3	\$ 53,130	\$ 58,520	\$ 19,320	\$ 21,280
1990	150	2 2/3	41,400	45,600	36,225	39,900
1991	160	1 2/3	27,600	30,400	55,200	60,800
1992	170	2/3	<u>11,730</u>	<u>12,920</u>	<u>76,245</u>	<u>83,980</u>
Subtotal			\$133,860	\$147,440	\$191,130	\$210,520
Total				<u>\$281,300</u>		<u>\$401,650</u>

(1) Amount Due is determined by reference to current forecast of connections as shown in Exhibit "D" and reserve capacity charges per General Development Utilities, Inc. approved Service Availability and Main Extension Policy. Changes in either the forecast of connections or approved reserve capacity charges will change the amounts due.

Amount Due is calculated as follows:

of units reserved
x # of years remaining to be reserved
x reserve capacity charge per unit

COMPOUNDED RESERVE CAPACITY CHARGE

SEWER

COMPOUNDED RESERVE CAPACITY CHARGE	CARRYING COST PER YEAR	TOTAL TO BE RECOVERED PER CONNECTION
\$114.00	10.60%	\$126.08
\$228.00	24.17	\$252.17
\$342.00	36.25	\$378.25
\$456.00	48.34	\$504.34
\$570.00	60.42	\$630.42

YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
\$10.51	\$136.59	\$262.68	\$388.76	\$514.84
21.01	147.10	273.18	399.27	525.35
31.52	167.61	283.69	409.77	535.86
42.03	188.11	294.20	420.28	546.36
52.54	178.62	304.70	430.79	556.87
63.04	189.13	315.21	441.29	567.38
73.55	199.63	325.72	451.80	577.89
84.06	210.14	336.22	462.31	588.39
94.56	220.65	346.73	472.82	598.90
105.07	231.15	357.24	483.32	609.41
115.58	241.66	367.75	493.83	619.91
126.08	252.17	378.25	504.34	630.42

JANUARY
FEBRUARY
MARCH
APRIL
MAY
JUNE
JULY
AUGUST
SEPTEMBER
OCTOBER
NOVEMBER
DECEMBER

WATER

COMPOUNDED RESERVE CAPACITY CHARGE	CARRYING COST PER YEAR	TOTAL TO BE RECOVERED PER CONNECTION
\$103.50	10.60%	\$114.47
\$207.00	21.94	\$228.94
\$310.50	32.91	\$343.41
\$414.00	43.80	\$457.88
\$517.50	54.86	\$572.36

YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
\$9.54	\$124.01	\$238.48	\$352.95	\$467.42
19.08	133.55	248.02	362.47	476.96
29.62	143.09	257.56	372.01	486.50
38.16	152.63	267.10	381.57	496.04
47.70	162.17	276.64	391.11	505.58
57.24	171.71	286.18	400.65	515.12
66.77	181.25	295.72	410.19	524.66
76.31	190.79	305.26	419.73	534.20
85.85	200.32	314.80	429.27	543.74
95.39	209.86	324.33	438.81	553.28
104.93	219.40	333.87	448.34	562.82
114.47	228.94	343.41	457.88	572.35

JANUARY
FEBRUARY
MARCH
APRIL
MAY
JUNE
JULY
AUGUST
SEPTEMBER
OCTOBER
NOVEMBER
DECEMBER

ADDENDUM AGREEMENT

THIS ADDENDUM, made and entered into this 5th day of April, 1990, by and between SOUTHERN STATES UTILITIES, INC., a Florida corporation, hereinafter referred to as Developer, and GENERAL DEVELOPMENT UTILITIES, INC., a Florida corporation, hereinafter referred to as Utilities.

W I T N E S S E T H

WHEREAS, Utilities entered into a Substitute Water and Sewer Agreement on October 7, 1988 with Deep Creek Utilities, Inc; and,

WHEREAS, Developer has been requested to provide sewer service to an elementary school, hereinafter referred to as Customer, located on property described in Exhibit "A", attached hereto; and,

WHEREAS, Developer and Utilities desire to amend said October 7, 1988 Agreement to reflect the addition of said elementary school;

NOW THEREFORE: in consideration of the mutual covenants and promises herein contained, it is mutually agreed by and between the parties that the following Amendment be part of the original Agreement, as follows:

A. UTILITIES AGREES:

1. To furnish to the Customer located on the property described in Exhibit "A", during the term of this Agreement or any renewal or extension hereof, treatment of sewage in accordance with standards of the state regulatory agencies of the State of Florida.

2. It will, at all times, operate and maintain its treatment facilities 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 or inability to handle sewage as required by this Agreement shall be remedied with all reasonable dispatch.

3. To provide treatment of sewage in such quantity as may be required by Customer, up to but not exceeding an average monthly amount of 8,720 gallons per day, based on a total school population of 872 students and staff, at 10 gallons per capita per day.

B. DEVELOPER AGREES:

1. To pay Utilities, simultaneously with the execution of this Agreement, connection charges in the amount of \$44,793.41 which are itemized as follows:

a. To pay Utilities a \$19,620.00 sewer connection (plant capacity) charge at a rate of \$2.25 per gallon for 8,720 gallons.

b. To pay Utilities a Carrying Costs Recovery Charge (CCRC) for sewer in the amount of \$25,173.41, based on 45,896 ERC's for March.

2. Payments for the above items will be made upon submission of appropriate invoice by Utilities.

3. Developer recognizes that the above charges are based upon the actual current approved connection charges. Developer agrees that if charges change or if new charges are approved and in effect at the time of connection, he will pay the difference between the current charges and those in effect at the time of connection and any new charges required at the time of connection.

4. The charges contained in this Agreement are based upon the estimated gallons of usage to be supplied to Developer and Utilities reserves the right to revise such figures to conform to the actual usage, which may be computed at any time by averaging any consecutive three (3) month period during any calendar year during the life of this agreement. Developer agrees to pay any additional charges which would be required by applying current rates or those applicable during the three month period which generated that increase to any recomputed gallons of usage.

5. Utilities is not obligated to provide plant capacity or service in excess of the amounts estimated to be supplied in this Agreement. All charges have been based upon estimated usage supplied by the Developer and Utilities may require Developer to curtail use which exceeds such estimated requirements.

6. All rates and charges made by Utilities to Developer, and to future customers who will be serviced by Utilities, shall be made in accordance with such tariff filed by Utilities with its appropriate regulatory authority in accordance with such tariff, as amended, as may be from time to time adopted and approved by the appropriate regulatory authority in accordance with its regulatory authority contained in applicable statutes, ordinances, rules and regulations.

7. 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 Utilities, for other utility system extensions that may be required hereafter by Developer and which are not presently covered by this Agreement.

8. To limit waste introduced into the sewage collection system to domestic waste. The introduction of industrial waste into the system is prohibited under this Agreement. If industrial waste or other than domestic waste is introduced into the system, the Developer shall immediately take remedial action to insure such waste meets the criteria of domestic waste. If the Developer is unable or unwilling to make the required corrections within a reasonable period of time, Utilities may after five (5) days of advance written notice, discontinue service until such time that the waste is brought into compliance. Furthermore, Developer agrees to indemnify Utilities for any expenses, including laboratory analysis, incurred by Utilities caused by the introduction of any waste other than domestic. Domestic waste means wastewater derived principally from dwelling, business buildings, institutions, and the like; sanitary wastewater; sewage; as defined in Chapter 17-6.030(20) of the Florida Administrative Code.

C. UTILITIES 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 of the Utilities. 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.

2. When Utilities is regulated by a Regulatory Agency that has adopted the Florida Administrative Code, its Rules 25-30.650(1) and 25-30.650(2) shall be applicable. Rule 25-30.650(1) requires the filing of the Developer's agreements with the Regulatory Agency. Rule 25-30.650(2) covering special agreements, requires approval by the Regulatory Agency before such special agreements become effective.

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 party herein. at the last known address of either of the parties.

6. Water and sewer line extensions will be made to the property line at such points as are mutually agreed to by Developer and Utilities.

7. Failure to meet the provisions, terms or conditions of this Agreement by the Developer shall result in termination of the Agreement and discontinuance of service. Utilities will provide thirty (30) days written notice of termination of the Agreement and discontinuance of service to Developer.

8. This Agreement shall be for an initial period of five (5) years from the date of this Agreement and shall be automatically renewed on an annual basis unless written termination notice is given by either party to the other thirty (30) days prior to any anniversary date.

D. OTHER CONDITIONS:

1. Developer shall provide Utilities the monthly reading of each water meter serving the elementary school, to be delivered to Utilities business office not later than seven (7) working days after the meter is read.

2. Developer shall cause each meter serving the elementary school to be inspected for accuracy not less than once each year and forward a certified copy of the accuracy report to Utilities business office within thirty days after completion of said inspection.

All of the other terms and conditions of the original agreement, dated October 7, 1988, other than as herein amended, shall remain in full force and effect.

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

GENERAL DEVELOPMENT UTILITIES, INC

BY: [Signature]
Vice President

ATTEST: [Signature]
Secretary

SOUTHERN STATES UTILITIES, INC.
~~DEEP CREEK UTILITIES, INC.~~

BY: [Signature]
Vice-President/General Counsel
and Secretary
ATTEST: [Signature]

(Corporate Seal)

EM
490

EXHIBIT "A"

LEGAL DESCRIPTION

A portion of Section 21, Township 40 South, Range 23 East, Charlotte County, Florida, being more specifically described as follows:

From the Northwest corner of said Section 21, run South 87° 58' 54" West along the north line of said Section 21, a distance of 425.45 feet to the Point of Beginning of the lands herein described; said point also being on the west line of Harbour Heights Section 9 Part 1, as recorded in Plat Book 4, Pages 38A through 38D of the Public Records of Charlotte County, Florida; said point also being the Southeast corner of Punta Gorda Isles Section 23, as recorded in Plat Book 12, Pages 2A through 22-41 of the Public Records of Charlotte County, Florida; thence continue South 87° 58' 54" West along said south line of Punta Gorda Isles Section 23 and the north line of said Section 21, a distance of 701.90 feet; thence South 00° 38' 19" West, parallel with the east line of said Section 21, a distance of 1229.64 feet to the Northerly right-of-way of State Road 775 according to the Florida Department of Transportation Right-of-Way maps (Sec. No. 01560-2601); thence South 89° 21' 11" East, along said right-of-way, a distance of 460.95 feet; thence North 00° 38' 49" East, along Right-of-Way, a distance of 10.00 feet; thence South 89° 21' 11" East, along said Right-of-Way, a distance of 240.20 feet to a point on the west line of said Harbour Heights, Section 9, Part 1; thence North 00° 38' 19" East, along said west line, a distance of 1,262.28 feet to the Point of Beginning of the lands herein described.

Said lands containing 20.00 acres, more or less.

Said lands situate, lying and being in Charlotte County, Florida.