

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for Authority)
to Transfer the Facilities of)
MHC SYSTEMS, INC. and) Docket No. 000277-WS
Certificate Nos. 353-W and 309-S)
in Lee County, Florida to)
NORTH FORT MYERS UTILITY, INC.)
_____)

NOTICE OF FILING

Applicant, NORTH FORT MYERS UTILITY, INC., by and through its undersigned attorneys, hereby notices the filing of the Direct Testimony of A.A. Reeves, III, in the above-referenced docket.

Respectfully submitted on this
2nd day of February, 2001, by:

ROSE, SUNDSTROM & BENTLEY, LLP
2548 Blainstone Pines Drive
Tallahassee, Florida 32301
(850) 877-6555

By: 
MARTIN S. FRIEDMAN
for For the Firm

DOCUMENT NUMBER-DATE

01545 FEB-20

FPSC-RECORDS/REPORTING

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Notice of Filing was forwarded via U.S. Mail this 2nd day of February, 2001, to:

Tyler Van Leuven, Esquire
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Mr. Alexander William Varga
19808 Frenchman's Court
North Fort Myers, Florida 33903

Kathryn Cowdery, Esquire
Ruden, McCloskey, Smith, et al
215 South Monroe Street
Suite 815
Tallahassee, FL 32301

Jermaine Troiano, President
19419 Saddlebrook
North Fort Myers, FL 33903

Leon Beekman, President
Pine Lakes Estates Homeowners Association
19799 Frenchman's Court
North Fort Myers, FL 33903

MARTIN S. FRIEDMAN

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DIRECT TESTIMONY OF A.A. REEVES, III
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
ON BEHALF OF
NORTH FORT MYERS UTILITY, INC.
DOCKET NO. 000277-WS

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Q. Please state your name and business address.

A. My name is A. A. Reeves, III, and my business address is 5660 Bayshore Road, Suite 51, North Fort Myers, Florida.

Q. By whom are you employed?

A. I am Vice President and Utility Director of North Fort Myers Utility, Inc.

Q. What are your primary duties with North Fort Myers Utility, Inc. (NFMU)?

A. My primary duties are to handle requests from potential customers for wastewater service, including negotiating Wastewater Agreements and Purchase and Sale Agreements where appropriate, assisting with financings and accounting projects, overseeing construction projects, and directing Florida Public Service Commission proceedings.

Q. Please tell us about your experience in the utility industry.

A. Exhibit AAR-1 attached hereto is a summary of my experience in the utility industry.

Q. Was the Application for Amendment to Certificate of Authorization prepared by you or under your direction and control?

A. Yes, it was prepared under my direction and control, and is attached as Exhibit AAR-2 hereto. It should be noted that since filing the original Application on March 2, 2000, NFMU has filed certain supplements to the application. The attached is a consolidation of the original and subsequent filings.

Q. To your knowledge, are the representations in that Application true and correct?

A. Yes, they are.

Q. Were you involved in the acquisition of the water and wastewater systems of MHC Systems, Inc., as referenced in NFMU's Application?

1 A. Yes. Along with our attorneys, I negotiated that acquisition, oversaw the
2 drafting of the Agreement For Purchase And Sale Of Water And Wastewater
3 Assets, which is attached to NFMU's Application.

4 Q. Please summarize why the granting of this Application would be in the public
5 interest.

6 A. NFMU is currently serving over ten thousand (10,000) wastewater customers
7 with a state-of-the-art wastewater system, with reuse as its primary method of
8 effluent disposal, in close proximity to the utility systems being purchased.
9 This acquisition will bring professional operations and management to the
10 current customers. NFMU utilizes professional outside accounting and legal
11 consultants with expert knowledge of Commission procedures, and NFMU's
12 experience and stability will benefit the current and future customers of the
13 system to be acquired.

14 Q. Is NFMU requesting an acquisition adjustment in this case?

15 A. No, NFMU is not asking for an acquisition adjustment at this time.

16 Q. What rates does NFMU intend to charge the seller's present customers?

17 A. Consistent with the Commission's rules, NFMU is charging the approved rates
18 established by the Commission for the seller.

19 Q. Does NFMU accept the audit report of the Commission Staff prepared under
20 Audit Control No. 00-087-4-1?

21 A. Yes, NFMU does accept that audit report and has already booked the
22 adjustment set forth in that audit. Accordingly, NFMU accepts the rate base
23 established in that audit.

24 Q. Based upon your knowledge of this transaction, and of the buyer and seller in
25 this transaction, and the Commission's procedure and process with regard to

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the acquisitions of private utilities, is it your opinion that this acquisition is in the public interest and that it should be approved by the Commission?

A. Yes, in my opinion, both NFMU's present customers and the customers of the seller will benefit by approval of this Application.

Q. Do you have any further testimony at this time?

A. Not at this time.

NFMU\mhc\REEVES.TMY

A. A. REEVES III
6730 Ashley Court
Sarasota, Florida 34241

(813) 925-4514

My experience in the utility field includes water, wastewater, gas, electric and cable television.

I began my career in 1958 at Georgia Power Company in the Central Billing Office located in Atlanta, Georgia. Over the next ten years, I worked in every position in the Department in regard to the overall customer billing and accounting system for approximately 1 million customers.

In 1968, I moved to Ft. Myers, Florida and worked at Fort Myers Construction (FMC), a unit of Gulf American Corporation. FMC was the land development company for the Florida communities of Cape Coral, Golden Gate, Barefoot Bay and Rio Rico in Arizona which included land clearing, canal dredging, drainage, road construction, water mains and wastewater collection systems.

In January of 1969, General Acceptance Corporation (GAC) purchased Gulf American Corporation. In July of 1969, the decision was made to set up a separate corporation for the utilities for regulation purposes and to build a professional utility team. Because of my prior utility experience, I was transferred from FMC to the new GAC Utilities Inc. (GUI) as controller. My first assignment was to set up the books and records of all of the utilities which GAC owned which included Cape Coral in Lee County, Golden Gate and Remuda Ranch in Collier County, Barefoot Bay in Brevard County, Poinciana Utilities Inc. and River Ranch in Polk and Osceola Counties and North Orlando Utilities located in Orange County.

In 1971, GUI purchased Consolidated Water Company (CWC). CWC is a utility holding company which owned Northern Michigan Water Company, Indiana Cities Water Corporation, Missouri Cities Water Company, Ohio Suburban Water Company, California Cities Water Company, and Florida Cities Water Company (FCWC). FCWC had four operating divisions, South and North Lee County, Sarasota County, Hillsborough County and Polk County. In addition, FCWC also had a subsidiary company, North Florida Water Company, which owned the water system in the City of Marianna. Because of the number of corporations and divisions in Florida, we combined and centralized the management and accounting offices of the Florida companies in Sarasota County. I functioned as Controller and Chief Financial Officer of all Florida Divisions. In addition to the water and wastewater companies, I was responsible for the control of Barefoot Bay Propane Gas Company, a propane gas distribution system located in the Barefoot Bay Project. I also had charge of the accounting for American Cablevision Company, a cable television company with five divisions.

As Controller of the Florida Operations, I reported to the General Manager and was responsible for the books and records of the six (6) corporations which had a total of 16 divisions in 10 counties in Florida and one in Arizona.

My responsibilities included monthly financial reports, budgets, accounting, customer billing, reports to the Florida Public Service Commission (PSC), financing, banking, rate case administration, purchasing, accounts payable, quarterly and annual reports to bondholders, intangible tax preparation, gross receipts tax reporting, etc.



In 1977, I was promoted to Vice President and Assistant General Manager. During that time, I set up a computer service company, Aqua Utility Consultants, Inc. (AUCI). AUCI was set up to provide computerized utility accounting customer billing for this corporation as well as outside clients.

In 1979, I was promoted to Executive Vice President and Chief Operating Officer. I held this position for twelve years.

As the Executive Vice President and Chief Operating Officer, I was responsible for the complete control of the Florida companies. In this capacity, I was heavily involved with engineering companies, rate consultants, developers, regulatory agencies (Environmental Protection Agency (EPA), Department of Environmental Regulation (DER), Water Management Districts, County Commissions, Public Service Commission, Department of Natural Resources, etc.).

FCWC was the fourth largest private utility in the State of Florida. FCWC was the most profitable of the CWC subsidiaries. Because of their superior operating performance, two FCWC plants were awarded the E.L. Phelps Award for the Best Operated Advanced Wastewater Treatment Plants in the State 13 out of the last 15 years. FCWC was featured as a profile company in the Water Magazine in 1991.

In October of 1991, I resigned from FCWC to pursue activity in the utility consulting area.

Over the last 34 years in the utility management business, I have been involved in many rate cases and sales of water, wastewater and cable television systems.

I have been involved in the investigation of the purchase of several water/wastewater utilities. My involvement included analyzing the books and records, employee complement, rate orders, financial statements, annual reports, PSC reports, operating reports, on-site visits, preparation of Purchase Agreements, etc.

While I was with FCWC, I negotiated the sale of several companies and divisions. My first was when Florida Gas Corp. purchased the assets of North Orlando Water Company. Then, I was involved with the sale of our water and wastewater operations in Cape Coral to the City of Cape Coral. FCWC then sold three small water divisions in Polk County to a developer by the name of John Wood. FCWC then sold the subsidiary, North Florida Water Company, to the City of Marianna. In each of these sales, I put together the entire sales package which included the Purchase Agreement, receivables, invoices....

Since resigning from FCWC, I have been managing a wastewater utility, North Fort Myers Utility Inc., located in North Lee County and serving as a rate consultant to Hartman & Associates (HAI), expert witness in court proceedings, and other related projects. My involvement with HAI was the investigation of the rate increase filing by General Development Utility (GDU) in the City of Palm Bay and North Fort. In this capacity, I reviewed GDU's application for a test year, minimum filing requirements (MFR) and exhibits filed with the MFR, such as workpapers, offering statements, DER Construction and Operating Reports, PSC orders, EPA reports, water management reports, legal pleadings, etc. I prepared interrogatories, Production of Documents requests, witnesses testimony and accounting adjustments for the attorneys in both the North Fort and Palm Bay rate proceedings.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for Authority)
to Transfer the Facilities of)
MHC SYSTEMS, INC. and)
Certificate Nos. 353-W and 309-S)
in Lee County, Florida to)
NORTH FORT MYERS UTILITY, INC.)
_____)

Docket No. 000277-WS

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RECORDS AND
REPORTING

APPLICATION OF NORTH FORT MYERS UTILITY, INC.
FOR AUTHORITY TO TRANSFER FACILITIES AND
CERTIFICATE NOS. 353-W AND 309-S

NORTH FORT MYERS UTILITY, INC. (hereinafter referred to as "NFMU" or "Buyer") by and through its undersigned attorneys and pursuant to the provisions of Rule 25-30.037, Fla. Admin. Code and Section 367.071, Fla. Stat., files this Application for authority to transfer facilities and Certificate Nos. 353-W and 309-S currently held by MHC Systems, Inc. d/b/a FFEC-Six ("Seller") to Buyer. In support of this Application, Seller states:

1. The complete name and address of the Seller, is:

MHC Systems, Inc.
Two North Riverside Plaza, Suite 800
Chicago, Illinois 60606

2. The complete name and address of the Buyer is:

North Fort Myers Utility, Inc.
Post Office Box 2547
Fort Myers, Florida 33902

3. The name and address of the person authorized to receive

notices and communications in respect to this application is:

RECEIVED & FILED

Man



Martin S. Friedman, Esquire
Rose, Sundstrom & Bentley, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301

4. Buyer is a Florida corporation authorized to do business in Florida on January 24, 1978.

5. The names and addresses of Buyer's corporate officers and directors are as follows:

Jack Schenkman, Chairman
6605 SW 109th Street
Miami, Florida

Joel Schenkman, President, Director
6605 SW 109th Street
Miami, Florida

Michael Schenkman, Vice-President/Director
6605 SW 109th Street
Miami, Florida

Mariam Schenkman, Secretary/Treasurer/Director
6605 SW 109th Street
Miami, Florida

H.J. Cutler, Director
241 Sevilla Avenue, Suite 805
Coral Gables, Florida 33134

6. Buyer currently owns a wastewater utility in Lee County, Florida, and operates pursuant to Certificate No. 247-S.

7. A copy of the Agreement for Purchase and Sale of Water and Wastewater Assets ("Purchase Agreement"), which includes the purchase price, terms of payment, and a list of the assets

purchased and liabilities assumed and not assumed and disposition of customer deposits and interest thereon is attached hereto as Exhibit "A". The Seller had no customer deposits. This purchase closed on or about February 29, 2000.

8. There are no guaranteed revenue contracts, developer agreements, customer advances, debt of the utility, and leases that must be disposed of in association with the transfer of the utility assets.

9. Buyer purchased Seller's utility assets in a cash transaction financed by its parent, Old Bridge Park Corporation.

10. The transfer of the water and wastewater facilities of Seller to Buyer is in the public interest for the following reasons:

(i) Buyer is currently serving over 10,000 wastewater customers in close proximity to the utility systems being purchased. This will bring professional operations and management to the current customers. Buyer utilizes professional outside accounting and legal consultants with expert knowledge of Commission procedures.

(ii) Buyer has the financial resources to provide real and significant benefits to the utility customers as the capital or operational needs demand. Therefore, the Buyer has the technical

capability and the financial ability to efficiently and effectively provide high quality water and wastewater service to the utility service area and the customers therein. Buyer will fulfill the commitments, obligations and representations of the Seller with regard to utility matters.

11. As of December 31, 1989, the utility system had a water rate base of \$1,056,929 and a wastewater rate base of \$1,606,752. The Commission has previously considered the rate base of the utility system by Order No. 24733 issued July 1, 1991.

12. There is no proposal at this time for inclusion of an acquisition adjustment resulting from the current transfer.

13. The books and records of the Seller are available for inspection by the Commission and are adequate for the purposes of establishing rate base of the water and wastewater systems.

14. Seller will cooperate with Buyer in providing to the Florida Public Service Commission any information necessary in order for the Commission to evaluate the Utility's rate base since its last rate case referenced in paragraph 11 above.

15. After reasonable investigation, the Buyer has determined that the system being acquired appears to be in satisfactory condition and in compliance with all applicable standards set by Florida Department of Environmental Protection ("DEP") except as

noted in the letter attached hereto as Exhibit "B", which are being resolved through the cooperative efforts of Seller and Buyer.

16. As part of the transfer of the utility assets, ownership of all utility land was transferred to the Buyer pursuant to the Purchase Agreement. A copy of the executed deed transferring this property to Seller, including the legal description, is attached hereto as Exhibit "C"

17. All outstanding regulatory assessment fees due as of March 31, 2000 for the year ended December 31, 1999 will be paid by Seller. Seller will be responsible for payment of all regulatory assessment fees through February 29, 2000. Buyer will be responsible for payment of all regulatory assessments fees due for revenues due from March 1, 2000 forward. No fines or refunds are owed.

18. The original and two copies of the Water Tariff and of revised pages to the Buyer's existing Wastewater Tariff are attached hereto as Composite Exhibit "D".

19. Water Certificate Number 353-W and Wastewater Certificate No. 309-S will be submitted as Late Filed Exhibit "E".

20. An Affidavit that the actual notice of the application was given to the entities on the list provided by the Commission in accordance with Section 367.045(1)(a), Florida Statutes, and Rule

25-30.030, Florida Administrative Code, is attached hereto as Exhibit "F".

21. An Affidavit that the actual notice of the application was given to the each customer in accordance with Section 367.045(1)(a), Florida Statutes, and Rule 25-30.030, Florida Administrative Code, will be filed as Late Filed Exhibit "G".

22. An Affidavit that the notice of the application was published once in a newspaper of general circulation in the territory in accordance with Rule 25-30.030, Florida Administrative Code, will be filed as Late Filed Exhibit "H".

23. The water system has the capacity to serve from 501 to 2,000 ERCs. Pursuant to Rule 25-30.020(c), Florida Administrative Code, the appropriate filing fee is \$1,500.

Respectfully submitted on this
2nd day of March, 2000, by:

ROSE, SUNDSTROM & BENTLEY, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301
(850) 877-6555

By: 
MARTIN S. FRIEDMAN

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**AGREEMENT FOR PURCHASE AND SALE OF
WATER AND WASTEWATER ASSETS**

By and Between

MHC SYSTEMS, INC.,

Seller

and

NORTH FORT MYERS UTILITY, INC.,

Purchaser

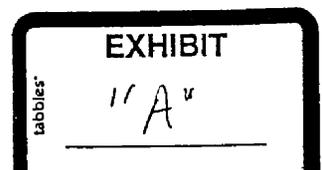


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ATTACHMENTS

Schedule "A"	Real Property
Schedule "B"	Easements, Licenses, etc.
Schedule "C"	Treatment Plants, etc.
Schedule "D"	Certificates, Permits, etc.
Schedule "E"	Developer Agreements Assumed by Purchaser
Schedule "F"	Permitted Encumbrances
Schedule "G"	Disclosures
Schedule "H"	Form of Special Warranty Deed
Schedule "I"	Form of Bill of Sale
Schedule "J"	Form of Easement Agreement
Schedule "K"	Form of Memorandum of Agreement

**AGREEMENT FOR PURCHASE AND SALE
OF WATER AND WASTEWATER ASSETS**

THIS AGREEMENT FOR PURCHASE AND SALE OF WATER AND WASTEWATER ASSETS (this "Agreement") is made and entered into as of the ___ day of December, 1999, by and between MHC SYSTEMS, INC., an Illinois corporation ("Seller"), whose address is Two North Riverside Plaza, Suite 800, Chicago, Illinois 60606, and NORTH FORT MYERS UTILITY, INC., a Florida corporation ("Purchaser"), whose mailing address is Post Office Box 2547, Fort Myers, Florida 33902-2547 and whose physical address is 5660 Bayshore Road, Suite 51, North Fort Myers, Florida 33903.

WITNESSETH:

WHEREAS, Gatorland Vistas, Inc., an Illinois corporation ("Gatorland") owns fee simple title to the real property ("Real Property") identified in Schedule "A" to this Agreement, as nominee for the benefit of Seller;

WHEREAS, Seller owns and operates a potable water supply and distribution system ("Water System") and a sanitary wastewater collection, treatment and effluent disposal system ("Wastewater System") (the Water System and the Wastewater System, collectively, the "Utility System") located within the Real Property and the Developments (as defined below), and doing business as "FFEC-Six";

WHEREAS, the Utility System serves Pine Lakes Country Club Manufactured Home Community ("Pine Lakes"), and Lake Fairways Country Club Manufactured Home Community ("Lake Fairways"), both of which are owned of record by Gatorland as nominee for the benefit of an affiliate of Seller, and certain other residential developments adjacent to Pine Lakes and Lake Fairways that are owned by parties not affiliated with Gatorland or Seller (Pine Lakes, Lake Fairways and such other residential developments (including any future expansions thereof) serviced by the Utility System are collectively referred to herein as the "Developments"), all of which are located in Lee County, Florida; and

WHEREAS, Seller operates the Utility System under Certificate of Public Necessity and Convenience Nos. 353-W and 309-S ("Certificates") issued by the Florida Public Service Commission ("Commission"), which authorize Seller to provide potable water and wastewater service to the Developments; and

WHEREAS, Purchaser desires to purchase the Real Property, the Utility System and certain related assets from Seller, and Seller desires to sell the Real Property, the Utility System and said related assets to Purchaser, upon and subject to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the foregoing recitals and the benefits to be derived from the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Purchaser hereby agrees to purchase and Seller hereby agrees to sell the Real Property, the Utility System and said related assets, upon and subject to the following terms and conditions:

1. **RECITALS.** The foregoing recitals are true and correct and are incorporated herein.

2. **COVENANTS TO PURCHASE AND SELL; DESCRIPTION OF PURCHASED ASSETS.**

A. Purchaser shall purchase from Seller, and Seller shall sell to Purchaser, the Purchased Assets (as defined below), upon the terms, and subject to the conditions, set forth in this Agreement.

B. "Purchased Assets" shall include all of Seller's right, title and interest, to the extent transferable, in and to all assets, business properties and rights, both tangible and intangible, that Seller owns, or in which it has an interest, and used primarily in connection with the operation and maintenance of the Utility System, including, but not limited to:

(i) The Real Property, including all buildings and improvements located thereon. The parties acknowledge that Gatorland holds record title to the Real Property as nominee for Seller pursuant to that certain Nominee Agreement dated as of October 26, 1994, and that Seller shall cause Gatorland to convey such record title to Purchaser at Closing (as defined below), as more fully provided for in Section 13.B(i) hereof.

(ii) All easements, licenses, prescriptive rights, rights-of-way and rights to use public and private roads, highways, streets and other areas owned or used by Seller primarily for the operation and maintenance of the Utility System, and all obligations of Seller with respect thereto, as identified in Schedule "B" to this Agreement.

(iii) All potable water supply and distribution facilities, wastewater collection, treatment and effluent disposal facilities of every kind and description whatsoever (whether located above ground or underground, and whether located within the Real Property or elsewhere), including, but not limited to, pumps, plants, tanks, lift stations, transmission mains, distribution mains, supply pipes, collection pipes or facilities, and effluent disposal facilities, valves, meters, meter boxes, service connections and all other physical facilities, equipment and property installations owned by Seller and used primarily in connection with the operation and maintenance of the Utility System, together with all additions thereto or replacements thereof prior to the Closing Date (as defined below), as identified in Schedule "C" to this Agreement (all of which are included in the definition of "**Tangible Personal Property**").

(iv) All certificates, immunities, privileges, permits, license rights, consents, grants, ordinances and leaseholds owned or used by Seller primarily for the operation and maintenance of the Utility System, and all rights to construct, maintain and operate the Utility System and its plants and systems for the procuring and distribution of potable water and the collection and disposal of wastewater and every right of every character whatever in connection therewith, and all obligations of Seller with respect thereto; all agencies for the supply of water to the Utility System or others owned or used by Seller primarily for the operation and maintenance of the Utility System; all water rights, flowage rights and riparian rights owned or used by Seller primarily for the operation and maintenance of the Utility System and all renewals, extensions, additions or modifications of any of the foregoing, and all obligations of Seller with respect thereto; together with all rights granted to Seller and all obligations of Seller under the Certificates, as identified in Schedule "D" to this Agreement.

(v) All items of inventory used primarily in connection with the operation and maintenance of the Utility System owned by Seller on the Closing Date (all of which are included in the definition of "**Tangible Personal Property**").

(vi) All supplier lists, customer records, prints, plans, engineering reports, surveys, specifications, shop drawings, equipment manuals and other information reasonably required by Purchaser to operate and maintain the Utility System in Seller's possession.

(vii) All sets of record drawings, including as-built drawings, showing all facilities of the Utility System, including all original tracings, sepias or other reproducible materials, in Seller's possession.

(viii) All rights and obligations of Seller under the Developer Agreements to be assumed by Purchaser, as identified in Schedule "E" to this Agreement.

C. The following assets are excluded from the Purchased Assets:

(i) Cash, accounts receivable, bank accounts, equity and debt securities of any nature, deposits maintained by Seller with any governmental authority, utility deposits and prepaid expenses of Seller, which are Seller's sole property and are not subject to refund to customers, including developers or others.

(ii) Escrow and other Seller provisions for payment of federal and state income taxes.

3. **PURCHASE PRICE.** Purchaser shall to pay to Seller, as consideration for the Purchased Assets, subject to the adjustments and prorations referenced herein, a total purchase price in the amount of Four Million Two Hundred Thousand Dollars (\$4,200,000) ("**Purchase Price**"). Payment shall be made to Seller as follows: at Closing, the Deposit (as defined below) shall be

delivered to Seller and applied against the Purchase Price and Purchaser shall pay Seller the remainder of the Purchase Price (plus or minus any prorations) in immediately available federal funds, by wire-to-wire transfer to an account designated by Seller.

4. **DEPOSIT.** Upon execution hereof, Purchaser shall deposit with the Tampa, Florida office of Piper Marbury Rudnick & Wolfe, as escrowee ("**Escrowee**"), the sum of Forty-Two Thousand Dollars (\$42,000) as an earnest money deposit (the "**Deposit**"). Any and all interest earned on the Deposit shall follow the disbursement of the Deposit pursuant to the terms of this Agreement. Upon expiration of the Inspection Period without the termination of this Agreement, the Deposit shall be applicable to the Purchase Price as provided for in Section 3 hereof and shall be non-refundable to Purchaser except upon Seller's default hereunder.

Escrowee is directed to hold the Deposit as escrowed funds in an interest-bearing account (the "**Account**") with a federally-insured banking institution. Purchaser represents that its taxpayer identification number is 59-1837142. Purchaser's taxpayer identification number shall be credited with any interest earned on the Deposit prior to its being disbursed by Escrowee. Purchaser shall complete and execute a Payer's Request for Taxpayer Identification Number (Form W-9), and return same to Escrowee with the Deposit. Seller and Purchaser hereby agree to hold Escrowee harmless for any loss of escrowed funds, including the Deposit and interest earned thereon, for any reason whatsoever or for loss of interest caused by any delay in the deposit or early withdrawal of the Deposit from the Account; provided, however, that Escrowee shall be liable for its fraud, misconduct and gross negligence. This Agreement shall serve as escrow instructions and an executed copy of this Agreement shall be deposited with Escrowee. In the event of the termination of this Agreement or a default under this Agreement, the Deposit shall be delivered or disbursed by Escrowee as provided in this Agreement. If either party shall declare the other party in default under this Agreement and shall deliver a written demand (a "**Demand**") to Escrowee for possession of the Deposit, said party shall provide the other party with a copy of such Demand. Except with respect to Demands made by Purchaser in accordance with the terms of this Agreement prior to the expiration of the Inspection Period, in which event the Deposit will be promptly delivered to Purchaser upon Escrowee's receipt of such Demand, Escrowee shall not disburse the Deposit in accordance with any Demand until the demanding party delivers to Escrowee reasonable evidence (e.g., a returned receipt from the U.S. Postal Service) of the other party's receipt of a copy of the Demand and Escrowee has not received written objection to such Demand from the other party within five (5) business days following said party's receipt of the copy of such Demand. If any dispute or difference arises between Purchaser and Seller or if any conflicting Demands shall be timely made upon Escrowee, Escrowee shall not be required to determine the same or to take any action thereon. Rather, Escrowee shall either: (i) await settlement of the controversy or (ii) deposit the Deposit into the Registry of the Circuit Court of Lee County, Florida, in an interpleader action or otherwise for the purpose of having the respective rights of the parties adjudicated. Upon making such deposit or upon institution of such interpleader action or other actions, Escrowee shall be fully relieved and discharged from all further obligations hereunder with respect to the sums so deposited. Seller and Purchaser agree that Escrowee's reasonable fees and costs in connection with the interpleader action shall be paid for out of the Deposit. Purchaser specifically agrees that Escrowee

shall not be required to withdraw as and may act as counsel for Seller in connection with any matter arising out of this Agreement or the Purchased Assets, notwithstanding that Seller's counsel has also acted as Escrowee.

5. **REPRESENTATIONS AND WARRANTIES OF SELLER.** As a material inducement to Purchaser to execute this Agreement and to perform its obligations hereunder, Seller represents and warrants to Purchaser as follows:

A. Seller is duly organized, validly existing and its status is active under the laws of the State of Illinois and it is authorized to do business in the State of Florida. Seller has all requisite corporate power and authority to carry on its business as now being conducted, to enter into this Agreement and to carry out and perform the terms and conditions of this Agreement and the transactions contemplated hereby.

B. The execution, delivery and performance of this Agreement by Seller, and the consummation by Seller of the transactions contemplated hereby, have been duly authorized by all necessary action on the part of Seller.

C. Seller has not dealt with either a broker, salesman or finder in connection with any part of the transactions contemplated by this Agreement, and, to the best of Seller's knowledge, no broker, salesman or other person is entitled to any commission or fee with respect to such transactions as a result of Seller's actions. Seller hereby agrees to indemnify Purchaser for any claim for brokerage commission or finder's fee asserted by any person, firm or corporation claiming to have been engaged by Seller in connection with the transactions contemplated hereby. This indemnification shall survive Closing or earlier termination of this Agreement.

6. **REPRESENTATIONS AND WARRANTIES OF PURCHASER.** As a material inducement to Seller to execute this Agreement and to perform its obligations hereunder, Purchaser represents and warrants to Seller as follows:

A. Purchaser is duly organized, validly existing and its status is active under the laws of the State of Florida. Purchaser has all requisite corporate power and authority to carry on its business as now being conducted, to enter into this Agreement and to carry out and perform the terms and conditions of this Agreement and the transactions contemplated hereby.

B. The execution, delivery and performance of this Agreement by Purchaser, and the consummation by Purchaser of the transactions contemplated hereby, have been duly authorized by all necessary action on the part of Purchaser.

C. Purchaser shall, subsequent to Closing, and consistent with prudent business practices, industry standards applicable thereto and the requirements of the appropriate governmental agencies having jurisdiction over the assets and business of the Utility System, provide potable water and wastewater services to all properties, improvements thereon and the occupants thereof, located

within the area served by the Utility System, in a uniform and nondiscriminatory manner with other property and property owners served by Purchaser.

D. Purchaser has not dealt with either a broker, salesman or finder in connection with any part of the transactions contemplated by this Agreement, and, to the best of Purchaser's knowledge, no broker, salesman or other person is entitled to any commission or fee with respect to such transactions as a result of Purchaser's actions. Purchaser hereby agrees to indemnify Seller for any claim for brokerage commission or finder's fee asserted by any person, firm or corporation claiming to have been engaged by Purchaser in connection with the transactions contemplated hereby. This indemnification shall survive Closing or earlier termination of this Agreement.

7. "AS IS, WHERE IS." EXCEPT AS OTHERWISE STATED IN THIS AGREEMENT OR ANY OTHER AGREEMENT EXECUTED BY SELLER AT OR PRIOR TO CLOSING TO THE CONTRARY, SELLER HEREBY SPECIFICALLY DISCLAIMS ANY WARRANTY, GUARANTEE OR REPRESENTATION, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE OF, AS TO OR CONCERNING: (A) THE NATURE AND CONDITION OF THE PURCHASED ASSETS, INCLUDING, BUT NOT LIMITED TO: (i) THE WATER, SOIL AND GEOLOGY OF THE REAL PROPERTY AND THE SUITABILITY OF THE PURCHASED ASSETS FOR ANY AND ALL ACTIVITIES AND USES WHICH PURCHASER MAY ELECT TO CONDUCT WITH RESPECT THERETO; (ii) THE EXISTENCE OF ANY ENVIRONMENTAL HAZARDS OR CONDITIONS ON OR ABOUT THE REAL PROPERTY (INCLUDING, BUT NOT LIMITED TO, THE PRESENCE OF ASBESTOS OR THE RELEASE OR THREATENED RELEASE OF HAZARDOUS SUBSTANCES); AND (iii) COMPLIANCE WITH ALL APPLICABLE LAWS, ORDINANCES, RULES AND REGULATIONS; (B) THE NATURE AND EXTENT OF ANY RIGHT-OF-WAY, LEASE, POSSESSION, LIEN, ENCUMBRANCE, LICENSE, RESERVATION, CONDITION OR OTHERWISE; OR (C) THE COMPLIANCE OF THE PURCHASED ASSETS OR THEIR OPERATIONS WITH ANY LAWS, ORDINANCES, RULES OR REGULATIONS OF ANY GOVERNMENTAL OR REGULATORY AUTHORITY OR BODY. EXCEPT AS OTHERWISE SPECIFICALLY STATED IN THIS AGREEMENT, THE SALE OF THE PURCHASED ASSETS AS PROVIDED FOR HEREIN IS MADE ON AN AS IS, WHERE IS, WITH ALL FAULTS BASIS, AND PURCHASER EXPRESSLY ACKNOWLEDGES IN CONSIDERATION OF THE AGREEMENTS OF SELLER HEREIN, THAT SELLER MAKES NO WARRANTY, GUARANTEE OR REPRESENTATION, EXPRESSED OR IMPLIED, ARISING BY OPERATION OF LAW, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF CONDITION OR HABITABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

8. TITLE INSURANCE AND PERMITTED ENCUMBRANCES.

A. At least fifteen (15) days prior to Closing, Seller shall cause to be issued and delivered to Purchaser a current title insurance commitment (the "Title Commitment") issued by a title company licensed to do business in the State of Florida (the "Title Company"), covering the Real Property, which shall be in an amount equal to One Million Dollars (\$1,000,000.00) (the agreed

upon value of the Real Property). All search and examination fees and the cost of the Title Commitment and the owner's title insurance policy (the "**Title Policy**") (and any endorsements thereto) to be issued pursuant thereto shall be evenly divided between Purchaser and Seller. Purchaser shall pay any and all fees and costs associated with the issuance of the lender's title insurance policy (if any) and any endorsements thereto. The Title Commitment shall commit the Title Company to issue the Title Policy to Purchaser insuring title to the Real Property, subject to the standard printed exceptions usually contained in an owner's title insurance policy and the standard exclusions from coverage; provided, however, that the Title Company shall delete the standard exceptions customarily deleted for items such as materialmen's liens, survey and mechanic's liens upon receipt of a satisfactory survey and affidavit prior to Closing. Seller shall cause Gatorland to execute at or prior to Closing the appropriate mechanic's lien affidavit and "Gap" affidavit sufficient to allow the Title Company to delete all standard exceptions addressed by such affidavits.

The standard form survey exception and easements or claims of easements not shown by the Public Records exception, contained on the Title Commitment and to be included on the Title Policy, shall not be deemed new title matters or title defects. If Purchaser desires to have such exceptions modified or deleted, it shall be Purchaser's sole responsibility to deliver to the Title Company, at Purchaser's sole cost and expense, a survey or surveys with the proper certifications acceptable to the Title Company in order to remove such exceptions, within five (5) days after issuance of the Title Commitment.

Purchaser shall notify Seller in writing ("**Purchaser's Title Notice**") no more than five (5) days after issuance of the Title Commitment of any alleged material defect in Gatorland's title to the Real Property, other than those accepted herein and the Permitted Encumbrances (as defined below). Purchaser's Title Notice shall include all exceptions, encumbrances, liens, easements, covenants, restrictions or other material defects in Gatorland's title to the Real Property (other than the Permitted Encumbrances) which render or may render Gatorland's title to the Real Property unmarketable in accordance with standards adopted by The Florida Bar or uninsurable. Any objections to title to the extent not included in Purchaser's Title Notice shall be deemed to have been waived by Purchaser and Purchaser shall not be entitled to any damages or other remedies with respect thereto. Seller shall have five (5) days after receipt of Purchaser's Title Notice to notify Purchaser which title objections Seller elects to cure. Neither Seller nor Gatorland shall have any obligation to cure any title objection. Furthermore, in no event shall Seller or Gatorland be required to bring suit or expend any sum in excess of Ten Thousand Dollars (\$10,000) in the aggregate to cure title defects that it elects to cure, exclusive of mortgages against the Real Property which are in a liquidated amount or which Seller has an obligation to discharge on or before Closing pursuant to the terms of this Agreement. In the event Seller fails to cause Gatorland to deliver title as herein provided at Closing, then Purchaser may elect at Closing either to:

- (i) Accept whatever title Gatorland is able to convey with no abatement of the Purchase Price; or

(ii) Reject title and terminate this Agreement upon written notice to Seller and receive a return of the Deposit, with no liability for damages on the part of either Purchaser or Seller.

B. If Purchaser rejects title as provided above, neither party shall have any further liability under this Agreement except for those indemnification obligations hereunder which specifically survive Closing or earlier termination of this Agreement. Purchaser shall not object to title by reason of the existence of (i) any mortgage, lien, encumbrance, covenant, restriction or other matter that may be satisfied with a payment of money, which Seller shall do by paying same at or prior to Closing (unless Seller contests the same); (ii) any mechanic's lien or other encumbrance which can be released of record, bonded or transferred of record to substitute security so as to relieve the Real Property from the burden thereof, if Seller elects to do so at or prior to Closing; or (iii) any mortgage, lien, encumbrance, covenant, restriction or other matter that the Title Company issuing the Title Commitment agrees to affirmatively insure over.

C. As used herein, "Permitted Encumbrances" means and includes the following:

(i) All present and future building restrictions, zoning regulations, laws, ordinances, resolutions, regulations and orders of any governmental authority having jurisdiction over the Real Property and the use thereof.

(ii) Easements, restrictions, reservations, rights-of-way, conditions and limitations of record, if any, which are not coupled with any reverter or forfeiture provisions, including, but not limited to, any drainage, canal, mineral, road or other reservations of record in favor of the State of Florida or any of its agencies or governmental or quasi-governmental entities, none of which, however, shall materially impair or materially restrict the use of the Real Property for the operation of the Utility System.

(iii) The matters listed in Schedule "F" to this Agreement.

(iv) Such other matters as are permitted under the terms of this Agreement, including, but not limited to, Developer Agreements, the existence of which Purchaser has been made aware.

9. **CONDITIONS PRECEDENT TO CLOSING.** The obligations of each party to close the transactions contemplated by this Agreement are subject to the conditions that:

A. There shall not be pending on the Closing Date any legal action or proceeding that prohibits either party from closing the transactions.

B. The other party shall have performed all of the undertakings required to be performed by it under the terms of this Agreement prior to or at Closing.

C. All representations and warranties of the other party shall be true in all material respects as of the Closing Date, except to the extent they specifically refer to another date.

10. **PRE-CLOSING CONDUCT; COVENANTS.** Prior to the Closing Date, the parties covenant to each other, and shall conduct themselves, as follows:

A. Within five (5) business days after the execution of this Agreement, Seller shall either furnish to Purchaser or provide Purchaser with ready access to the following, to the extent they are in the possession of Seller, its employees, representatives or agents:

(i) Copies of all plans and specifications showing the Utility System as now constructed (as-built), including any portion of the Utility System under construction, together with a detailed engineering map showing the potable water transmission lines, wastewater collection lines, lift stations, effluent disposal facilities and appurtenances as now constructed, and all other facilities constituting the Utility System.

(ii) Copies of the Certificates and any correspondence within the last two (2) years between Seller and the Commission with respect thereto.

(iii) Copies of all Developer Agreements entered into between Seller and owners or developers of property within the area serviced by the Utility System with respect to potable water and wastewater service, including a schedule of the number of connections reserved by each Developer Agreement for which there has been no connection as of the Closing Date.

(iv) A schedule and copies of all other agreements entered into between Seller and other parties in connection with Seller's operation and maintenance of the Utility System, including, but not limited to, leasehold agreements, operator and vendor contracts and construction contracts.

(v) A copy of the tariffs of Seller pertaining to the Utility System.

(vi) Copies of permits, applications or other documents, together with effective dates and expiration dates (if any), demonstrating approval of the facilities of the Utility System by all applicable governmental authorities, including, but not limited to: (a) the Florida Department of Environmental Protection, (b) the United States Environmental Protection Agency, (c) the Commission, and (d) the South Florida Water Management District.

(vii) With respect to customers of the Utility System, a list of customer deposits or advance facility charges and accounts receivable by name and account number, setting forth the amount of each individual deposit or receivable and their aggregate totals.

(viii) A map on which there is outlined the present Commission certificated service area of Seller.

(ix) A copy of the annual reports filed by Seller with the Commission for the Utility System for the calendar years 1997 and 1998.

(x) A copy of all warranties held by Seller with respect to completed, or in progress, construction work with respect to the Utility System, together with a copy of all warranties relating to the Purchased Assets.

(xi) Copies of any and all effective insurance policies with respect to the Purchased Assets and the Utility System.

(xii) A schedule that details plant, property, equipment and other Tangible Personal Property.

(xiii) A legal description of the Real Property.

(xiv) Any existing survey of the Real Property, as prepared by a Florida licensed surveyor.

(xv) Copies of all recorded and unrecorded easements, licenses, prescriptive rights and rights-of-way (if any) owned and used by Seller primarily for the operation and maintenance of the Utility System.

B. During the period between the date of this Agreement and the Closing Date, Seller shall:

(i) Operate and maintain the Utility System and the Purchased Assets in Seller's normal and usual manner, or in accordance with Seller's business plan, to ensure that the condition of the Utility System and the Purchased Assets shall not be materially diminished or depleted, normal wear and tear and damage or destruction by casualty excepted;

(ii) Promptly notify Purchaser of any written notification received by Seller from any person, business or agency of any material existing or potential environmental law violation pertaining to the operation and maintenance of the Utility System;

(iii) Make no unbudgeted capital expenditures pertaining to the operation and maintenance of the Utility System in excess of Ten Thousand Dollars (\$10,000) without the prior written consent of Purchaser, which shall not be unreasonably withheld, conditioned or delayed;

(iv) Provide Purchaser or its designated agent(s) with reasonable access to the Real Property, the Utility System, the Purchased Assets, Seller's books and records pertaining to the operation and maintenance of the Utility System, employees, agents or representatives, on reasonable advance notice and during business hours; and

(v) Promptly notify Purchaser of any event, activity or occurrence that has, or may reasonably be expected to have, a material adverse effect on Seller's ability to carry out and perform the terms and conditions of this Agreement and the transactions contemplated hereby.

C. During the period between the date of this Agreement and the Closing Date, (i) Seller shall maintain its existing levels of insurance with respect to the Purchased Assets and the Utility System, and (ii) Purchaser shall promptly notify Seller of any event, activity or occurrence that has, or may reasonably be expected to have, a material adverse effect on Purchaser's ability to carry out and perform the terms and conditions of this Agreement and the transactions contemplated hereby.

D. From the date of this Agreement until Closing, Seller shall not, without the prior written consent of Purchaser, which shall not be unreasonably withheld, conditioned or delayed, enter into any new Developer Agreements pertaining to the operation and maintenance of the Utility System other than in the ordinary course of business or amend any existing Developer Agreements other than in the ordinary course of business. Copies of any new or amended Developer Agreements shall be promptly delivered to Purchaser. If Purchaser fails to disapprove any new or amended Developer Agreement within ten (10) days after Seller submitted it to Purchaser for approval, such new or amended Developer Agreement shall be deemed to be approved by Purchaser.

E. Purchaser shall, at Purchaser's sole cost and expense, make and diligently prosecute all necessary applications to obtain the approval of the transactions contemplated by this Agreement by the Commission. Seller hereby agrees that it will reasonably cooperate with Purchaser in obtaining the Commission's approval of the transactions contemplated hereby and will execute such documents as may be necessary or reasonably appropriate in connection with obtaining such approval.

11. POST-CLOSING CONDUCT; COVENANTS. Effective as of the Closing Date:

A. Since the Developments, as they exist as of the date hereof, are fully developed, Purchaser hereby agrees that no Connection Fees (as defined below) will be charged or collected with respect to the Developments. Purchaser further agrees that for one year following the Closing Date, Purchaser shall operate the Utility System in accordance with the rates set forth in the existing tariffs of Seller relating to the Utility System, provided, however, if Lee County acquires the Utility System, Lee County shall operate the Utility System in accordance with its existing rates at that time.

B. Purchaser further agrees and acknowledges that the Utility System is intended to provide all potable water supply and wastewater collection, treatment and disposal needs of all present and future owners and occupants of the Developments, as such Developments may be changed or expanded, meeting all minimum requirements established by any and all applicable federal, state and local governmental authorities or agencies (the "**Minimum Requirements**"). Purchaser hereby agrees, from and after the Closing Date, to satisfy all potable water supply and wastewater collection, treatment and disposal system needs and requirements of all present and future owners and occupants of the Developments meeting all Minimum Requirements. If at any time Purchaser shall be unable to meet all Minimum Requirements to serve all present and future customer needs within the Developments, Purchaser shall be obligated, at no cost to Seller, to make such improvements to the Utility System and/or take such other steps as may be necessary to meet its obligation to provide adequate service to all customers within the Developments.

C. Purchaser shall promptly furnish, install and thereafter maintain in good and safe condition, at no cost to Seller, all potable water supply and distribution facilities, wastewater collection, treatment and effluent disposal facilities of every kind and description whatsoever (whether located above ground or underground, and whether located within the Real Property or elsewhere), including, but not limited to, pumps, plants, tanks, lift stations, transmission mains, distribution mains, supply pipes, collection pipes or facilities, and effluent disposal facilities, valves, meters, meter boxes, service connections and all other physical facilities, equipment and property installations, and all other facilities and equipment (collectively, "**Facilities**") required to satisfy all potable water supply and wastewater collection, treatment and disposal system needs and requirements of all present and future owners and occupants of the Developments meeting all Minimum Requirements as aforesaid.

D. Purchaser shall furnish all labor, equipment, accessories and materials necessary to construct, operate and maintain all Facilities to and within the Developments and to make any improvements, additions alterations, changes, replacements, repairs or other modifications to the Facilities (collectively, "**Alterations**"). Following commencement of any such activities, Purchaser shall diligently prosecute the performance of such activities to completion within a reasonable time.

E. Purchaser and its employees, agents, contractors, subcontractors, suppliers and materialmen (collectively, the "**Purchaser Related Parties**") shall comply with applicable laws, codes, ordinances, rules and regulations (collectively, "**Laws**") in connection with the exercise of Purchaser's rights and the performance of Purchaser's obligations under this Agreement.

F. Purchaser shall maintain all Facilities in good and safe condition and repair and in accordance with all applicable Laws. The construction, operation and maintenance of all Facilities and Alterations shall be completed by the Purchaser Related Parties in a good, workmanlike and timely manner in accordance with sound and generally accepted engineering and construction practices and procedures. Such construction, operation and maintenance shall be conducted by the Purchaser Related Parties during reasonable hours and in a manner calculated to

cause minimal interference with the rights and convenience of the owner(s) of the Developments (collectively, "Owner") and the tenants and other occupants of the Developments.

G. Following completion of the construction of any Facilities or Alterations, as applicable, Purchaser shall restore the surrounding portion of the Developments affected by the construction of such Facilities or Alterations to substantially its condition prior to commencement of the construction of such Facilities or Alterations.

H. Purchaser shall:

(i) promptly and properly pay for all labor employed, materials purchased and equipment hired by the Purchaser Related Parties in connection with the construction of any Facilities or Alterations;

(ii) keep the Developments free from any laborer's, materialmen's or mechanic's liens and claims or notices in respect thereto arising by reason of the construction of any Facilities or Alterations; and

(iii) discharge any such liens or claims within thirty (30) days after any such lien, claim or notice is filed. If Purchaser does not pay or satisfy any claim for lien and provide written documentation thereof to Owner within thirty (30) days after the same is filed, then Owner may (but shall not be obligated to) do so and Purchaser shall reimburse Owner upon demand for all costs incurred in doing so.

I. The parties agree that if, during the course of construction within any Development or any expanded Development, any water mains and/or services are damaged or broken in any way by the act or acts of Owner, its agents, employees or contractors, then and in such event, Owner shall be liable for any direct damages (but not incidental or consequential damages) so caused and agrees to pay all reasonable costs of repairing any such damaged or broken water mains or services. Owner reserves the right to pursue any applicable claim against its contractors in connection with any such damage or breakage.

J. The parties agree that if, during the course of construction, operation or maintenance of any Facilities within any Development or any expanded Development, or during the course of any Alterations, any sanitary or storm sewers, gas lines, oil lines, underground telephone or electric conduits or television cables, or other utilities, installations, Improvements or items in, over or under any such Development or expanded Development are damaged or broken in any way by the act or acts of the Purchaser Related Parties, then and in such event, Purchaser shall be liable for any direct damages (but not incidental or consequential damages) so caused and agrees to pay all reasonable costs of repairing any such damaged or broken utilities, installations, Improvements or items. Purchaser reserves the right to pursue any applicable claim against its contractors in connection with any such damage or breakage.

K. The Purchaser Related Parties shall take all necessary precautions for the safety of, and shall provide all necessary protection to prevent damage, injury or loss to (i) all principals, agents and employees performing the construction, operation or maintenance of the Facilities or any Alterations and all other persons who may be affected thereby, (ii) the Facilities and all materials and equipment to be incorporated therein, and (iii) other property at the Developments or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utility facilities or systems.

L. Purchaser shall give all required notices and comply with all applicable Laws concerning the safety of persons or property in connection with the construction, operation and maintenance of the Facilities and any Alterations. Purchaser shall erect and maintain, as required by existing conditions and progress of the construction, operation or maintenance of the Facilities and any Alterations, all reasonable safeguards for safety and protection, including posting danger signs, erecting barricades and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utility facilities or systems.

M. Purchaser may employ contractors and subcontractors for the performance of any part of the construction, operation or maintenance of the Facilities or any Alterations, provided, however, that Purchaser shall be responsible for the acts, omissions and negligence of its contractors and subcontractors and their respective principals, agents and employees to the same extent that Purchaser is responsible for the acts, omissions and negligence of persons directly employed by it.

N. Purchaser hereby acknowledges that the easement(s) to be granted pursuant to Section 12.E.(iv) hereof may cross, at one or more points, or otherwise interconnect with other utility facilities or systems or easement rights now or hereafter in existence. Purchaser hereby agrees to exercise the highest degree of care in order to avoid any damage to or interference with any such other utility facilities or systems or easement rights and agrees that in the event of any damage to or interference with any such other utility facilities or systems or easement rights attributable to the construction, operation or maintenance of the Facilities or any Alterations, Purchaser shall promptly remedy such damage or interference at its sole cost and expense. Purchaser further agrees to cooperate with all other entities having or acquiring similar rights within or serving the Developments.

O. Owner shall have the right to require Purchaser to move or relocate any and all of the Facilities located on or within the Developments, provided, however, that Owner will reimburse Purchaser for any actual, reasonable expenses incurred in such relocation, and provided further that Owner will provide a suitable alternate location for any such Facilities and will grant or cause to be granted necessary easement rights for such Facilities in the new location upon substantially the same terms and conditions as herein provided, and in such event this Agreement shall automatically terminate with respect to such Facilities as they existed prior to such relocation.

P. Purchaser, for itself and the other Purchaser Related Parties, hereby waives any and all claims against Seller, Owner, their affiliates and subsidiaries, and the respective

shareholders, partners, members, directors, officers, employees, agents, contractors, successors and assigns of each (collectively, the "Owner Related Parties"), and the Developments for all liabilities, losses, actions, damages, judgments, costs or expenses of whatever nature, including, but not limited to, attorneys' fees and legal expenses incurred in connection therewith, incurred by reason of or arising out of any injury to or death of any person(s), damage to property, or otherwise in connection with (i) the condition of the Developments, the Facilities or any other facilities thereon, (ii) any event or occurrence on or about the Developments, and/or (iii) the acts, omissions or negligence of any person, except with respect to the gross negligence or willful misconduct of the Owner Related Parties. All personal property belonging to any of the Purchaser Related Parties shall be brought onto the Developments at the risk of such Purchaser Related Parties, and the Owner Related Parties shall not be liable for damage or destruction to or theft of any such personal property, except with respect to the gross negligence or willful misconduct of the Owner Related Parties.

Q. Purchaser shall indemnify and hold harmless the Owner Related Parties from and against any and all liabilities, losses, actions, damages, judgments, costs and expenses of whatever nature, including, but not limited to, attorneys' fees and legal expenses incurred in connection therewith, incurred by reason of or arising out of any injury to or death of any person(s), damage to property, or otherwise in connection with the construction, operation or maintenance of the Facilities or any Alterations, or any acts, omissions or negligence of the Purchaser Related Parties. Owner shall indemnify and hold harmless Purchaser from and against any and all liabilities, losses, actions, damages, judgments, costs and expenses of whatever nature, including, but not limited to, attorney's fees and legal expenses incurred in connection therewith, incurred by Purchaser and arising out of the gross negligence or willful misconduct of the Owner Related Parties in connection with the obligations of the Owner Related Parties hereunder.

R. Purchaser shall secure and maintain in effect at all times from and after the date of this Agreement, at Purchaser's sole cost and expense, insurance of the kinds and with the minimum limits set forth below, and Purchaser shall provide Seller upon execution of this Agreement (and Owner at Closing and thereafter from time to time upon written request of Owner) with certificates evidencing such insurance:

(i) Workers' Compensation and Employer's Liability coverage as required by applicable Laws, covering Purchaser's personnel.

(ii) Commercial General Liability (Occurrence Form) coverage, including Completed Operations and Personal Injury:

\$1,000,000 Per Occurrence

\$1,000,000 General Aggregate "Per Jobsite"

\$1,000,000 Products-Completed Operations Aggregate

\$1,000,000 Personal Injury Limit

(iii) Business Automobile Liability coverage:

\$1,000,000 Per Accident, including Bodily Injury and Property Damage Liability.

Purchaser also shall secure and maintain in effect at all times from and after Closing, at Purchaser's sole cost and expense, such other insurance as may from time to time reasonably be required by Owner against such other hazards as at the time are commonly insured against in similar circumstances. Purchaser shall name the following parties as additional insureds on all such liability policies: Owner (or any other owner from time to time of the Developments or any of them), the management agent(s) for the Developments (which as of the date of this Agreement is MHC Management Limited Partnership, an Illinois limited partnership), and, if requested by Owner, any lender having a security interest in all or any portion of the Developments. All such insurance coverages shall require the insurer to give such additional insureds at least thirty (30) days' prior written notice of modification or cancellation.

Purchaser shall ensure that all contractors and subcontractors performing any portion of the construction, operation or maintenance of the Facilities or any Alterations, carry insurance of the types, and with at least the limits, set forth above.

Notwithstanding anything to the contrary contained herein, the insurance requirements set forth in this Section 11.R. shall not apply to Lee County if Lee County acquires the Utility System.

S. In the event that Purchaser abandons or ceases to use the Easement (as defined below) for the purposes herein set forth for a period of six (6) months, this Agreement shall automatically terminate with respect to the Easement. Upon any such termination, any Facilities remaining within the portions of the Developments subject to the Easement, at Owner's option, shall become the property of Owner, without compensation to Purchaser. Purchaser shall, upon the written request of Owner, deliver to Owner a release, in recordable form, of the Easement terminated in accordance herewith. Purchaser hereby appoints Owner as its attorney-in-fact for the purpose of executing such release in such event.

T. Purchaser acknowledges the following: (i) Seller and Owner make, and have made, no representations or warranties to Purchaser regarding the physical condition of the Tangible Personal Property or the portions of the Developments subject to the Easement (collectively, the "**Easement Parcels**") or the suitability of the Easement Parcels for Purchaser's intended use thereof, and Purchaser acknowledges that it has physically inspected the Tangible Personal Property and the Easement Parcels and accepts the same "as is", with full knowledge of the condition thereof; and (ii) the use and enjoyment of the portions of the Developments adjoining the Easement Parcels shall not be unreasonably interfered with in connection with the construction, operation or maintenance of the Facilities or any Alterations, and Purchaser shall promptly repair and restore, at its expense, any damage to said adjoining portions of the Developments attributable to the construction, operation or maintenance of the Facilities or any Alterations

U. If Purchaser ceases operation of the Utility System, or any portion thereof, at any time after Closing, such that use of the Real Property is no longer reasonably required for the provision of potable water and wastewater service to the Developments, Purchaser shall provide Seller with prompt written notice thereof and Seller may, at Seller's option, repurchase the Real Property from Purchaser for the sum of Twenty-Four Thousand Dollars (\$24,000.00) and require Purchaser to reconvey the Real Property to Seller, or its designee, by special warranty deed, free and clear of all liens and encumbrances not existing as of the Closing Date. Seller shall be responsible for all reasonable and customary closing costs associated with or arising from its repurchase of the Real Property under this Section 11.U., excluding Purchaser's attorneys' fees and costs. Regardless of whether Seller exercises its option to repurchase the Real Property hereunder, upon ceasing operation of the Utility System (or such portion thereof), Purchaser shall be responsible for closing and decommissioning the Utility System (or such portion thereof) in accordance with all applicable laws, and removing all personal property from the Real Property, and Purchaser shall pay all fees and costs associated with or arising from said closure, decommissioning, and removal. Any personal property remaining on the Real Property thirty (30) days following the re-conveyance of the Real Property to Seller shall, if Seller so elects (but not otherwise), become the property of Seller. The option herein granted may be exercised by Seller by giving written notice to Purchaser at its last known address via certified mail, postage prepaid, or overnight delivery.

The terms and conditions of this Section 11 shall survive Closing, shall run with the Real Property and shall bind Purchaser and its successors, grantees, assigns or lessees, who shall assume all obligations of Purchaser hereunder. Purchaser's obligations under this Section 11 shall be evidenced by recording a memorandum in the form of Schedule "K" to this Agreement in the Public Records of Lee County, Florida, at Closing.

12. TERMINATION OF AGREEMENT.

A. This Agreement may be terminated at any time prior to Closing by mutual written agreement of the parties.

B. Purchaser may terminate this Agreement upon the occurrence of any of the following:

(i) The failure of Seller to satisfy, in any material respect, its condition(s) precedent to Closing set forth in Section 9 hereof. Purchaser shall not be entitled to terminate this Agreement for the failure of a condition precedent to Closing controlled by or the responsibility of Purchaser.

(ii) Within sixty (60) days after the date of this Agreement ("**Inspection Period**"), Purchaser shall have the right to conduct such additional due diligence with respect to the Purchased Assets as Purchaser, in its sole discretion, deems appropriate, including, but not limited to, upon reasonable notice to Seller, entering upon the Real Property to inspect the Purchased Assets, to familiarize itself with the day-to-day operations and to review the

practices of Seller with respect to the terms and conditions of this Agreement, and to determine Seller's compliance with any and all federal, state and local regulatory requirements. Purchaser may also, upon reasonable notice to Seller, review any and all records of Seller at the Real Property as it deems appropriate. At the conclusion of its additional due diligence, Purchaser shall return all assets, documents and other materials to the same location and condition as prior to Purchaser conducting its additional due diligence. Seller shall cooperate with Purchaser in all reasonable respects, at no cost or expense to Seller, as to Purchaser's conduct of its additional due diligence. After conducting its additional due diligence, Purchaser shall have the right to terminate this Agreement, in its sole discretion, upon delivery of written notice to that effect to Seller prior to the expiration of the Inspection Period.

During the Inspection Period, Purchaser shall have the right to engage a Florida licensed engineer to perform a Phase I Environmental Survey (and a subsequent Phase II Environmental Survey, if necessary) of the Real Property, at Purchaser's sole cost and expense. Purchaser shall provide to Seller a copy of each such Environmental Survey promptly following delivery of the same to Purchaser. Prior to the expiration of the Inspection Period, Purchaser shall satisfy itself that the Real Property is in material compliance with all applicable environmental laws and that Purchaser will have no material liability thereunder, and that there is no reasonable basis for the imposition of such liability in the future, due to the condition of the Real Property. Should contamination be found on the Real Property prior to the Closing Date, Seller shall have the right, in its sole discretion, to perform such clean-up and remediation as is necessary under all applicable environmental laws. Upon Seller's failure to perform such clean-up and remediation prior to the Closing Date, Purchaser may terminate this Agreement upon written notice to Seller, and neither party shall have any liability to the other except for those indemnification obligations which specifically survive Closing or earlier termination of this Agreement, or Purchaser may proceed to Closing without abatement of the Purchase Price. If Closing does not occur, Purchaser shall return the Real Property to the condition it was in prior to the investigations contemplated hereby, ordinary wear and tear excepted.

(iii) Any material breach of this Agreement by Seller, including, but not limited to, a material breach of any representation or warranty, if Seller has not cured such breach within ten (10) days after notice thereof from Purchaser; provided, however, such breach must in any event be cured prior to the Closing Date unless the date for cure has been extended by Purchaser.

(iv) Any other basis for termination on behalf of Purchaser otherwise set forth in this Agreement.

C. Seller may terminate this Agreement upon the occurrence of any of the following:

(i) The failure of Purchaser to satisfy, in any material respect, its conditions precedent to Closing set forth in Section 9 hereof. Seller shall not be entitled to terminate this Agreement for the failure of a condition precedent to Closing controlled by or the responsibility of Seller.

(ii) Any material breach of this Agreement by Purchaser, including, but not limited to, a material breach of any representation or warranty, if Purchaser has not cured such breach within ten (10) days after notice thereof from Seller; provided, however, such breach must in any event be cured prior to the Closing Date unless the date for cure has been extended by Seller.

(iii) Any other basis for termination on behalf of Seller otherwise set forth in this Agreement.

D. Upon the occurrence of any of the bases for termination of this Agreement, the party seeking to terminate this Agreement shall provide written notice of its termination of this Agreement to the other party by delivering the same as provided in Section 17.B hereof.

E. Upon the termination of this Agreement, the following shall occur:

(i) If this Agreement is terminated prior to the expiration of the Inspection Period for any reason other than Purchaser's default hereunder, Escrowee shall return the Deposit to Purchaser. If this Agreement is terminated after the expiration of the Inspection Period for any reason other than Seller's default hereunder, Escrowee shall deliver the Deposit to Seller.

(ii) Each party shall return to the other party all documents, including copies, in its possession, or in the possession of its agents and consultants, as the case may be, delivered to it by the other party.

(iii) Each party, its agents and consultants shall treat any information previously received from the other party as confidential, and shall not disclose or use such information.

(iv) Except as otherwise set forth in this Agreement, each party shall be responsible for payment of its own attorney and other professional fees and other costs of any nature whatsoever incurred prior to the termination of this Agreement.

F. Each party agrees that the other party shall have the remedy of specific performance to compel such party's adherence hereto.

G. In the event of termination of this Agreement, this Agreement shall forthwith become void and (except for the willful breach of this Agreement by any party hereto) there shall

be no liability on the part of Purchaser or Seller, or their respective officers or directors, other than as provided for herein.

13. **CLOSING DATE AND CLOSING.**

A. The transactions contemplated by this Agreement shall be closed (the "Closing") on or before the date ten (10) days after the expiration of the Inspection Period, unless extended by mutual agreement of the parties, at Purchaser's office, or at a location mutually acceptable to the parties. The date on which Closing occurs is referred to herein as the "Closing Date."

B. At Closing:

(i) Seller shall cause Gatorland to convey title to the Real Property to Purchaser by special warranty deed in the form of Schedule "H" to this Agreement (the "Deed") free of all claims, liens or encumbrances whatsoever, other than Permitted Encumbrances.

(ii) Title to the Tangible Personal Property shall be conveyed to Purchaser by bill of sale in the form of Schedule "I" to this Agreement, without warranties or representations, free of all claims, liens or encumbrances whatsoever, other than Permitted Encumbrances.

(iii) Seller's right, title and interest in and to its easements shall be assigned to Purchaser, to the extent assignable.

(iv) The cost of the documentary stamps, if required, on the Deed shall be evenly divided between Purchaser and Seller.

(v) Real property and personal property taxes on the Real Property, the Purchased Assets and the Utility System, and any other applicable taxes, shall be prorated as of the Closing Date and Seller shall pay its proportionate share thereof, or credit Purchaser therefor, at or prior to Closing, with Purchaser thereafter being liable for the payment of such taxes. All other taxes and assessments accrued or owed by Seller as of the Closing Date with respect to the Purchased Assets shall be and remain the obligation of Seller. All other taxes and assessments imposed or attempted to be imposed from and after the Closing Date with respect to the Purchased Assets shall be the obligation of Purchaser.

(vi) Gatorland and Purchaser shall execute and deliver at or after Closing, upon written request by Purchaser, a separate recordable easement agreement, in the form of Schedule "J" to this Agreement, granting to Purchaser an easement (the "Easement") for access to such portions of the Developments owned of record by Gatorland as necessary for the performance of Purchaser's obligations under Section 11 hereof. Any off-site easements

external to the Developments, and any easements to portions of the Development owned by parties not affiliated with Gatorland or Seller, that may be required by Purchaser (e.g., for water import or export interconnections) shall be acquired by Purchaser at its sole cost and expense.

(vii) Seller and Purchaser shall execute and deliver at Closing a separate recordable memorandum in the form of Schedule "K" to this Agreement.

C. The parties recognize that Closing may occur during the normal billing cycle of Seller. The gross revenues from water and wastewater services rendered, but not yet billed ("**Unbilled Revenue**") as of the Closing Date, shall be paid to Seller within ten (10) days of Purchaser's collection thereof. Purchaser shall utilize the same methods of collecting the Unbilled Revenue as it would if such Unbilled Revenue was its own. Purchaser shall be entitled to all Utility System revenue earned from the Closing Date forward.

D. "Connection Charges" (defined as connection, plant capacity, main extension, capital or other charges paid for the availability of utility services with respect to the Utility System), if any, received by Seller prior to Closing shall be retained by Seller so long as the actual connection has been made. Connection Charges paid after the Closing Date or for connections not yet made by the Closing Date, if any, shall be the property of Purchaser, subject to the provisions of Section 11 hereof.

E. All transfers required or necessary hereunder shall take place at Closing, unless extended by mutual consent.

F. Each party shall pay the fees of its own attorneys, bankers, engineers, accountants and other professional advisers or consultants in connection with the negotiation, preparation and execution of this Agreement and any documents associated with Closing.

G. All bills for services, materials and supplies rendered in connection with the operation of the Utility System prior to Closing, including, but not limited to, electricity for the period up to and including the Closing Date, shall be paid by Seller. Purchaser shall pay all such bills for the operation of the Utility System after Closing.

H. All prorations required under this Agreement shall be made at Closing.

I. Purchaser shall assume Seller's liability for customer deposits and accrued interest thereon (to the extent interest is required to be paid thereon) with respect to customers of the Utility System, and credit shall be given to Purchaser against the Purchase Price therefor.

J. Purchaser shall assume Seller's liability to provide service under all Developer Agreements assumed by Purchaser. However, to the extent permitted by law, Purchaser shall have the right to impose its own rates, charges and fees, subject to the provisions of Section 11 hereof.

K. At Closing, Purchaser shall reimburse or credit Seller for the cost of all additional capital improvements made to the Utility System by or on behalf of Purchaser prior to the Closing Date, provided Purchaser has requested that such improvements be made. However, Seller shall not be required to make any such improvements.

L. Each party shall deliver to the other party at Closing a certificate stating that:

(i) Subject to Section 15 hereof, the party is not prohibited by decree or law from consummating the transactions contemplated hereby.

(ii) There is not pending on the Closing Date any legal action or proceeding that materially impairs the ability of such party to close the transactions contemplated hereby.

(iii) All warranties and representations of such party contained in this Agreement are true and correct as of the Closing Date.

14. POST-CLOSING COOPERATION.

A. Seller and Purchaser shall, at any time and from time to time after the Closing Date, upon reasonable request and at the sole cost and expense of the other party, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, all such further documents, acts, deeds, assignments, transfers, powers of attorney and assurances as may be reasonably required in order to implement and perform any of the obligations, covenants and agreements of such party hereunder.

B. Each of the parties hereto shall provide the other with such assistance as reasonably may be requested in connection with the preparation of any tax return, audit or other examination by any taxing authority or any judicial or administrative proceedings relating to liability for taxes relating to the transactions contemplated by this Agreement. Subject to the provisions of Section 14.E hereof, each party shall retain and provide the other with any records or information in its possession that may be relevant to such return, audit or examination, proceedings or determination. Such assistance shall include making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder and shall include providing copies of any relevant tax returns and supporting work schedules. The party requesting assistance hereunder shall reimburse the other for reasonable out-of-pocket costs, charges and expenses (including, but not limited to, attorneys' fees) supported by invoices and incurred in providing such assistance.

C. In the event that, after the Closing Date, any of the parties hereto shall reasonably require the participation of the other or of officers and employees of the other to aid in the defense or prosecution of litigation or claims, and so long as there exists no conflict of interest between the parties, each party shall use reasonable efforts to be available or to make such officers

and employees reasonably available to participate in such defense or prosecution, provided that the party requiring the participation of such officers or employees shall pay all reasonable out-of-pocket costs, charges and expenses (including, but not limited to, attorneys' fees) arising from such participation.

D. Where there is a legitimate purpose not injurious to the other party and not related to prospective competition by such party with the other party hereto, or if there is an audit by the Internal Revenue Service, other governmental inquiry, or litigation or prospective litigation to which Purchaser or Seller is or may become a party, making reasonably necessary any access to the records of or relating to the other party with respect to the Purchased Assets and the Utility System held by Purchaser or making reasonably necessary either party's access to records of or relating to the operations of the other party with respect to the Purchased Assets and the Utility System held by any entity other than such party, each of them shall allow representatives of the other party access to such records during regular business hours with reasonable prior notice at such party's place of business for the sole purpose of obtaining such information for use as aforesaid.

E. Following Closing, and to the extent transferred to Purchaser, Purchaser shall retain the books and records of Seller for the benefit of Seller and, unless otherwise consented to in writing by Seller, Purchaser shall not destroy or otherwise dispose of such books and records of Seller and shall maintain the same as confidential.

15. **FLORIDA PUBLIC SERVICE COMMISSION MATTERS.** The parties acknowledge that the transactions contemplated hereby are subject to the jurisdiction of the Commission and Section 367.071, Florida Statutes. Pursuant to Section 367.071(1), Florida Statutes (1999), in the reasonable discretion of Purchaser, the parties may close the transactions contemplated by this Agreement even though the transactions have not been approved by the Commission; provided, however, that this Agreement is contingent upon the Commission's approval of such transactions. In the event the Commission disapproves the transactions contemplated by this Agreement, the parties shall take the necessary actions to unwind the transactions contemplated by this Agreement and return the Real Property to Gatorland and the Utility System to Seller, at Purchaser's sole cost and expense. If the Real Property is returned to Gatorland and the Utility System is returned to Seller pursuant to this Section 15, Purchaser shall indemnify and hold harmless the Owner Related Parties from and against any and all liabilities, losses, actions, damages, judgments, costs and expenses of whatever nature, including, but not limited to, attorney's fees and legal expenses incurred in connection therewith, incurred by the Owner Related Parties arising from or related to the Purchaser Related Parties' activities on or about the Real Property or operation of the Utility System after Closing or any fines or penalties levied by the Commission. This indemnification shall survive Closing.

16. **INDEMNIFICATION.** Purchaser hereby agrees to defend, indemnify, save and hold Seller and its related entities harmless from and against any and all losses, damages, costs, liabilities, claims and expenses (including attorneys' fees and costs) arising from or related to the

entry by Purchaser or its agents, employees, representatives or consultants on the Real Property pursuant to this Agreement. This indemnification shall survive Closing or earlier termination of this Agreement.

17. MISCELLANEOUS PROVISIONS.

A. This Agreement, the Schedules attached hereto and the documents referred to herein collectively embody the entire agreement and understandings between the parties and there are no other agreements or understandings, oral or written, with reference to this Agreement that are not merged into and superseded by this Agreement. This Agreement may be executed in one or more counterparts, each of which shall be considered an original.

B. Any notice or other document required or allowed to be given pursuant to this Agreement by either party to the other shall be in writing and shall be delivered personally or by recognized overnight courier, or sent by certified mail, postage prepaid, return receipt requested, or by facsimile transmission with written confirmation. A single notice delivered to either party shall be sufficient notice.

If to Seller, such notice shall be addressed to Seller at:

MHC SYSTEMS, INC.
c/o Manufactured Home Communities, Inc.
Two North Riverside Plaza, Suite 800
Chicago, Illinois 60606
Attn: President

with a copy to:

Manufactured Home Communities, Inc.
Two North Riverside Plaza, Suite 800
Chicago, Illinois 60606
Attn: General Counsel

with a copy to:

Piper Marbury Rudnick & Wolfe
101 East Kennedy Boulevard
Suite #2000
Tampa, Florida 33602
Attn: Wilhelmina F. Kightlinger, Esquire

If to Purchaser, such notice shall be addressed to Purchaser at:

NORTH FORT MYERS UTILITY, INC.
5660 Bayshore Road, Suite 51B
North Fort Myers, Florida 33903

-or-

Post Office Box 2547
Fort Myers, Florida 33902-2547
Attn: Mr. A. A. Reeves, III

with a copy to:

Rose, Sundstrom & Bentley, LLP
2548 Blainstone Pines Drive
Tallahassee, Florida 32301
Attn: Martin S. Friedman, Esquire

C. The headings used herein are for convenience only, and they shall be disregarded in the construction of this Agreement.

D. The drafting of this Agreement constituted a joint effort of the parties, and in the interpretation hereof it shall be assumed that no party had any more input or influence than any other. All words, terms and conditions herein contained are to be read in concert, each with the other, and a provision contained under one heading may be considered to be equally applicable under another heading in the interpretation of this Agreement.

E. Purchaser shall maintain in strict confidence, and shall not disclose to anyone other than its employees, attorneys and consultants who have a need to know the same in order to consummate the transactions contemplated by this Agreement (and who shall be bound by a similar obligation of confidentiality), any information regarding Seller, its business, this Agreement and the transactions contemplated hereby.

F. This Agreement is solely for the benefit of the parties hereto and no causes of action shall accrue by reason hereof to or for the benefit of any third party who or which is not a formal party hereto. Notwithstanding the foregoing, however, Owner shall be deemed a third party beneficiary of this Agreement for purposes of Section 11 hereof.

G. In the event any term or provision of this Agreement is determined by appropriate judicial authority to be illegal or otherwise invalid, such provision shall be given its nearest legal meaning or be construed as deleted, as such authority determines, and the remainder of this Agreement shall be construed to be in full force and effect.

H. In the event any litigation arises between the parties with respect to this Agreement, the prevailing party shall be entitled to reasonable attorney fees and court costs at all trial and appellate levels.

I. This Agreement may be amended or modified only if such amendment or modification is in writing and executed in the same manner as the original.

J. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Florida.

K. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Purchaser may assign its rights under this Agreement only upon prior written consent from Seller; provided, however, any such assignment shall not release Purchaser from liability hereunder. Seller may assign its rights under this Agreement upon prior written notice to Purchaser; provided, however, any such assignment shall not release Seller from liability hereunder. Notwithstanding the foregoing, or anything contained herein to the contrary, Seller hereby consents to a subsequent sale of the Utility System by Purchaser to Lee County.

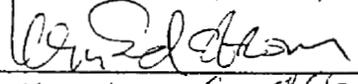
L. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first aforesaid in counterparts, each counterpart to be considered an original.

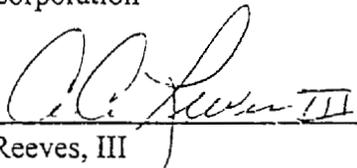
WITNESSES:

NORTH FORT MYERS UTILITY, INC.,
a Florida corporation



Print Name: Julian Bahney


Print Name: Jim. Comelstrom

By: 

A. A. Reeves, III
Vice President

MHC SYSTEMS, INC.,
an Illinois corporation

By: Howard Walker
Howard Walker
President

David W. Fell
Print Name: David W. Fell

Donna J. Skwiers
Print Name: Donna J. Skwiers

SCHEDULE A

Real Property

SCHEDULE B

Easements, Licenses, Etc.

SCHEDULE C

Treatment Plants, Etc.

SCHEDULE D

Certificates, Permits, Etc.

SCHEDULE E

Developer Agreements Assumed by Purchaser

SCHEDULE F

Permitted Encumbrances

SCHEDULE G

Disclosures

SCHEDULE H

Form of Special Warranty Deed

SCHEDULE I

Form of Bill of Sale

SCHEDULE J

Form of Easement Agreement

SCHEDULE K

Form of Memorandum of Agreement

SCHEDULE "A"

PARCEL 1 WATER TREATMENT FACILITY

A parcel of land lying in the south half (S-1/2) of Section 8, Township 43 South, Range 24 East, Lee County, Florida being described as follows:

From the southeast corner of said Section 8 run N 00° 11' 10" E along the east line of said Section for 2,200.00 feet; thence run S 88° 31' 00" W parallel with the south line of the southeast quarter (SE 1/4) of said Section for 2,349.44 feet; thence run N 88° 31' 33" W parallel with the south line of the southwest quarter (SW 1/4) of said Section for 52.52 feet; thence run S 00° 00' 00" E for 237.52 feet; thence run N 90° 00' 00" E for 110.00 feet; thence run S 00° 00' 00" E for 12.00 feet to the Point of Beginning of this description.

From said Point of Beginning continue S 00° 00' 00" E for 88.00 feet; thence run S 90° 00' 00" W for 115.00 feet; thence run N 00° 00' 00" W for 13.30 feet to a point on a non-tangent curve; thence run northeasterly along an arc of a curve to the left having a radius of 182.00 feet (delta 16° 15' 05") (chord bearing N 16° 50' 06" E) (chord 51.45 feet) for an arc length of 51.63 feet to a point of reverse curvature; thence run northeasterly along an arc of a curve to the right having a radius of 30.00 feet (delta 81° 17' 27") (chord bearing N 49° 21' 16" E) (chord 39.08 feet) for an arc length of 42.56 feet to a point of tangency; thence run N 90° 00' 00" E for 70.44 feet to the Point of Beginning.

Bearings hereinabove mentioned are derived from the Plat of Indian Pines Unit One as recorded in Plat Book 29 at Pages 65 through 72, Public Records of Lee County, Florida. The south line of Tract "A" as shown on said plat bears S 64° 05' 00" W.

PARCEL 2 SEWAGE TREATMENT FACILITY

A parcel of land lying in the southwest quarter (SW-1/4) of Section 8, Township 43 South, Range 24 East, Lee County, Florida being described as follows:

From the south quarter corner of said Section 8 run westerly along the south line of said Section 8, N 88° 31' 33" W for 750.28 feet to the Point of Beginning of this description.

From said Point of Beginning continue westerly along said south line N 88° 31' 33" W for 862.20 feet to the southerly end of a line that intersects the south line of said Section 8 and is parallel with the east line of said Section 8; thence run along said parallel line N 00° 11' 10" E for 831.50 feet; thence run southeasterly along an arc of a curve, the north end of said curve being tangent with the last mentioned "parallel line," said curve having a radius of 480.75 feet (delta 44° 11' 14") (chord bearing S 21° 54' 27" E) (chord 361.64 feet) for an arc length of 370.76 feet to a point of tangency; thence run S 44° 00' 03" E for 72.34 feet to a point of curve; thence run along an arc of a curve to the left having a radius of 461.32 feet (delta 13° 04' 28") (chord bearing S 50° 32' 17" E) (chord 105.04 feet) for an arc length of 105.27 feet to a point of tangency; thence run S 57° 04' 31" E for 45.34 feet to a point of curve; thence run along an arc of a curve to the right having a radius of 254.02 feet (delta 20° 19' 30") (chord bearing S 46° 54' 46" E) (chord 89.64 feet) for an arc length of 90.11 feet to a point of tangency; thence run S 36° 45' 02" E for 92.20 feet to a point of curve; thence run along an arc of a curve to the left having a radius of 439.30 feet (delta 13° 45' 45") (chord bearing S 43° 37' 54" E) (chord 105.27 feet) for an arc length of 105.52 feet to a point of tangency; thence run S 50° 30' 41" E for 81.54 feet to a point of curve; thence run along an arc of a curve to the left having a radius of 489.48 feet (delta 38° 00' 52") (chord bearing S 69° 31' 07" E) (chord 318.83 feet) for an arc length of 324.76 feet to the south line of said Section 8 and the Point of Beginning.

Bearings hereinabove mentioned are derived from the Plat of Indian Pines Unit One as recorded in Plat Book 29 at Pages 65 through 72, Public Records of Lee County, Florida. The south line of Tract "A" as shown on said plat bears S 64° 05' 00" W.

PARCEL 3 EFFLUENT POND

A parcel of land lying in the southwest quarter (SW-1/4) of Section 8, Township 43 South, Range 24 East, Lee County, Florida being described as follows:

From the south quarter corner of said Section 8 run westerly along the south line of said Section 8, N 88° 31' 33" W for 1612.48 feet to the southerly end of a line that intersects the south line of said Section 8 and is parallel with the east line of said Section 8; thence run along said parallel line N 00° 11' 10" E for 362.27 feet to the Point of Beginning of this description.

From said Point of Beginning run N 89° 53' 39" W for 392.28 feet; thence run N 02° 16' 40" W for 151.98 feet; thence run N 87° 39' 32" E for 267.27 feet; thence run N 41° 55' 05" E for 48.86 feet; thence run S 85° 16' 56" E for 99.59 feet to an intersection with said parallel line; thence run S 00° 11' 10" W along said line for 191.67 feet to the Point of Beginning.

Bearings hereinabove mentioned are derived from the Plat of Indian Pines Unit One as recorded in Plat Book 29 at Pages 65 through 72, Public Records of Lee County, Florida. The south line of Tract "A" as shown on said plat bears S 64° 05' 00" W.

SCHEDULE "B"

INGRESS-EGRESS & UTILITY EASEMENTS

Easements for ingress, egress and utilities as set forth in that certain Non-Exclusive Easement, dated May 29, 1990, and recorded in Official Records Book 2152, Page 2211, of the Public Records of Lee County, Florida, encumbering the real property described as follows:

Strips of land in Section 8, Township 43 South, Range 24 East, Lee County, Florida lying each side of the following described centerlines:

A strip of land, 30.00 feet wide, lying 15.00 feet each side of the following described centerline:

From the northwest corner of the third parcel described in deed recorded in Official Record Book 1086 at Page 797, Public Records of Lee County, Florida run S 88° 31' 33" E along the north line of said parcel for 1526.99 feet; thence run S 01° 29' 27" W perpendicular to said north line for 48.85 feet to a point on the centerline of the existing paved loop road and the Point on Beginning of the herein described centerline.

From said Point of Beginning run easterly along the existing centerline of a paved roadway the following courses: along an arc of a curve to the left of radius 679.36 feet (delta 02° 55' 56") (chord bearing S 84° 32' 25" E) (chord 34.76 feet) for 34.77 feet to a point designated "A", continue easterly along said arc of a curve to the left of radius 679.36 feet (delta 08° 50' 01") (chord bearing N 89° 34' 36" E) (chord 104.64 feet) for 104.74 feet to a point of tangency, N 85° 09' 36" E for 69.50 feet to a point of curvature, easterly along an arc of a curve to the right of radius 5801.85 feet (delta 03° 21' 24") (chord bearing N 86° 50' 18" E) (chord 339.85 feet) for 339.90 feet to a point of tangency, N 88° 31' 00" E for 436.51 feet to a point of curvature, easterly along an arc of a curve to the right of radius 940.51 feet (delta 07° 54' 25") (chord bearing S 87° 31' 47" E) (chord 129.69 feet) for 129.79 feet to a point of tangency, S 83° 34' 35" E for 75.80 feet to a point of curvature, easterly along an arc of a curve to the left of radius 511.67 feet (delta 21° 21' 45") (chord bearing N 85° 44' 33" E) (chord 189.67 feet) for 190.77 feet to a point of reverse curvature, easterly along an arc of a curve to the right of radius 352.84 feet (delta 13° 27' 20") (chord bearing N 81° 47' 20" E) (chord 82.67 feet) for 82.86 feet to a point of tangency, N 88° 31' 00" E for 754.85 feet to a point of curvature, southeasterly along an arc of a curve to the right of radius 190.17 feet (delta 86° 28' 20") (chord bearing S 48° 14' 50" E) (chord 260.53 feet) for 287.00 feet to a point of compound curvature, southerly along an arc of a curve to the right of radius 427.69 feet (delta 13° 38' 27") (chord bearing S 01° 48' 34" W) (chord 101.58 feet) for 101.82 feet to

a point on a non-tangent line, S 08' 10' 12" W for 94.12 feet to a point of curvature, southerly along an arc of curve to the left of radius 423.53 feet (delta 17° 27' 01") (chord bearing S 00° 33' 19" E) (chord 128.50 feet) for 128.99 feet to a point of tangency, S 09° 16' 49" E for 53.24 feet to a point of curvature, southerly along an arc of a curve to the right of radius 101.63 feet (delta 05° 21' 02") (chord bearing S 06° 36' 18" E) (chord 9.49 feet) for 9.49 feet to a point designated "B"; thence continue southerly along said arc of a curve to the right of radius 101.63 feet (delta 26° 58' 56") (Chord bearing S 09° 33' 41" W) (chord 47.42 feet) for 47.86 feet: to a point of reverse curvature, southerly along an arc of a curve: to the left of radius 599.87 feet (delta 38° 53' 01") (chord bearing S 03° 36' 38" W) (chord 399.33 feet) for 407.10 feet to a point of tangency, S 15° 49' 52" E for 78.26 feet to a point of curvature, southerly along an arc of a curve to the right of radius 381.79 feet (delta 19° 19' 26") (chord bearing S 06° 10' 09" E) (chord 128.16 feet) for 128.77 feet to a point of tangency, S 03° 29' 34" W for 84.62 feet to a point of curvature, southerly along an arc of a curve to the right of radius 402.56 feet (delta 06° 23' 53") (chord bearing S 06° 41' 31" W) (chord 44.93 feet) for 44.95 feet to a point of tangency, S 09° 53' 27" W for 35.40 feet to a point of curvature, southerly along an arc of a curve to the left of radius 447.37 feet (delta 18° 38' 26") (chord bearing S 00° 34' 14" W) (chord 144.91 feet) for 145.55 feet to a point of tangency, S 08° 44' 59" E for 90.38 feet to a point of curvature, southerly along an arc of a curve to the right of radius 292.37 feet (delta 41° 14' 09") (chord bearing S 11° 52' 05" W) (chord 205.91 feet) for 210.42 feet to a point of tangency, S 32° 29' 10" W for 284.86 feet to a point of curvature, southwesterly along an arc of a curve to the right of radius 206.75 feet (delta 56° 01' 50") (chord bearing S 60° 30' 05" W) (chord 194.22 feet) for 202.18 feet to a point of tangency, S 88° 31' 00" W for 362.96 feet to a point of curvature, westerly along an arc of a curve to the right of radius 758.98 feet (delta 08° 17' 22") (chord bearing N 87° 20' 19" W) (chord 109.71 feet) for 109.81 feet to a point of reverse curvature, westerly along an arc of a curve to the left of radius 796.94 feet (delta 15° 18' 37") (chord bearing S 89° 09' 04" W) (chord 212.32 feet) for 212.95 feet to a point of tangency, S 81° 29' 45" W for 45.70 feet to, a point of curvature, westerly along an arc of a curve to the right of radius 692.81 feet (delta 07° 01' 15") (chord bearing S 85° 00' 23" W) (chord 84.84 feet) for 84.89 feet to a point of tangency, S 88° 31' 00" W for 1092.98 feet to a point of curvature, westerly along an arc of a curve to the right of radius 525.67 feet (delta 10° 00' 08") (chord bearing N 86° 28' 56" W) (chord 91.65 feet) for 91.77 feet to a point of reverse curvature, westerly along an arc of a curve to the left of radius 757.28 feet (delta 11° 11' 07") (chord bearing N 87° 04' 26" W) (chord 147.60 feet) for 147.84 feet: to a point of tangency, S 87° 20' 01" W for 84.70 feet to a point of curvature, westerly along an arc of a curve to the right of radius 760.73 feet (delta 04° 08' 26") (chord bearing S 89° 24' 14" W) (chord 54.96 feet) for 54.98 feet to a point of tangency, N 88° 31' 33" W for 421.29 feet to a point of curvature, westerly along an arc of a curve to the right of radius 463.48 feet (delta 38° 00' 52") (chord bearing

N 69° 31' 07" W) (chord 301.90 feet) for 307.51 feet to a point of tangency, N 50° 30' 41" W for 81.53 feet to a point of curvature, northwesterly along an arc of a curve to the right of radius 413.30 feet (delta 13° 45' 45") (chord bearing N 43° 37' 49" W) (chord 99.04 feet) for 99.28 feet to a point on a non-tangent line, N 36° 45' 02" W for 92.20 feet to a point of curvature, northwesterly along an arc of a curve to the left of radius 280.02 feet (delta 20° 19' 30") (chord bearing N 46° 54' 47" W) (chord 98.81 feet) for 99.33 feet to a point of tangency, N 57° 04' 32" W for 45.34 feet to a point of curvature, northwesterly along an arc of a curve to the right of radius 435.32 feet (delta 13° 04' 28") (chord bearing N 50° 32' 18" W) (chord 99.12 feet) for 99.34 feet to a point of tangency, N 44° 00' 03" W for 72.39 feet to a point of curvature, and northerly along an arc of a curve to the right of radius 454.75 feet (delta 44° 10' 52") (chord bearing N 21° 54' 37" W) (chord 342.04 feet) for 350.66 feet to the end of the herein described centerline.

ALSO: A strip of land, 24.00 feet wide, lying 12.00 feet each side of the herein described centerline:

Beginning at the above described point designated "A" run S 00° 09' 39" W along the centerline of the existing paved roadway of Congressional Court, N.W. for 196.59 feet to a point of curvature; thence continue southerly along said centerline and along a curved line, parallel and concentric with a curved northwesterly line of Parcel 1 as described in instrument recorded in Official Record Book 1591 at Page 2025, Public Records of Lee County, Florida, on an arc of a curve to the right of radius 170.00 feet (delta 24° 48' 00") (chord bearing S 12° 33' 39" W) (chord 73.01 feet) for 73.58 feet to the end of the herein described centerline.

ALSO: A strip of land, 100.00 feet wide, lying 50.00 feet each side of the herein described centerline:

Beginning at the above described point designated "B" run S 89° 48' 50" E along the centerline of a westerly prolongation of Lake Fairways Boulevard for 29.76 feet to the west end of said Lake Fairways Boulevard (formerly Indian Pines Boulevard) (100.00 feet wide) as shown on the Plat of Indian Pines Unit One as recorded in Plat Book 29 at Pages 65 through 72, Public Records of Lee County, Florida and the end of the herein described centerline.

Bearings hereinabove mentioned are derived from the Plat of Indian Pines Unit One as recorded in Plat Book 29 at Pages 65 through 72, Public Records of Lee County, Florida. The south line of Tract "A" as shown on said plat bears S 64° 05' 00" W.

FFE IX

AS OF 12/31/98

SCHEDULE "C"

Date: 1/20/99	Item/Description	Brand	Serial Number	Qty
Site: FFEC-Six (123)				
WTP Equipment	WTP Plant 200,000 Gal			1
	High Service Pump No1		9003226-065/F3120336	1
	High Service Pump No2		9003226-065/F3120336	1
	Back up LP Motor 36HP		337768	1
	Fire Flow Pump & Panel		14484-R8TKNO DR 402100926	1
	No1 Well 7 1/2 HP Pump			1
	No2 Well 7 1/2 HP Pump			1
	Regal Gas Chlorinator			
	CL2 Units		05316-15403	2
	Change over unit			1
	CL2 Scales			1
	CL2 Monster Vac 1000		4194-268	1
	Service Pumps		1949	1
	MSA Air Pack 30mm			1
	WTP Mastermeter		2283948	1
	Air Compressor & Motor		Motor # M13612-50-411	1
BTP Equipment				
	"A" Plant 150,000 Ex Air			1
	"B" Plant 150,000 Ex Air			1
	Digester - 40,000 gal			1
	Surge Tank - 50,000 gal			1
	Surge Tank ELE Panel		181-8720611	1
	2 1/2 HP Pumps			2
	ELE Panel		1079	1
	Air Pumps		2770535	1
	Air Pumps		3118376	1

FFE IX

Category	Item/Description	Brand	Serial Number	Qty
Site: FFEC-Six				
	EIE for Air Pump		2388	1
	50 HP Air Pump		903085/901266	2
Surge Tank Air Pump & Motor				
	"A" Plant: EIE Panel		2388 Dosmg	1
	3 1/2 HP Dosing Pumps			1
	"B" Plant: EIE Panel		2245 Dosmg	2
	3 1/2 HP Dosing Pumps			2
	Filters 1&2			2
	EIE Panel			2
	1 1/2 HP Pumps			2
	Filters 3&4			2
	EIE Panel			1
	1 1/2 HP Pumps			2
	Chlorine Contact Tank			
	1 1/2 HP Pumps		2388	2
	Mod Wall 3 1/2 HP Pumps		2245	2
3020 Out Fall Flow Recorder				
	Pumps			1
	3020 Flow Recorder			10
	Chlorine Pond		127003-88	1
	Gas Chlorine System			
	Cylinder Units		A05978 105849	1
	Change Out Unit			2
	CL2 Scales			1
	MSA Air Pack			1
	Line Mixer & Tank		WV1190	1
	Line Pump		6K580A	1
Stainless Steel Pump Fullers				
	Hack PH Prob		150500027508	2
	YSI Do Prob		96F34630	1

FFI IX

Site: FFEC-Six				
Category	Item/Description	Brand	Serial Number	Qty
	Life Oxygen Pack			1
	Hack CL : CL2 Analysis		950200009350	1
	Hack Turbidimeter		800707818	1
	Hand Held Radios	Motorola	SP50	2
	EIE Service Panel			
	STP 600V 1600 Amp			1
	Disk Record for CL2			
	& Turbidity	Honeywell	801904808000001	1
PL Lift Stations				
	LS No 1: Flyt EIE QCI		180-8630034	1
	5HP Flyt Pumps		3102	2
	LS No 2: Flyt EIE		181-8610411	1
	3 HP Flyt Pumps		3085	2
	LS No 3: Flyst EIE		180-8760234	1
	4 HP Pumps		3102	2
	LS No 4: Flyt EIE QCI		180-8920798	1
	4.0 HP Flyt		3102	2
	LS No 5: Flyt Pumps		181-9261421	1
	4.0 HP Flyt Pumps		3102	2
LF Lift Stations				
	LS No 1: Flyt EIE QCI		180-020068	1
	4.0 HP Pumps		3101	2
	LS No 2: Flyt EIE		120-055353	1
	4.0 HP Pumps		3102	2
	LS No 3: Flyt EIE		1876	1
	2.3 Flyt Pumps		3085	2
	LS No 4: Flyt EIE		85-22	1
	2.3 HP Flyt EIE		3085	2

FPI MA

Site: FFEC-Six			
Category	Item/Description	Brand	Serial Number
	LS No 5: Flyt EIE		180-84100675
	4 HP Flyt Pumps		3102
			Qty
			1
			2

PUBLIC SERVICE COMMISSION

SCHEDULE "D"

Jan 7.00 12:43 No.006 P.03

FLORIDA PUBLIC SERVICE COMMISSION

Certificate Number

309 - S

Upon consideration of the record it is hereby ORDERED that authority be and is hereby granted to:

FFEC - SIX (MHC Systems, Inc. d/b/a)

Whose principal address is:

28050 U.S. Highway 19, North, Suite 406
Clearwater, FL 33761 (Lee County)

to provide wastewater service in accordance with the provision of Chapter 367, Florida Statutes, the Rules, Regulations and Orders of this Commission in the territory described by the Orders of this Commission.

This Certificate shall remain in force and effect until suspended, cancelled or revoked by Orders of this Commission.

ORDER	11606	DOCKET	800733-WS
ORDER	17020	DOCKET	861440-WS
ORDER	24240	DOCKET	910180-WS
ORDER	PSC-95-1271-POF-WS	DOCKET	950193-WS
ORDER	PSC-95-1271A-POF-WS	DOCKET	950193-WS
ORDER	PSC-99-1881-POF-WS	DOCKET	990972-WS
ORDER	PSC-99-1881A-POF-WS	DOCKET	990972-WS
ORDER		DOCKET	
ORDER		DOCKET	
ORDER		DOCKET	

FLORIDA PUBLIC SERVICE COMMISSION

Diana S. Long
Director
Division of Records and Reporting

PUBLIC SERVICE COMMISSION

Jan 7.00 12:44 No.006 P.04

FLORIDA PUBLIC SERVICE COMMISSION

Certificate Number

353 - W

Upon consideration of the record it is hereby ORDERED that authority be and is hereby granted to:

FPSC - SIX (MHC Systems, Inc. d/b/a)

Whose principal address is:

28050 U.S. Highway 19, North, Suite 406
Clearwater, FL 33761 (Lee County)

to provide water service in accordance with the provision of Chapter 367, Florida Statutes, the Rules, Regulations and Orders of this Commission in the territory described by the Orders of this Commission.

This Certificate shall remain in force and effect until suspended, cancelled or revoked by Orders of this Commission.

ORDER	11606	DOCKET	800733-WS
ORDER	17020	DOCKET	861440-WS
ORDER	24240	DOCKET	910180-WS
ORDER	PSC-95-1271-POF-WS	DOCKET	950193-WS
ORDER	PSC-95-1271A-POF-WS	DOCKET	950193-WS
ORDER	PSC-99-1881-POF-WS	DOCKET	990972-WS
ORDER	PSC-99-1881A-POF-WS	DOCKET	990972-WS
ORDER		DOCKET	
ORDER		DOCKET	
ORDER		DOCKET	

FLORIDA PUBLIC SERVICE COMMISSION

James S. Davis
Director

Division of Records and Reporting

SCHEDULE "E"

- (1) Service Agreement, to provide water and wastewater service for Pine Lakes Country Club between PLV Pine Lakes Venture ("PLV") and FFEC-Six, Inc. ("FFEC"), dated May 29, 1990 and recorded January 3, 1991 as instrument #2958898 in O.R. Book 2195, Page 2867 and assigned by Assignment of Service Agreement from PLV to Pine Lakes Venture, Ltd., dated December 31, 1990 and recorded January 3, 1991 as instrument #2958899 in O.R. Book 2195, Page 2879, Public Records of Lee County, Florida.

- (2) Service Agreement, to provide water and wastewater service for Lake Fairways Manufactured Home Community, between LRB Co. and FFEC dated May 29, 1990 and recorded May 30, 1990 as instrument #2852755 in O.R. Book 2152, Page 2288, Public Records of Lee County, Florida; Consent to Service Agreement (undated), recorded May 30, 1990 as instrument #2852756 in O.R. Book, 2152, Page 2310, Public Records of Lee County, Florida; and assigned to The Mutual life Insurance Company of New York by Assignment dated May 29, 1990 and recorded May 30, 1990 as instrument #2852757 in O.R. Book 2152, Page 2335, Public Records of Lee County, Florida.

- (3) Pine Lakes Reclaimed Water Use Agreement to provide treated wastewater effluent for public access irrigation, between MHC Operating Limited Partnership and MHC Systems, Inc., dated November 1, 1994.**

SCHEDULE "F"

- (1) Taxes and assessments for the year 2000 and subsequent years.
- (2) Zoning and other laws, rules, and regulations of local governmental authorities.
- (3) Reservation of 1/2 interest in all oil, gas and other mineral rights contained in Deed between Lilian Bayliss Green, Edwin R. Bayliss, Eulalie M. Bayliss, Mary Bayliss Forsmark and Martin J. Forsmark, Celeste Bayliss Koski and Reyno M. Koski, Franklin G. Bayliss and Elizabeth K. Bayliss, Dudley C. Bayliss and Rose Weston Bayliss, being the sole and only heirs of the Estates of Edwin Bayliss, deceased, Jerome Z. Bayliss, deceased, and Willard Bayliss, deceased, parties of the first part and Robert W. Marxer and Kathryn A. Marxer, husband and wife, parties of the second part, dated June 1, 1950 and recorded July 5, 1950 as instrument #128806 in Deed Book 202, Page 353, Public Records of Lee County, Florida.
- (4) Right-of-Way Easement 16 feet wide from Pine Lakes Venture, a Florida General Partnership ("PLV") to Lee County Electric Co-Operative, Inc., dated November 24, 1986 and recorded June 15, 1988 as instrument #2471851 in O.R. Book 1996, Page 2308, Public Records of Lee County, Florida.
- (5) Covenant of Unified Control executed by Robert D. Brown, dated July 8, 1985 and recorded July 18, 1985 as instrument #1967962 in O.R. Book 1794, Page 1769, Public Records of Lee County, Florida.
- (6) Declaration of Restriction executed by PLV dated September 19, 1985 and recorded September 19, 1985 as instrument #1993907 in O.R. Book 1804, Page 4190, Public Records of Lee County, Florida.
- (7) Resolution of the Board of County Commissioners of Lee County, Florida, dated June 17, 1985 and recorded April 24, 1986 as instrument #2085258 in O.R. Book 1841, Page 2940, Public Records of Lee County, Florida.
- (8) Notice of Development Order recorded June 6, 1986 as instrument #2105432 in O.R. Book 1850, Page 137, Public Records of Lee County, Florida.
- (9) Resolution of the Board of County Commissioners of Lee County, Florida, dated February 11, 1985 and recorded June 23, 1985 as instrument #2112915 in O.R. Book 1853, Page 324, Public Records of Lee County, Florida.
- (10) Resolution of the Board of County Commissioners of Lee County, Florida, dated February 11, 1985 and recorded July 2, 1986 as instrument #2117465 in O.R. Book 1855,

Page 119, Public Records of Lee County, Florida.

- (11) Terms, covenants, conditions and easements as reflected on plat of Pine Lakes Country Club, Phase IV, as recorded July 31, 1989 in Plat Book 43, Pages 35 through 48, inclusive, Public Records of Lee County, Florida.
- (12) Riparian and Littoral Rights.
- (13) Service Agreement, to provide water and wastewater service for Pine Lakes Country Club between PLV and FFEC-Six, Inc. ("FFEC"), dated May 29, 1990 and recorded January 3, 1991 as instrument #2958898 in O.R. Book 2195, Page 2867 and assigned by Assignment of Service Agreement from PLV to Pine Lakes Venture, Ltd., dated December 31, 1990 and recorded January 3, 1991 as instrument #2958899 in O.R. Book 2195, Page 2879, Public Records of Lee County, Florida.
- (14) Service Agreement, to provide water and wastewater service for Lake Fairways Manufactured Home Community, between LRB Co. and FFEC dated May 29, 1990 and recorded May 30, 1990 as instrument #2852755 in O.R. Book 2152, Page 2288, Public Records of Lee County, Florida; Consent to Service Agreement (undated), recorded May 30, 1990 as instrument #2852756 in O.R. Book, 2152, Page 2310, Public Records of Lee County, Florida; and assigned to The Mutual life Insurance Company of New York by Assignment dated May 29, 1990 and recorded May 30, 1990 as instrument #2852757 in O.R. Book 2152, Page 2335, Public Records of Lee County, Florida.
- (15) Memorandum of Covenant and Restrictions by and between MHC Systems, Inc. and North Fort Myers Utility, Inc., to be recorded in the Public Records of Lee County, Florida.
- (16) Encroachment of 6 foot high chain link fence on the western boundary of Parcel 3 (the Effluent Pond) as shown on Boundary Survey prepared by Johnson Engineering, Inc., dated August 22, 1994, and revised and updated November 6, 1995 (File No. 8-43-24, Project No. 20290).

----- COMPARISON OF FOOTERS -----

-FOOTER 1-

126270.3 12/20/1999

This redlined draft, generated by CompareRite (TM) - The Instant Redliner, shows the differences between -

original document : F:\TAMPDOCS\1138\3R9_03_.WPD

and revised document: F:\TAMPDOCS\1138\3R9_04_.WPD

CompareRite found 2 change(s) in the text

CompareRite found 0 change(s) in the notes

Deletions appear as Strikethrough text

Additions appear as Bold+Dbf Underline text

SCHEDULE "H"

*This instrument prepared by
and please return to:*

Wilhelmina F. Kightlinger, Esquire
Piper Marbury Rudnick & Wolfe LLP
101 East Kennedy Boulevard
Suite 2000
Tampa, Florida 33602

Tax folio nos.: 08-43-24-00-00002.0010
08-43-24-00-00002.0020

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED made the ____ day of _____, 2000, by **GATORLAND VISTAS, INC.**, an Illinois corporation, with its principal place of business at Two North Riverside Plaza, Suite 800, Chicago, Illinois 60606 (hereinafter referred to as "**Grantor**"), to **NORTH FORT MYERS UTILITY, INC.**, a Florida corporation, whose post office address is Post Office Box 2547, Fort Myers, Florida 33902-2547 (hereinafter referred to as "**Grantee**");

WITNESSETH: That Grantor, for and in consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration, receipt whereof is hereby acknowledged, by these presents does grant, bargain, sell, alien, remise, release, convey and confirm unto Grantee all of that certain land situate in Lee County, Florida, viz:

See attached **Exhibit "A"** (the "**Property**").

SUBJECT TO conditions, restrictions, reservations, zoning, prohibitions and other requirements imposed by governmental authority; restrictions and matters appearing on the plat or otherwise common to the subdivision; public utility easements of record; taxes for the current year and all subsequent years; and those matters listed on **Exhibit "B"** attached hereto (collectively, the "**Permitted Encumbrances**").

FURTHERMORE, Grantee, its successors and assigns shall use the Property solely to construct, operate and maintain a utility system and related facilities which provide for potable water supply and wastewater collection, treatment and disposal services.

TOGETHER with all the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

TO HAVE AND TO HOLD the same in fee simple forever.

AND Grantor hereby covenants with Grantee that Grantor is lawfully seized of the Property in fee simple; that Grantor has good right and lawful authority to sell and convey the Property; that Grantor hereby fully warrants the title to the Property and will defend the same against the lawful claims of all persons claiming by, through or under Grantor; and that the Property is free of all encumbrances, except for the Permitted Encumbrances.

IN WITNESS WHEREOF, Grantor has caused these presents to be executed in its name, by its proper officer thereunto duly authorized as of the day and year first above written.

Signed, sealed and delivered
in our presence:

GATORLAND VISTAS, INC.,
an Illinois corporation

Print Name: _____

By: _____
Print Name: _____
Print Title: _____

Print Name: _____

STATE OF ILLINOIS)
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this ____ day of _____, 2000, by _____, as _____ of **GATORLAND VISTAS, INC.**, an Illinois corporation, on behalf of the corporation. He/She is ____ personally known to me or ____ has produced _____ as identification.

Notary Public
State of Illinois
My Commission Expires:

SCHEDULE "I"

SPECIAL WARRANTY BILL OF SALE

THIS SPECIAL WARRANTY BILL OF SALE ("Bill of Sale") made and entered into this ____ day of _____, 2000, by and between MHC SYSTEMS, INC., an Illinois corporation (hereinafter referred to as "Seller"), and NORTH FORT MYERS UTILITY, INC., a Florida corporation (hereinafter referred to as "Buyer").

WHEREAS, Seller owns or controls a potable water supply and wastewater collection, treatment and disposal system located in Lee County, Florida, on the real property described in Schedule 1 attached hereto and made a part hereof (hereinafter referred to as the "Real Property"); and

WHEREAS, that certain Agreement for Purchase and Sale of Water and Wastewater Assets dated December 16, 1999, by and between Seller and Buyer, which is by this reference incorporated herein and made a part hereof as if fully set out in this paragraph (hereinafter referred to as the "Agreement"), provides for the conveyance by Seller to Buyer of the Utility System (as such term is defined in the Agreement), and for the execution and delivery of this Bill of Sale in connection with such conveyance; and

WHEREAS, pursuant to the Agreement, Buyer has agreed to provide, in accordance with the provisions of the Agreement, central potable water supply and wastewater collection, treatment and disposal services to the Developments (as such term is defined in the Agreement) and thereafter operate applicable facilities so that the occupants of the manufactured homes and other improvements on the Developments will receive an adequate potable water supply and wastewater collection, treatment and disposal service from Buyer.

NOW THEREFORE, for and in consideration of the premises, the mutual undertakings and agreements herein contained and assumed, Seller and Buyer hereby covenant and agree as follows:

1. The foregoing recitations are true and correct and incorporated herein.
2. For the consideration set forth in the Agreement, Seller hereby quitclaims, sells, assigns and conveys to Buyer, and Buyer hereby accepts, purchases, assumes and acquires from Seller, all of Seller's right, title and interest in and to the Utility System. Seller has made no representations or warranties to Buyer regarding the physical or operating condition of the Utility System or any components thereof or the suitability thereof for Buyer's intended purposes. Buyer has physically inspected the Utility System and accepts the Utility System "as-is, where-is," with full knowledge of the condition thereof.

Seller covenants that Seller is the lawful owner of the ~~said goods and chattels~~; that they are Utility System and that the Utility System is free from all encumbrances; and Seller will warrant and defend the title of same to the Utility System against the lawful claims and demands of all persons claiming by, through, or under Seller.

IN WITNESS WHEREOF, Seller and Buyer have executed or have caused this Bill of Sale, with the named Exhibits attached, to be duly executed in several counterparts, each of which counterparts shall be considered an original executed copy of this Bill of Sale.

WITNESSES:

NORTH FORT MYERS UTILITY, INC.,
a Florida corporation

Print Name: _____

By: _____
A.A. Reeves, III
Vice President

Print Name: _____

MHC SYSTEMS, INC.,
an Illinois corporation

Print Name: _____

By: _____
Name: _____
Title: _____

Print Name: _____

STATE OF FLORIDA)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2000, by A.A. Reeves, III, as Vice President of **NORTH FORT MYERS UTILITY, INC.**, a Florida corporation, on behalf of the corporation. He is personally known to me or has produced _____ as identification.

Notary Public

SCHEDULE 1

Legal Description of Real Property

----- COMPARISON OF FOOTERS -----

-FOOTER 1-

~~127197.4~~ 127197.5 12/20/1999

-FOOTER 2-

MHC/Ft. Myers

This redlined draft, generated by CompareRite (TM) - The Instant Redliner, shows the differences between -

original document : F:\TAMPDOCS\1138\3S6T05_.WPD
and revised document: F:\TAMPDOCS\1138\3S6T06_.WPD

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Deletions appear as Strikethrough text
Additions appear as Bold+Dbl Underline text

SCHEDULE "J"

This instrument prepared by and please return to:

Wilhelmina F. Kightlinger, Esquire
Piper Marbury Rudnick & Wolfe LLP
101 East Kennedy Boulevard
Suite 2000
Tampa, Florida 33602

GRANT OF NON-EXCLUSIVE EASEMENT

THIS GRANT OF NON-EXCLUSIVE EASEMENT (this "Easement") made and entered into this ____ day of _____, 2000, by and between GATORLAND VISTAS, INC., an Illinois corporation (hereinafter referred to as "Grantor"), and NORTH FORT MYERS UTILITY, INC., a Florida corporation (hereinafter referred to as "Grantee").

WITNESSETH:

1. MHC Systems, Inc., an Illinois corporation ("MHC"), and Grantee have entered into that certain Agreement for Purchase and Sale of Water and Wastewater Assets dated December 16, 1999 (the "Agreement"), pursuant to which Grantee has agreed to provide all potable water supply and wastewater collection, treatment and disposal services to the Easement Parcel (as hereinafter defined) and certain other real property, as more fully provided in the Agreement. Grantor (as nominee for MHC) and Grantee desire to enter into this Easement pursuant to the terms and provisions of the Agreement, which is incorporated herein and made a part of this Easement by reference.

2. Therefore, for and in consideration of the sum of Ten and 00/100 Dollars (\$10.00) and other good and valuable consideration, receipt of which is hereby acknowledged, Grantor hereby grants to Grantee, subject to the terms and conditions of this Easement, a non-exclusive easement with respect to that certain parcel of land situated in Lee County, Florida and legally described on Schedule 1 attached hereto and made a part hereof (the "Easement Parcel") together with the right of ingress thereto and egress therefrom over designated roadways within the Easement Parcel, solely for the purpose of access and constructing, repairing and maintaining (as applicable) the Utility System and the Facilities (as each such term is defined in the Agreement) (collectively, the "Improvements") located or to be located within the Easement Parcel and on the real property legally described on Schedule 2 attached hereto and made a part hereof, all at Grantee's sole cost and expense.

3. Any activities conducted by Grantee pursuant to the provisions of this Easement are hereinafter collectively referred to as "Activities". Any such Activities shall be conducted only in accordance with the terms and conditions of this Easement. Grantee shall provide reasonable prior notice

to Grantor (except in an emergency) with respect to any Activities that may be disruptive to traffic within the Easement Parcel.

4. Grantee shall be solely responsible, at Grantee's sole cost and expense, for the repair and maintenance of the Improvements, and Grantee shall keep the same in good condition and repair and in compliance with all applicable laws at all times.

5. Title to the Easement Parcel shall remain with Grantor. Grantor reserves the right to use the Easement Parcel and to grant rights to others therein for such purposes as Grantor may deem appropriate; provided, however, that any such use or rights will be consistent with the purposes of this Easement and shall not unreasonably interfere with Grantee's rights under this Easement.

6. Grantee shall conduct all Activities as expeditiously as reasonably possible, and in such a manner that will not unreasonably interfere with ingress or egress of persons or vehicles to, from or within the Easement Parcel, or with the ordinary flow of pedestrian and vehicular traffic, or with the normal conduct of business on the Easement Parcel.

7. Grantee hereby acknowledges that the easement herein granted may cross, at one or more points, other utility facilities or systems or easement rights now or hereafter in existence. Grantee hereby agrees to exercise the highest degree of care in order to avoid any damage to or interference with any such other utility facilities or systems or easement rights and agrees that in the event of any damage to or interference with any such other utility facilities or systems or easement rights attributable to any Activities, Grantee shall promptly remedy such damage or interference at Grantee's sole cost and expense. Grantee further agrees to cooperate with all other grantees having or acquiring similar rights within or serving the Easement Parcel.

8. Grantor reserves the further right to require Grantee to move or relocate any or all of the Improvements located on the Easement Parcel, provided, however, that Grantor will reimburse Grantee for any actual expense incurred in such relocation, and provided further that Grantor will provide a suitable alternate location for any such Improvements and will grant or cause to be granted necessary easement rights for such Improvements at the new location upon substantially the same terms and conditions as herein provided, and in such event this Easement shall automatically terminate.

9. In the event that Grantee abandons or ceases to use the ~~Easement (as defined below)~~ **easement herein granted** for the purposes herein set forth for a period of six (6) months, ~~this the~~ **the** Agreement shall automatically terminate with respect to ~~the~~ **this** Easement. Upon any such termination, any Facilities remaining within the portions of the Developments subject to ~~the~~ **this** Easement, at Grantor's option, shall become the property of Grantor, without compensation to ~~Purchaser. Purchaser~~ **Grantee. Grantee** shall, upon the written request of Grantor, deliver to Grantor a release, in recordable form, of ~~the~~ **this** Easement terminated in accordance herewith. ~~Purchaser~~ **Grantee** hereby appoints Grantor as its attorney-in-fact for the purpose of executing such release in such event.

10. This Easement shall run with the land during the term hereof, and shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns.

IN WITNESS WHEREOF, Grantor and Grantee have executed or have caused this Easement, with the named Exhibits attached, to be duly executed in several counterparts, each of which counterparts shall be considered an original executed copy of this Easement.

WITNESSES:

NORTH FORT MYERS UTILITY, INC.,
a Florida corporation

Print Name: _____

By: _____
A.A. Reeves, III
Vice President

Print Name: _____

GATORLAND VISTAS, INC.,
an Illinois corporation

Print Name: _____

By: _____
Name: _____
Title: _____

Print Name: _____

STATE OF FLORIDA)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2000, by A.A. Reeves, III, as Vice President of NORTH FORT MYERS UTILITY, INC., a Florida corporation, on behalf of the corporation. He is personally known to me or has produced _____ as identification.

Notary Public
State of Florida at Large

My Commission Expires: _____

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this ____ day of _____, 2000, by _____, as _____ of GATORLAND VISTAS, INC., an Illinois corporation, on behalf of the corporation. He/She is personally known to me or has produced a State of Illinois driver's license as identification.

Notary Public
State of Illinois
My Commission Expires: _____

SCHEDULE 1

Legal Description of Easement Parcel

SCHEDULE 2

Legal Description of Benefitted Parcel

----- COMPARISON OF FOOTERS -----

-FOOTER 1-

~~127194.5~~ 127194.6

-FOOTER 2-
MHC/Ft. Myers

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between -

original document : F:\TAMPDOCS\1138\3S6Q05_.WPD
and revised document: F:\TAMPDOCS\1138\3S6Q06_.WPD

CompareRite found 7 change(s) in the text
CompareRite found 1 change(s) in the notes

Deletions appear as Strikethrough text
Additions appear as Bold+Dbf Underline text

SCHEDULE "K"

*This instrument prepared by
and return to:*

Wilhelmina F. Kightlinger, Esq.
Piper Marbury Rudnick & Wolfe LLP
101 East Kennedy Boulevard, Suite 2000
Tampa, Florida 33602

MEMORANDUM OF COVENANTS AND RESTRICTIONS

THIS MEMORANDUM OF COVENANTS AND RESTRICTIONS (this "Memorandum") is dated the ____ day of _____, 2000, and is entered into by and between MHC SYSTEMS, INC., an Illinois corporation ("Seller"), and NORTH FORT MYERS UTILITY, INC., a Florida corporation ("Purchaser").

Recitals

WHEREAS, Gatorland Vistas, Inc., an Illinois corporation ("Gatorland"), owns fee simple title to the real property (the "Real Property") identified in Exhibit "A" attached hereto and incorporated herein by this reference as nominee for the benefit of Seller; and

WHEREAS, Seller owns and operates a potable water supply and distribution system (the "Water System") and a sanitary wastewater collection, treatment and effluent disposal system (the "Wastewater System") (the Water System and the Wastewater System are collectively referred to herein as the "Utility System") located within the Real Property and the Developments (as defined below), and doing business as "FFEC-Six"; and

WHEREAS, the Utility System serves Pine Lakes Country Club Manufactured Home Community ("Pine Lakes") and Lake Fairways Country Club Manufactured Home Community ("Lake Fairways"), both of which are owned of record by Gatorland as nominee for the benefit of an affiliate of Seller, and certain other residential developments adjacent to Pine Lakes and Lake Fairways which are owned by parties not affiliated with Gatorland or Seller (Pine Lakes, Lake Fairways and such other residential developments, including any future expansions thereof, serviced by the Utility System are collectively referred to herein as the "Developments"), all of which are located in Lee County, Florida; and

WHEREAS, pursuant to that certain Agreement for Purchase and Sale of Water and Wastewater Assets (the "Agreement") by and between Seller and Purchaser dated December 16, 1999, Seller has agreed to sell and Purchaser has agreed to purchase the Real Property and the Utility System; and

WHEREAS, under the terms and conditions of the Agreement, the parties have agreed that certain covenants and restrictions shall be placed of record encumbering the Real Property.

NOW, THEREFORE, in consideration of the foregoing, which the parties acknowledge as true and correct, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser hereby agree as follows:

1. Since the Developments, as they exist as of the date hereof, are fully developed, Purchaser hereby agrees that no Connection Fees (as defined below) will be charged or collected with respect to the Developments. Purchaser further agrees that for one year following the date hereof, Purchaser shall operate the Utility System in accordance with the rates set forth in the existing tariffs of Seller relating to the Utility System, provided, however, if Lee County acquires the Utility System, Lee County shall operate the Utility System in accordance with its existing rates at that time.

2. Purchaser further agrees and acknowledges that the Utility System is intended to provide all potable water supply and wastewater collection, treatment and disposal needs of all present and future owners and occupants of the Developments, as such Developments may be changed or expanded, meeting all minimum requirements established by any and all applicable federal, state and local governmental authorities or agencies (the "**Minimum Requirements**"). Purchaser hereby agrees, from and after the date hereof, to satisfy all potable water supply and wastewater collection, treatment and disposal system needs and requirements of all present and future owners and occupants of the Developments meeting all Minimum Requirements. If at any time Purchaser shall be unable to meet all Minimum Requirements to serve all present and future customer needs within the Developments, Purchaser shall be obligated, at no cost to Seller, to make such improvements to the Utility System and/or take such other steps as may be necessary to meet its obligation to provide adequate service to all customers within the Developments.

3. Purchaser shall promptly furnish, install and thereafter maintain in good and safe condition, at no cost to Seller, all potable water supply and distribution facilities, wastewater collection, treatment and effluent disposal facilities of every kind and description whatsoever (whether located above ground or underground, and whether located within the Real Property or elsewhere), including, but not limited to, pumps, plants, tanks, lift stations, transmission mains, distribution mains, supply pipes, collection pipes or facilities, and effluent disposal facilities, valves, meters, meter boxes, service connections and all other physical facilities, equipment and property installations, and all other facilities and equipment (collectively, "**Facilities**") required to satisfy all potable water supply and wastewater collection, treatment and disposal system needs and requirements of all present and future owners and occupants of the Developments meeting all Minimum Requirements as aforesaid.

4. Purchaser shall furnish all labor, equipment, accessories and materials necessary to construct, operate and maintain all Facilities to and within the Developments and to make any improvements, additions, alterations, changes, replacements, repairs or other modifications to the

Facilities (collectively, "**Alterations**"). Following commencement of any such activities, Purchaser shall diligently prosecute the performance of such activities to completion within a reasonable time.

5. Purchaser and its employees, agents, contractors, subcontractors, suppliers and materialmen (collectively, the "**Purchaser Related Parties**") shall comply with applicable laws, codes, ordinances, rules and regulations (collectively, "**Laws**") in connection with the exercise of Purchaser's rights and the performance of Purchaser's obligations under this Memorandum and the Agreement.

6. Purchaser shall maintain all Facilities in good and safe condition and repair and in accordance with all applicable Laws. The construction, operation and maintenance of all Facilities and Alterations shall be completed by the Purchaser Related Parties in a good, workmanlike and timely manner in accordance with sound and generally accepted engineering and construction practices and procedures. Such construction, operation and maintenance shall be conducted by the Purchaser Related Parties during reasonable hours and in a manner calculated to cause minimal interference with the rights and convenience of the owner(s) of the Developments (collectively, "**Owner**") and the tenants and other occupants of the Developments.

7. Following completion of the construction of any Facilities or Alterations, as applicable, Purchaser shall restore the surrounding portion of the Developments affected by the construction of such Facilities or Alterations to substantially its condition prior to commencement of the construction of such Facilities or Alterations.

8. Purchaser shall:

i. promptly and properly pay for all labor employed, materials purchased and equipment hired by the Purchaser Related Parties in connection with the construction of any Facilities or Alterations;

ii. keep the Developments free from any laborer's, materialmen's or mechanic's liens and claims or notices in respect thereto arising by reason of the construction of any Facilities or Alterations; and

iii. discharge any such liens or claims within thirty (30) days after any such lien, claim or notice is filed. If Purchaser does not pay or satisfy any claim for lien and provide written documentation thereof to Owner within thirty (30) days after the same is filed, then Owner may (but shall not be obligated to) do so and Purchaser shall reimburse Owner upon demand for all costs incurred in doing so.

9. The parties agree that if, during the course of construction within any Development or any expanded Development, any water mains and/or services are damaged or broken in any way by the act or acts of Owner, its agents, employees or contractors, then and in such event, Owner shall be liable for any direct damages (but not incidental or consequential damages) so caused and agrees to pay all reasonable costs of repairing any such damaged or broken water mains or services. Owner

shall have the right to pursue any applicable claim against its contractors in connection with any such damage or breakage.

10. The parties agree that if, during the course of construction, operation or maintenance of any Facilities within any Development or any expanded Development, or during the course of any Alterations, any sanitary or storm sewers, gas lines, oil lines, underground telephone or electric conduits or television cables, or other utilities, installations, improvements or items in, over or under any such Development or expanded Development are damaged or broken in any way by the act or acts of the Purchaser Related Parties, then and in such event, Purchaser shall be liable for any direct damages (but not incidental or consequential damages) so caused and agrees to pay all reasonable costs of repairing any such damaged or broken utilities, installations, improvements or items. Purchaser shall have the right to pursue any applicable claim against its contractors in connection with any such damage or breakage.

11. The Purchaser Related Parties shall take all necessary precautions for the safety of, and shall provide all necessary protection to prevent damage, injury or loss to (i) all principals, agents and employees performing the construction, operation or maintenance of the Facilities or any Alterations and all other persons who may be affected thereby, (ii) the Facilities and all materials and equipment to be incorporated therein, and (iii) other property at the Developments or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utility facilities or systems.

12. Purchaser shall give all required notices and comply with all applicable Laws concerning the safety of persons or property in connection with the construction, operation and maintenance of the Facilities and any Alterations. Purchaser shall erect and maintain, as required by existing conditions and progress of the construction, operation or maintenance of the Facilities and any Alterations, all reasonable safeguards for safety and protection, including posting danger signs, erecting barricades and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utility facilities or systems.

13. Purchaser may employ contractors and subcontractors for the performance of any part of the construction, operation or maintenance of the Facilities or any Alterations, provided, however, that Purchaser shall be responsible for the acts, omissions and negligence of its contractors and subcontractors and their respective principals, agents and employees to the same extent that Purchaser is responsible for the acts, omissions and negligence of persons directly employed by it.

14. Purchaser hereby acknowledges that the easement(s) to be granted pursuant to the Agreement may cross, at one or more points, or otherwise interconnect with other utility facilities or systems or easement rights now or hereafter in existence. Purchaser hereby agrees to exercise the highest degree of care in order to avoid any damage to or interference with any such other utility facilities or systems or easement rights and agrees that in the event of any damage to or interference with any such other utility facilities or systems or easement rights attributable to the construction, operation or maintenance of the Facilities or any Alterations, Purchaser shall promptly remedy such

damage or interference at its sole cost and expense. Purchaser further agrees to cooperate with all other entities having or acquiring similar rights within or serving the Developments.

15. Owner shall have the right to require Purchaser to move or relocate any and all of the Facilities located on or within the Developments, provided, however, that Owner will reimburse Purchaser for any actual, reasonable expenses incurred in such relocation, and provided further that Owner will provide a suitable alternate location for any such Facilities and will grant or cause to be granted necessary easement rights for such Facilities in the new location upon substantially the same terms and conditions as herein provided, and in such event this Memorandum shall automatically terminate with respect to such Facilities as they existed prior to such relocation.

16. Purchaser, for itself and the other Purchaser Related Parties, hereby waives any and all claims against Seller, Owner, their affiliates and subsidiaries, and the respective shareholders, partners, members, directors, officers, employees, agents, contractors, successors and assigns of each (collectively, the "**Owner Related Parties**"), and the Developments for all liabilities, losses, actions, damages, judgments, costs or expenses of whatever nature, including, but not limited to, attorneys' fees and legal expenses incurred in connection therewith, incurred by reason of or arising out of any injury to or death of any person(s), damage to property, or otherwise in connection with (i) the condition of the Developments, the Facilities or any other facilities thereon, (ii) any event or occurrence on or about the Developments, and/or (iii) the acts, omissions or negligence of any person, except with respect to the gross negligence or willful misconduct of the Owner Related Parties. All personal property belonging to any of the Purchaser Related Parties shall be brought onto the Developments at the risk of such Purchaser Related Parties, and the Owner Related Parties shall not be liable for damage or destruction to or theft of any such personal property, except with respect to the gross negligence or willful misconduct of the Owner Related Parties.

17. Purchaser shall indemnify and hold harmless the Owner Related Parties from and against any and all liabilities, losses, actions, damages, judgments, costs and expenses of whatever nature, including, but not limited to, attorneys' fees and legal expenses incurred in connection therewith, incurred by reason of or arising out of any injury to or death of any person(s), damage to property, or otherwise in connection with the construction, operation or maintenance of the Facilities or any Alterations, or any acts, omissions or negligence of the Purchaser Related Parties. Owner shall indemnify and hold harmless Purchaser from and against any and all liabilities, losses, actions, damages, judgments, costs and expenses of whatever nature, including, but not limited to, attorney's fees and legal expenses incurred in connection therewith, incurred by Purchaser and arising out of the gross negligence or willful misconduct of the Owner Related Parties in connection with the obligations of the Owner Related Parties hereunder.

18. Purchaser shall secure and maintain in effect at all times from and after the date of this Memorandum, at Purchaser's sole cost and expense, insurance of the kinds and with the minimum limits set forth below, and Purchaser shall provide Seller and Owner upon execution of this Memorandum (and thereafter from time to time upon written request of Owner) with certificates evidencing such insurance:

i. Workers' Compensation and Employer's Liability coverage as required by applicable Laws, covering Purchaser's personnel.

ii. Commercial General Liability (Occurrence Form) coverage, including Completed Operations and Personal Injury:

\$1,000,000 Per Occurrence
\$1,000,000 General Aggregate "Per Jobsite"
\$1,000,000 Products-Completed Operations Aggregate
\$1,000,000 Personal Injury Limit

iii. Business Automobile Liability coverage:

\$1,000,000 Per Accident, including Bodily Injury and Property Damage Liability.

Purchaser also shall secure and maintain in effect at all times from and after the date hereof, at Purchaser's sole cost and expense, such other insurance as may from time to time reasonably be required by Owner against such other hazards as at the time are commonly insured against in similar circumstances. Purchaser shall name the following parties as additional insureds on all such liability policies: Owner (or any other owner from time to time of the Developments or any of them), the management agent(s) for the Developments (which as of the date of this Memorandum is MHC Management Limited Partnership, an Illinois limited partnership), and, if requested by Owner, any lender having a security interest in all or any portion of the Developments. All such insurance coverages shall require the insurer to give such additional insureds at least thirty (30) days' prior written notice of modification or cancellation.

Purchaser shall ensure that all contractors and subcontractors performing any portion of the construction, operation or maintenance of the Facilities or any Alterations, carry insurance of the types, and with at least the limits, set forth above.

Notwithstanding anything to the contrary contained herein, the insurance requirements set forth in this Section shall not apply to Lee County if Lee County acquires the Utility System.

19. In the event that Purchaser abandons or ceases to use the easement granted pursuant to that certain Grant of Non-Exclusive Easement by and between Gatorland and Purchaser dated _____, 2000, and recorded contemporaneously herewith (the "Easement") for the purposes herein set forth for a period of six (6) months, the Agreement and this Memorandum shall automatically terminate with respect to the Easement. Upon any such termination, any Facilities remaining within the portions of the Developments subject to the Easement, at Owner's option, shall become the property of Owner, without compensation to Purchaser. Purchaser shall, upon the written request of Owner, deliver to Owner a release, in recordable form, of the Easement terminated in accordance herewith. Purchaser hereby appoints Owner as its attorney-in-fact for the purpose of executing such release in such event.

20. Purchaser acknowledges the following: (i) Seller and Owner make, and have made, no representations or warranties to Purchaser regarding the physical condition of the Tangible Personal Property (as defined in the Agreement) or the portions of the Developments subject to the Easement (collectively, the "**Easement Parcels**") or the suitability of the Easement Parcels for Purchaser's intended use thereof, and Purchaser acknowledges that it has physically inspected the Tangible Personal Property and the Easement Parcels and accepts the same "as is", with full knowledge of the condition thereof; and (ii) the use and enjoyment of the portions of the Developments adjoining the Easement Parcels shall not be unreasonably interfered with in connection with the construction, operation or maintenance of the Facilities or any Alterations, and Purchaser shall promptly repair and restore, at its expense, any damage to said adjoining portions of the Developments attributable to the construction, operation or maintenance of the Facilities or any Alterations

21. If Purchaser ceases operation of the Utility System, or any portion thereof, at any time after the date hereof, such that use of the Real Property is no longer reasonably required for the provision of potable water and wastewater service to the Developments, Purchaser shall provide Seller with prompt written notice thereof and Seller may, at Seller's option, repurchase the Real Property from Purchaser for the sum of Twenty-Four Thousand Dollars (\$24,000.00) and require Purchaser to reconvey the Real Property to Seller, or its designee, by special warranty deed, free and clear of all liens and encumbrances not existing as of the date hereof. Seller shall be responsible for all reasonable and customary closing costs associated with or arising from its repurchase of the Real Property under this Section, excluding Purchaser's attorneys' fees and costs. Regardless of whether Seller exercises its option to repurchase the Real Property hereunder, upon ceasing operation of the Utility System (or such portion thereof), Purchaser shall be responsible for closing and decommissioning the Utility System (or such portion thereof) in accordance with all applicable Laws, and removing all personal property from the Real Property, and Purchaser shall pay all fees and costs associated with or arising from said closure, decommissioning and removal. Any personal property remaining on the Real Property thirty (30) days following the re-conveyance of the Real Property to Seller shall, if Seller so elects (but not otherwise), become the property of Seller. The option herein granted may be exercised by Seller by giving written notice to Purchaser at its last known address via certified mail, postage prepaid, or overnight delivery.

22. The terms and conditions of this Memorandum shall run with the Real Property and shall bind Purchaser and its successors, grantees, assigns or lessees, who shall assume all obligations of Purchaser hereunder, and shall inure to the benefit of Seller, Owner, and their respective successors, grantees, assignees or lessees.

IN WITNESS WHEREOF, the parties have executed this Memorandum as of the date above written.

WITNESSES:

NORTH FORT MYERS UTILITY, INC.,
a Florida corporation

Print Name: _____

By: _____
A. A. Reeves, III
Vice President

Print Name: _____

MHC SYSTEMS, INC.,
an Illinois corporation

Print Name: _____

By: _____
Name: _____
Title: _____

Print Name: _____

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2000, by A. A. Reeves, III, as Vice President of NORTH FORT MYERS UTILITY, INC., a Florida corporation, on behalf of said corporation. He/She is either [CHECK WHERE APPLICABLE] _____ personally known to me, or _____ has produced a _____ driver's license as identification.

(Notarial Seal)

Print Name: _____
NOTARY PUBLIC
My Commission Expires: _____

STATE OF ILLINOIS
COUNTY OF COOK

The foregoing instrument was acknowledged before me this ____ day of _____, 2000, by _____, as _____ of MHC SYSTEMS, INC., an Illinois corporation, on behalf of said corporation. He/She is either *[CHECK WHERE APPLICABLE]* ____ personally known to me, or ____ has produced a _____ driver's license as identification.

(Notarial Seal)

Print Name: _____
NOTARY PUBLIC
My Commission Expires: _____

----- COMPARISON OF FOOTERS -----

-FOOTER 1-

~~129504.4~~ 129504.6 1/6/2000

-FOOTER 2-

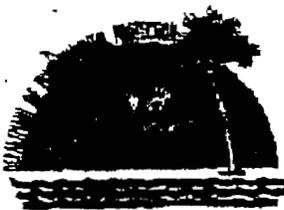
MHC/Ft. Myers

This redlined draft, generated by CompareRite (TM) - The Instant Redliner, shows the differences between -

original document : F:\TAMPDOCS\1138\3_F005_.WPD
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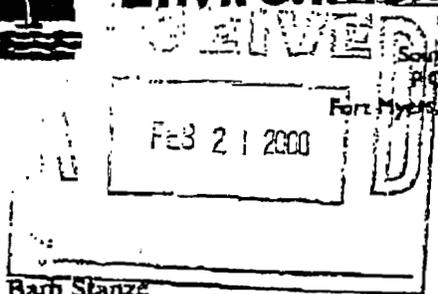


Department of Environmental Protection

Jeb Bush
Governor

South District
P.O. Box 2549
Fort Myers, Florida 33902-2549

David B. Scrubs
Secretary



February 18, 2000

Ms. Barb Stanze
P.O. Box 4535
North Fort Myers, FL 33918

Re: Lee County - DW
Lake Fairway WWTP
FLA014463

Dear Ms. Stanze:

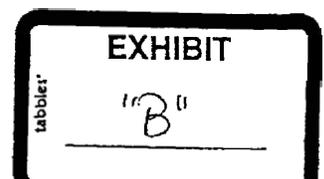
Field inspections of the above referenced WWTP on January 28, and February 2, 2000 indicate that you may be in violation of Chapter 403, Florida Statutes and the rules promulgated thereunder. The resulting observations are listed below:

1. On January 28, 2000 there was a high sludge blanket in both clarifiers. The North clarifier was losing solids over the weir due to the high blanket. The liner in the reuse pond was missing a section. The surge tank was not being aerated. The chlorine contact chamber (CCC) had an accumulation of sludge. On February 2, 2000, the operator indicated the flow meter probe in the effluent was not working. Florida Administrative Code (F.A.C.) Rule 62-600.410(6) requires that all facilities and equipment necessary for the treatment, reuse, and disposal of domestic wastewater or domestic wastewater residuals shall be maintained at a minimum, so as to function as intended.
2. During both visits, the small digester was not being aerated and was emitting a sour odor. F.A.C. Rule 62-600.410 (8) states that in the event that the treatment facilities or equipment no longer function as intended, are no longer safe in terms of public health and safety, or odor, noise, aerosol drift, or lighting adversely affect the neighboring developed areas at the levels prohibited by Rule 62-600.400(2)(a), F.A.C., corrective action (which may include additional maintenance

Continued . . .

"More Protection, Less Process"

Printed on recycled paper.



Ms. Barb Stanze
February 18, 2000
Page Two

or modification of the treatment plant) shall be taken by the permittee. Other corrective action may be required to ensure compliance with the rules of the Department.

3. The percolation pond in use had a build up of solids in it and was overgrown. F.A.C. Rule 62-610.523(6) states that rapid infiltration basins, percolation ponds, basins, trenches, or cells shall be routinely maintained to control vegetation growth and to maintain percolation capability by scarification or removal of deposited solids.
4. A grab sample for total suspended solids (TSS) was taken by the Department on January 28, 2000. The sample result indicated that the TSS concentration was 144 mg/L. F.A.C. Rule 62-600.740(1)(b)1.d. requires any reclaimed water or effluent grab sample not to exceed 60 mg/L of sample for TSS or CBOD.
5. A review of the Discharge Monitoring Reports (DMRs) for 1999 indicate high flows at the facility. October, November and December 1999 DMRs indicate the Three-month Average Daily Flow is exceeding fifty percent. F.A.C. Rule 62-600.405(3) states when the three-month average daily flow for the most recent three consecutive months exceeds 50 percent of the permitted capacity of the treatment plant or reuse and disposal systems, the permittee shall submit to the Department a capacity analysis report.
6. Discharge Monitoring Reports (DMRs) submitted for June, July and August 1999 indicated nitrate levels above 12 mg/l. Sample results were 17.2, 15.5, and 12.2 respectively. Nitrate sample results for January, March, and April 1999 were not submitted. Florida Administrative Code Rule 62-610.510(1) sets the maximum allowable discharge limit for Nitrate at 12.0 mg/L. Permit Condition LA.6. indicates that Nitrate is to be sampled on a monthly basis.
7. The January, March, April, May, November and December 1999 DMRs for reuse indicate total suspended solids (TSS) results of greater than 5 mg/L of sample on separate sample

Ms. Barb Stanze
February 18, 2000
Page Three

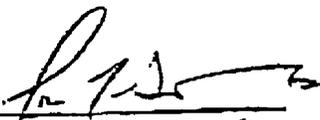
days. P.A.C. Rule 62-600.4 40(5)(f)3. requires any one sample for high level disinfection not to exceed 5 mg/L of TSS at a sample point before application of the disinfectant.

8. A review of the chain of custody reports for November and December 1999 indicate that no preservative is used when the samples are transported to the for lab analysis. Please explain.
9. A written response was never received for a non compliance letter issued by the Department dated September 7, 1999 (enclosed). Many of the same issues are still occurring.

You are advised that any activity that may contribute to violations of the above described statutes and rules should cease immediately. Continued operation of a facility in violation of state statutes or rules may result in liability for damages and restoration, and the judicial imposition of civil penalties pursuant to Sections 403.141 and 403.161, Florida Statutes.

PLEASE CONTACT JENNIFER RICKS AT (941) 332-6975, EXT. 176, WITHIN 15 DAYS OF RECEIPT OF THIS LETTER TO ARRANGE A MEETING TO DISCUSS THE ISSUES RAISED IN THIS LETTER.

Sincerely,


Andrew R. Barienbrock
Environmental Manager

ARB/JJR/kim

Enclosure

cc: Gary Decker, H2O

*This instrument prepared by
and please return to:*
Wilhelmina F. Kightlinger, Esquire
Piper Marbury Rudnick & Wolfe LLP
101 East Kennedy Boulevard
Suite 2000
Tampa, Florida 33602

Tax folio nos.: 08-43-24-00-00002.0010
08-43-24-00-00002.0020

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED made the 29th day of February, 2000, by GATORLAND VISTAS, INC., an Illinois corporation, with its principal place of business at Two North Riverside Plaza, Suite 800, Chicago, Illinois 60606 (hereinafter referred to as "Grantor"), to NORTH FORT MYERS UTILITY, INC., a Florida corporation, whose post office address is Post Office Box 2547, Fort Myers, Florida 33902-2547 (hereinafter referred to as "Grantee"):

WITNESSETH: That Grantor, for and in consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration, receipt whereof is hereby acknowledged, by these presents does grant, bargain, sell, alien, remise, release, convey and confirm unto Grantee all of that certain land situate in Lee County, Florida, viz:

See attached Exhibit "A" (the "Property").

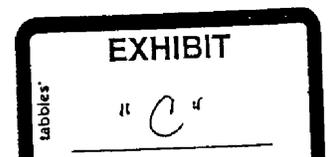
SUBJECT TO conditions, restrictions, reservations, zoning, prohibitions and other requirements imposed by governmental authority; restrictions and matters appearing on the plat or otherwise common to the subdivision; public utility easements of record; taxes for the current year and all subsequent years; and those matters listed on Exhibit "B" attached hereto (collectively, the "Permitted Encumbrances").

FURTHERMORE, Grantee, its successors and assigns shall use the Property solely to construct, operate and maintain a utility system and related facilities which provide for potable water supply and wastewater collection, treatment and disposal services.

TOGETHER with all the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

TO HAVE AND TO HOLD the same in fee simple forever.

AND Grantor hereby covenants with Grantee that Grantor is lawfully seized of the Property in fee simple; that Grantor has good right and lawful authority to sell and convey the Property; that



Grantor hereby fully warrants the title to the Property and will defend the same against the lawful claims of all persons claiming by, through or under Grantor; and that the Property is free of all encumbrances, except for the Permitted Encumbrances.

IN WITNESS WHEREOF, Grantor has caused these presents to be executed in its name, by its proper officer thereunto duly authorized as of the day and year first above written.

Signed, sealed and delivered
in our presence:

GATORLAND VISTAS, INC.,
an Illinois corporation

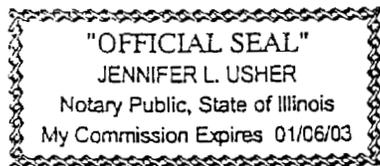
Print Name: Donna J. Skwers
Donna J. SKWERS

By: [Signature]
Print Name: Arthur A. Greenberg
Print Title: Vice President

Print Name: [Signature]
Sarah G. Blum

STATE OF ILLINOIS)
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this 22nd day of February, 2000, by Arthur A. Greenberg, as Vice President of GATORLAND VISTAS, INC., an Illinois corporation, on behalf of the corporation. He/She is personally known to me or has produced _____ as identification.



[Signature]
Notary Public
State of Illinois
My Commission Expires: 01/06/03

EXHIBIT "A"

LEGAL DESCRIPTION

PARCEL 1 WATER TREATMENT FACILITY

A parcel of land lying in the south half (S-1/2) of Section 8, Township 43 South, Range 24 East, Lee County, Florida being described as follows:

From the southeast corner of said Section 8 run N 00° 11' 10" E along the east line of said Section for 2,200.00 feet; thence run S 88° 31' 00" W parallel with the south line of the southeast quarter (SE 1/4) of said Section for 2,349.44 feet; thence run N 88° 31' 33" W parallel with the south line of the southwest quarter (SW 1/4) of said Section for 52.52 feet; thence run S 00° 00' 00" E for 237.52 feet; thence run N 90° 00' 00" E for 110.00 feet; thence run S 00° 00' 00" E for 12.00 feet to the Point of Beginning of this description.

From said Point of Beginning continue S 00° 00' 00" E for 88.00 feet; thence run S 90° 00' 00" W for 115.00 feet; thence run N 00° 00' 00" W for 13.30 feet to a point on a non-tangent curve; thence run northeasterly along an arc of a curve to the left having a radius of 182.00 feet (delta 16° 15' 05") (chord bearing N 16° 50' 06" E) (chord 51.45 feet) for an arc length of 51.63 feet to a point of reverse curvature; thence run northeasterly along an arc of a curve to the right having a radius of 30.00 feet (delta 81° 17' 27") (chord bearing N 49° 21' 16" E) (chord 39.08 feet) for an arc length of 42.56 feet to a point of tangency; thence run N 90° 00' 00" E for 70.44 feet to the Point of Beginning.

Bearings hereinabove mentioned are derived from the Plat of Indian Pines Unit One as recorded in Plat Book 29 at Pages 65 through 72, Public Records of Lee County, Florida. The south line of Tract "A" as shown on said plat bears S 64° 05' 00" W.

PARCEL 2 SEWAGE TREATMENT FACILITY

A parcel of land lying in the southwest quarter (SW-1/4) of Section 8, Township 43 South, Range 24 East, Lee County, Florida being described as follows:

From the south quarter corner of said Section 8 run westerly along the south line of said Section 8, N 88° 31' 33" W for 750.28 feet to the Point of Beginning of this description.

From said Point of Beginning continue westerly along said south line N 88° 31' 33" W for 862.20 feet to the southerly end of a line that intersects the south line of said Section 8 and is parallel with the east line of said Section 8; thence run along said parallel line N 00° 11' 10" E for 831.50 feet; thence run southeasterly along an arc

of a curve, the north end of said curve being tangent with the last mentioned "parallel line," said curve having a radius of 480.75 feet (delta 44° 11' 14") (chord bearing S 21° 54' 27" E) (chord 361.64 feet) for an arc length of 370.76 feet to a point of tangency; thence run S 44° 00' 03" E for 72.34 feet to a point of curve; thence run along an arc of a curve to the left having a radius of 461.32 feet (delta 13° 04' 28") (chord bearing S 50° 32' 17" E) (chord 105.04 feet) for an arc length of 105.27 feet to a point of tangency; thence run S 57° 04' 31" E for 45.34 feet to a point of curve; thence run along an arc of a curve to the right having a radius of 254.02 feet (delta 20° 19' 30") (chord bearing S 46° 54' 46" E) (chord 89.64 feet) for an arc length of 90.11 feet to a point of tangency; thence run S 36° 45' 02" E for 92.20 feet to a point of curve; thence run along an arc of a curve to the left having a radius of 439.30 feet (delta 13° 45' 45") (chord bearing S 43° 37' 54" E) (chord 105.27 feet) for an arc length of 105.52 feet to a point of tangency; thence run S 50° 30' 41" E for 81.54 feet to a point of curve; thence run along an arc of a curve to the left having a radius of 489.48 feet (delta 38° 00' 52") (chord bearing S 69° 31' 07" E) (chord 318.83 feet) for an arc length of 324.76 feet to the south line of said Section 8 and the Point of Beginning.

Bearings hereinabove mentioned are derived from the Plat of Indian Pines Unit One as recorded in Plat Book 29 at Pages 65 through 72, Public Records of Lee County, Florida. The south line of Tract "A" as shown on said plat bears S 64° 05' 00" W.

PARCEL 3 EFFLUENT POND

A parcel of land lying in the southwest quarter (SW-1/4) of Section 8, Township 43 South, Range 24 East, Lee County, Florida being described as follows:

From the south quarter corner of said Section 8 run westerly along the south line of said Section 8, N 88° 31' 33" W for 1612.48 feet to the southerly end of a line that intersects the south line of said Section 8 and is parallel with the east line of said Section 8; thence run along said parallel line N 00° 11' 10" E for 362.27 feet to the Point of Beginning of this description.

From said Point of Beginning run N 89° 53' 39" W for 392.28 feet; thence run N 02° 16' 40" W for 151.98 feet; thence run N 87° 39' 32" E for 267.27 feet; thence run N 41° 55' 05" E for 48.86 feet; thence run S 85° 16' 56" E for 99.59 feet to an intersection with said parallel line; thence run S 00° 11' 10" W along said line for 191.67 feet to the Point of Beginning.

Bearings hereinabove mentioned are derived from the Plat of Indian Pines Unit One as recorded in Plat Book 29 at Pages 65 through 72, Public Records of Lee County, Florida. The south line of Tract "A" as shown on said plat bears S 64° 05' 00" W.

EXHIBIT "B"

PERMITTED ENCUMBRANCES

- (1) Taxes and assessments for the year 2000 and subsequent years.
- (2) Zoning and other laws, rules, and regulations of local governmental authorities.
- (3) Reservation of 1/2 interest in all oil, gas and other mineral rights contained in Deed between Lilian Bayliss Green, Edwin R. Bayliss, Eulalie M. Bayliss, Mary Bayliss Forsmark and Martin J. Forsmark, Celeste Bayliss Koski and Reyno M. Koski, Franklin G. Bayliss and Elizabeth K. Bayliss, Dudley C. Bayliss and Rose Weston Bayliss, being the sole and only heirs of the Estates of Edwin Bayliss, deceased, Jerome Z. Bayliss, deceased, and Willard Bayliss, deceased, parties of the first part and Robert W. Marxer and Kathryn A. Marxer, husband and wife, parties of the second part, dated June 1, 1950 and recorded July 5, 1950 as instrument #128806 in Deed Book 202, Page 353, Public Records of Lee County, Florida.
- (4) Right-of-Way Easement 16 feet wide from Pine Lakes Venture, a Florida General Partnership ("PLV") to Lee County Electric Co-Operative, Inc., dated November 24, 1986 and recorded June 15, 1988 as instrument #2471851 in O.R. Book 1996, Page 2308, Public Records of Lee County, Florida.
- (5) Covenant of Unified Control executed by Robert D. Brown, dated July 8, 1985 and recorded July 18, 1985 as instrument #1967962 in O.R. Book 1794, Page 1769, Public Records of Lee County, Florida.
- (6) Declaration of Restriction executed by PLV dated September 19, 1985 and recorded September 19, 1985 as instrument #1993907 in O.R. Book 1804, Page 4190, Public Records of Lee County, Florida.
- (7) Resolution of the Board of County Commissioners of Lee County, Florida, dated June 17, 1985 and recorded April 24, 1986 as instrument #2085258 in O.R. Book 1841, Page 2940, Public Records of Lee County, Florida.
- (8) Notice of Development Order recorded June 6, 1986 as instrument #2105432 in O.R. Book 1850, Page 137, Public Records of Lee County, Florida.
- (9) Resolution of the Board of County Commissioners of Lee County, Florida, dated February 11, 1985 and recorded June 23, 1985 as instrument #2112915 in O.R. Book 1853, Page 324, Public Records of Lee County, Florida.
- (10) Resolution of the Board of County Commissioners of Lee County, Florida, dated February 11, 1985 and recorded July 2, 1986 as instrument #2117465 in O.R. Book 1855, Page 119, Public Records of Lee County, Florida.

- (11) Terms, covenants, conditions and easements as reflected on plat of Pine Lakes Country Club, Phase IV, as recorded July 31, 1989 in Plat Book 43, Pages 35 through 48, inclusive, Public Records of Lee County, Florida.
- (12) Riparian and Littoral Rights.
- (13) Service Agreement, to provide water and wastewater service for Pine Lakes Country Club between PLV and FFEC-Six, Inc. ("FFEC"), dated May 29, 1990 and recorded January 3, 1991 as instrument #2958898 in O.R. Book 2195, Page 2867 and assigned by Assignment of Service Agreement from PLV to Pine Lakes Venture, Ltd., dated December 31, 1990 and recorded January 3, 1991 as instrument #2958899 in O.R. Book 2195, Page 2879, Public Records of Lee County, Florida.
- (14) Service Agreement, to provide water and wastewater service for Lake Fairways Manufactured Home Community, between LRB Co. and FFEC dated May 29, 1990 and recorded May 30, 1990 as instrument #2852755 in O.R. Book 2152, Page 2288, Public Records of Lee County, Florida; Consent to Service Agreement (undated), recorded May 30, 1990 as instrument #2852756 in O.R. Book, 2152, Page 2310, Public Records of Lee County, Florida; and assigned to The Mutual life Insurance Company of New York by Assignment dated May 29, 1990 and recorded May 30, 1990 as instrument #2852757 in O.R. Book 2152, Page 2335, Public Records of Lee County, Florida.
- (15) Memorandum of Covenant and Restrictions by and between MHC Systems, Inc. ("MHC") and North Fort Myers Utility, Inc. ("NFMU"), to be recorded in the Public Records of Lee County, Florida.
- (16) Encroachment of 6 foot high chain link fence on the western boundary of Parcel 3 (the Effluent Pond) as shown on Boundary Survey prepared by Johnson Engineering, Inc., dated August 22, 1994, and revised and updated November 6, 1995 (File No. 8-43-24, Project No. 20290).
- (17) Pine lakes Reclaimed Water Use Agreement to provide wastewater effluent for public access irrigation, between MHC and MHC Operating Limited Partnership, dated November 1, 1994.
- (18) Grant of Non-Exclusive Easement by NFMU in favor of MHC dated the date hereof, to be recorded in the Public Records of Lee County, Florida.

EXHIBIT "D"

TARIFFS ARE LOCATED IN THE ORIGINAL APPLICATION

TERRITORY SERVED

CERTIFICATE NUMBER - 247-S

COUNTY - Lee

COMMISSION ORDERS APPROVING TERRITORY SERVED -

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
8025	10/25/77	770709-S	Grandfather
11300	11/02/82	820278-S	Extension
12572	10/04/83	830316-S	Extension
15659	02/12/86	830362-S	Extension/Name Change
19059	03/29/88	871306-SU	Extension
PSC-92-0537-FOF-SU	06/22/92	920037-SU	Extension/Del Tura
PSC-92-0588-FOF-SU	06/30/92	920273-SU	Extension/Forest Park
PSC-93-0971-FOF-SU	06/29/93	930289-SU	Extension/Fountain View
PSC-93-1851-FOF-SU	12/30/93	931040-SU	Extension/Northside Pavillion
PSC-93-1821-FOF-SU	12/22/93	930379-SU	Extension/LaurelEstates/LakeArrowhead
PSC-94-0450-FOF-SU	04/14/94	931164-SU	Extension/Carriage Village
PSC-94-0726-FOF-SU	06/13/94	930724-SU	Extension/Lazy Days
PSC-95-0576-FOF-SU	05/09/95	940963-SU	Extension/Tamiami Village
PSC-99-2444-AS-SU	12/14/99	981781-SU	Extension/Buccaneer Estates Transfer/Pine Lakes/Lake Fairways

(Continued to Sheet No. 3.1)

Jack Schenkman
ISSUING OFFICER

President
TITLE

INDEX OF RATE AND CHARGES SCHEDULES

	<u>Sheet Number</u>
Customer Deposits	18.0
Customer Deposits, Pine Lakes/Lake Fairways	18.1
Effluent for Spray Irrigation, Pine Lakes	17.1
General Service, GS	15.0
General Service, GS, Pine Lakes/Lake Fairways	15.1
Miscellaneous Service Charges	20.0
Multi-Residential Service, MS	17.0
Residential Service, RS	16.0
Residential Service, RS, Pine Lakes/Lake Fairways	16.1
Service Availability Fees and Charges	21.0
Service Availability Fees and Charges, Pine Lakes/ Lake Fairways	21.0.1

Jack Schenkman
ISSUING OFFICER

President
TITLE

GENERAL SERVICE

RATE SCHEDULE GS

AVAILABILITY - Available throughout the area served by the Company, except in the Pine Lakes/Lake Fairways area.

APPLICABILITY - For wastewater service to all customers for which no other schedule applies.

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

BILLING PERIOD - Monthly

RATE -

<u>Meter Size</u>	<u>Base Facility Charge</u>
5/8 x 3/4"	\$ 10.81
1"	26.99
1 1/2"	53.98
2"	86.36
3"	172.70
4"	269.83
6"	539.78

BASE FACILITY CHARGE - \$3.98 per 1,000 gallons of water used

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

EFFECTIVE DATE -

TYPE OF FILING - Transfer

Jack Schenkman
ISSUING OFFICER

President
TITLE

GENERAL SERVICE

RATE SCHEDULE GS

AVAILABILITY - Available to the Pine Lakes/Lake Fairways area served by the Company.

APPLICABILITY - For wastewater service to all customers for which no other schedule applies.

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

BILLING PERIOD - Monthly

RATE -

<u>Meter Size</u>	<u>Base Facility Charge</u>
5/8 x 3/4"	\$ 9.34
3/4"	14.00
1"	23.32
1 1/2"	46.65
2"	74.64
3"	149.27
4"	233.25
6"	466.50

GALLONAGE CHARGE - \$5.19 per 1,000 gallons

MINIMUM CHARGE - \$9.34 per month

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

EFFECTIVE DATE -

TYPE OF FILING - Transfer

Jack Schenkman
ISSUING OFFICER

President
TITLE

RESIDENTIAL SERVICE

RATE SCHEDULE RS

AVAILABILITY - Available throughout the area served by the company, except in the Pine Lakes/Lake Fairways area.

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

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

BILLING PERIOD - Monthly

<u>RATE</u> -	<u>Meter Size</u>	<u>Rate</u>
	All Sizes	\$ 10.98
	Gallonage Charge: per 1,000 gallons (Max. 10,000 gallons)	\$ 3.98

BASE FACILITY CHARGE - \$10.98

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

EFFECTIVE DATE -

TYPE OF FILING - Transfer

Jack Schenkman
ISSUING OFFICER

President
TITLE

RESIDENTIAL SERVICE

RATE SCHEDULE RS

AVAILABILITY - Available to the Pine Lakes/Lake Fairways area served by the Company.

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

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

BILLING PERIOD - Monthly

<u>RATE</u> -	<u>Meter Size</u>	<u>Rate</u>
	All Meter Sizes	\$ 9.34
		\$ 4.32 per 1,000 gallons (Maximum 6,000 gallons)

BASE FACILITY CHARGE - \$ 9.34 per month

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

EFFECTIVE DATE -

TYPE OF FILING - Transfer

Jack Schenkman
ISSUING OFFICER

President
TITLE

EFFLUENT FOR SPRAY IRRIGATION

RATE SCHEDULE

AVAILABILITY - Available to the Pine Lakes Country Club by special contract.

APPLICABILITY - To the extent of its capacity and wastewater flows, the Utility shall ensure continued availability of effluent on a non-discriminatory basis for irrigation.

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

RATE - \$0.25 per 1,000 gallons of effluent

BILLING CYCLE - Monthly billing cycle.

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

EFFECTIVE DATE -

TYPE OF FILING - Transfer

Jack Schenkman
ISSUING OFFICER

President
TITLE

SCHEDULE OF CUSTOMER DEPOSITS - PINE LAKES/LAKE FAIRWAYS

ESTABLISHMENT OF CREDIT - Before rendering wastewater service, the Company may require an applicant for service to satisfactorily establish credit, but such establishment of credit shall not relieve the customer from complying with the Company's Rules for prompt payment. Credit will be deemed so established, in if the customer complies with the requirements of Rule 25-30.311, Florida Administrative Code.

AMOUNT OF DEPOSIT The amount of initial deposit shall be the following, according to meter size:

	<u>Residential</u>	<u>General Service</u>
5/8" x 3/4"	<u>\$ 25.00</u>	<u>\$ 25.00</u>
1"	<u>30.00</u>	<u>30.00</u>
1-1/2"	<u>35.00</u>	<u>35.00</u>
Over 2"	<u>50.00</u>	<u>50.00</u>

ADDITIONAL DEPOSIT - Under Rule 25-30.311(7), Florida Administrative Code, the Company may require a new deposit, where previously waived or returned, or an additional deposit in order to secure payment of current bills provided.

INTEREST ON DEPOSIT - The Company shall pay interest on customer deposits pursuant to Rule 25-30.311(4) and (4a). The Company will pay or credit accrued interest to the customer's account during the month of N/A each year.

REFUND OF DEPOSIT - After a residential customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the Company shall refund the customer's deposit provided the customer has met the requirements of Rule 25-30.311(5), Florida Administrative Code. The Company may hold the deposit of a non-residential customer after a continuous service period of 23 months and shall pay interest on the non-residential customer's deposit pursuant to Rule 25-30.311(4) and (5), Florida Administrative Code.

Nothing in this rule shall prohibit the Company from refunding a customer's deposit in less than 23 months.

EFFECTIVE DATE -

TYPE OF FILING - Transfer

Jack Schenkman
ISSUING OFFICER

President
TITLE

SERVICE AVAILABILITY SCHEDULE OF FEES AND CHARGES
PINE LAKES/LAKE FAIRWAYS

<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFER TO SHEET NO.</u>
<u>Customer Connection (Tap-in Charge)</u>		
5/8" x 3/4" metered service	\$	
1" metered service	\$	
1 1/2" metered service	\$	
2" metered service	\$	
Over 2" metered service	\$ [1]	
<u>Guaranteed Revenue Charge</u>		
With Prepayment of Service Availability Charges:		
Residential-per ERC/month (___) GPD	\$	
All others-per gallon/month	\$	
Without Prepayment of Service Availability Charges:		
Residential-per ERC/month (___) GPD	\$	
All others-per gallon/month	\$	
<u>Inspection Fee</u>	\$[1]	
<u>Main Extension Charge</u>		
Residential-per ERC/month (___) GPD	\$	
All others-per gallon/month	\$	
or		
Residential-per lot (___ foot frontage)	\$	
All others-per foot	\$	
<u>Plan Review Charge</u>	[1]	
<u>Plant Capacity Charge</u>		
Residential-per ERC (___ GPD)	\$	
All others-per gallon	\$	
<u>System Capacity Charge</u>		
Residential-per ERC (80 GPD)	\$ 692.50	
All others-per gallon	\$	

[1] Actual Cost is equal to the total cost incurred for services rendered.

EFFECTIVE DATE -
TYPE OF FILING - Transfer

Jack Schenkman
ISSUING OFFICER

President
TITLE

WATER TARIFF

NORTH FORT MYERS UTILITY, INC
NAME OF COMPANY

FILED WITH
FLORIDA PUBLIC SERVICE COMMISSION

WATER TARIFF

NORTH FORT MYERS UTILITY, INC
NAME OF COMPANY

5660 Bayshore Road, Suite 51

Fort Myers, FL 33917
(ADDRESS OF COMPANY)

(941) 543-1005 or (941) 543-1808
(Business & Emergency Telephone Numbers)

FILED WITH
FLORIDA PUBLIC SERVICE COMMISSION

NAME OF COMPANY: NORTH FORT MYERS UTILITY, INC.

WATER TARIFF

TABLE OF CONTENTS

	Sheet Number
Held for Future Use	4.0
Description of Territory Served	3.1-3.4
Index of:	
Rates and Charges Schedules	11.0
Rules and Regulations	6.0
Service Availability Policy	24.0
Standard Forms	20.0
Technical Terms and Abbreviations	5.0
Territory Authority	3.0

JACK SCHENKMAN
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: NORTH FORT MYERS UTILITY, INC.

WATER TARIFF

TERRITORY AUTHORITY

CERTIFICATE NUMBER - 353 - W

COUNTY - LEE

COMMISSION ORDER(S) APPROVING TERRITORY SERVED -

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
12225	07/12/83	800733-WS	Original Certificate
17020	12/24/86	861440-WS	Amendment
			Transfer

(Continued to Sheet No. 3.1)

JACK SCHENKMAN
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: NORTH FORT MYERS UTILITY, INC.

WATER TARIFF

(Continued from Sheet No. 3.0)

DESCRIPTION OF TERRITORY SERVED

Order No. 12225, July 12, 1983

Township 43 South, Range 24 East, Section 8 and 9

Beginning at the southeast corner of said Section 8, and continuing South 88°31'00" W 2349.44 feet; thence North 88°31'33"W 1612.48 feet; thence N 0°11'10" E, 2200.0 feet; thence South 88°31'00" E 2349.44 feet; thence North 0°11'10"E 362.19 feet; thence South 89°51'50" East 1360.22 feet; thence North 64°05'00"East 380.00 feet to the West right of way line of US 41; thence South 25°55'00" East along said right of way line 1420.27 feet; thence South 25°57'31" East 349.0 feet; thence South 64°48'12" West 380.03 feet to a point on the FP&L easement; thence North 25°57'37" West along said easement 30.72 feet; thence South 63°06'52" West 2210 55 feet; thence North 89°59'48"West 154.91 feet; to the POINT OF BEGINNING.

(Continued to Sheet No. 3.2)

JACK SCHENKMAN
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: NORTH FORT MYERS UTILITY, INC.

WATER TARIFF

(Continued from Sheet No. 3.1)

DESCRIPTION OF TERRITORY SERVED

Section 8, T. 43 S., R. 24 E.

Lee County, Florida

Order No. 17020, December 24, 1986

A tract or parcel of land lying in Section 8, Township 43 South, Range 24 East, Lee County, Florida, which tract or parcel is described as follows:

Beginning at the northeast corner of that parcel described in deed recorded in Official Record Book 1086 at page 797, Lee County Records run S88°31'00" W parallel with the south line of the southeast quarter (SE -1/4) of said Section 8 along the north line of said parcel for 2,349.30 feet to an intersection with a line parallel with and 2,200 feet north of (as measured on a line parallel with the east line of Section 8) the south line of the southwest quarter (SW-1/4) of said Section 8 said point being at the directional change on the north line of said parcel; thence run N88°31'33" W along said parallel line along the north line of said parcel for 1612.32 feet to the northwest corner of said parcel; thence run S00°11'10"W parallel with the east line of said Section 8 along the west line of said parcel for 2,200.00 feet to the south line of said Section 8; thence run N88°31'33" W along said south line for 1032.12 feet to the southwest corner of said Section 8; thence run N02°22'02"W along the west line of the southwest quarter (SW-1/4) of said Section 8 for 2,639.76 feet to the northwest corner of said fraction of a section; then run N02°13'44"E along the west line of the northwest quarter (NW-1/4) for 1,979.63 feet to the southwest corner of the north half (N-1/2) of the north half (N-1/2) of the north half (N-1/2) of said Section 8; thence run along the south line of said fraction of a section S89°31'02"E for 2,339.65 feet; S89°51'51"E for 2,701.74 feet to the southeast corner of said fraction of a section; thence run S00°11'10" W along the east line of said Section 8 for 2,446.83 feet to the Point of Beginning.

Containing 344.37 acres of land more or less.

(Continued to Sheet No. 3.3)

JACK SCHENKMAN
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: NORTH FORT MYERS UTILITY, INC.

WATER TARIFF

(Continued from Sheet No. 3.2)

DESCRIPTION OF TERRITORY SERVED, CONTINUED

Section 9, T. 43 S., R. 24 E.

Lee County, Florida

Wolff Parcel

A tract or parcel of land lying in Section 9, Township 43 South, Range 24 East, Lee County, Florida, which tract or parcel is described as follows:

From the intersection of the north line of said Section 9 and the former westerly right-of-way line (100 feet from the centerline) of State Road 45 run S 25°53'00" E along said former right-of-way line for 400.00 feet; thence run S. 64°07'00" W, perpendicular with said former right-of-way line, for 60.00 feet to the new westerly right-of-way line (160 feet from the centerline) of State Road 45 as described in instrument recorded in Official Record book 1080 at page 190, Lee County Records and the Point of Beginning. From said Point of Beginning run S 25°53'00"E along said new right-of-way line for 360.53 feet to a point of transitional right-of-way width of said State Road 45; thence run S25°30'05" E along said transitional right-of-way line for 239.47 feet; thence run S64°07'00" W , perpendicular with the former right-of-way line of said State Road 45, for 1,002.93 feet to the west line of said Section 9; thence run N00°11'10" E along said west line for 667.96 feet to an intersection with a line perpendicular to said former right-of-way line passing through the Point of Beginning, thence run N64°07'00" E along said perpendicular line for 710.98 feet to the Point of Beginning.

SUBJECT TO a 100 foot Florida Power & Light Company Transmission Line Easement, the centerline of which being parallel with and 500 feet southwesterly of the former right-of-way line (100 feet from the centerline) of said State Road 45.

(Continued to Sheet No. 3.4)

JACK SCHENKMAN
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: NORTH FORT MYERS UTILITY, INC.

WATER TARIFF

(Continued from Sheet No. 3.3)

DESCRIPTION OF TERRITORY SERVED

Section 9, T. 43 S., R. 24 E.
Lee County, Florida
Salvatore Parcel

A tract or parcel of land lying in Section 9, Township 43 South, Range 24 East, Lee County, Florida, which tract or parcel is described as follows:

From the intersection of the north line of said Section 9 and the former westerly right-of-way line (100 feet from the centerline) of State Road 45 run S 25°53'00" E along said former right-of-way line for 1,000.00 feet; thence run S. 64°07'00" W, perpendicular with said former right-of-way line, for 61.60 feet to a point on the new right-of-way line as described in instrument recorded in Official Record book 1001 at page 781, Lee County Records and the Point of Beginning. From said Point of Beginning continue S 64°07'00"W along said perpendicular line for 1,002.93 feet to the west line of said Section 9; thence run S. 00°11'10' W along said west line for 293.45 feet to the southwest corner of the north half (N-1/2) of the northwest quarter (NW-1/4) of the southwest quarter (SW-1/4) of the northwest quarter (NW-1/4) of said Section 9; thence run S89° 51'49" E along the south line of said fraction of a section for 827.35 feet to an intersection with a line parallel with and 450 feet southwesterly of said former right-of-way line; thence run N25°53'00"W along said parallel line for 376.53 feet to an intersection with a southwesterly prolongation of the southeasterly line of that parcel of land recorded in Deed Book 247 at page 447 of the land records of Lee County, Florida, thence run N64°07'00" E along said southwesterly prolongation for 386.74 feet to an intersection with the new right-of-way line of said State Road 45; thence run N25°30'05" W along said new right-of-way line for 250.01 feet to the Point of Beginning.

SUBJECT TO a 100 foot Florida Power & Light Company Transmission Line Easement, the centerline of which being parallel with and 500 feet southwesterly of the former right-of-way line (100 feet from the centerline) of said State Road 45.

JACK SCHENKMAN
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: NORTH FORT MYERS UTILITY, INC.

WATER TARIFF

HELD FOR FUTURE USE

JACK SCHENKMAN
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: NORTH FORT MYERS UTILITY, INC

WATER TARIFF

TECHNICAL TERMS AND ABBREVIATIONS

- 1.0 "BFC" - The abbreviation for "Base Facility Charge" which is the minimum amount the Company may charge its Customers and is separate from the amount the Company bills its Customers for water consumption.
- 2.0 "CERTIFICATE" - A document issued by the Commission authorizing the Company to provide water service in a specific territory.
- 3.0 "COMMISSION" - The shortened name for the Florida Public Service Commission.
- 4.0 "COMMUNITIES SERVED" - The group of Customers who receive water service from the Company and whose service location is within a specific area or locality that is uniquely separate from another.
- 5.0 "COMPANY" - The shortened name for the full name of the utility which is NORTH FORT MYERS UTILITY, INC..
- 6.0 "CUSTOMER" - Any person, firm or corporation who has entered into an agreement to receive water service from the Company and who is liable for the payment of that water service.
- 7.0 "CUSTOMER'S INSTALLATION" - All pipes, shut-offs, valves, fixtures and appliances or apparatus of every kind and nature used in connection with or forming a part of the installation for rendering water service to the Customer's side of the Service Connection whether such installation is owned by the Customer or used by the Customer under lease or other agreement.
- 8.0 "MAIN" - A pipe, conduit, or other facility used to convey water service to individual service lines or through other mains.
- 9.0 "RATE" - Amount which the Company may charge for water service which is applied to the Customer's actual consumption.
- 10.0 "RATE SCHEDULE" - The rate(s) or charge(s) for a particular classification of service plus the several provisions necessary for billing, including all special terms and conditions under which service shall be furnished at such rate or charge.
- 11.0 "SERVICE" - As mentioned in this tariff and in agreement with Customers, "Service" shall be construed to include, in addition to all water service required by the Customer, the readiness and ability on the part of the Company to furnish water service to the Customer. Service shall conform to the standards set forth in Section 367.111 of the Florida Statutes.

(Continued to Sheet No. 5.1)

JACK SCHENKMAN
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: NORTH FORT MYERS UTILITY, INC.

WATER TARIFF

(Continued from Sheet No. 5.0)

TECHNICAL TERMS AND ABBREVIATIONS, CONTINUED

- 12.0 "SERVICE CONNECTION" - The point where the Company's pipes or meters are connected with the pipes of the Customer.
- 13.0 "SERVICE LINES" - The pipes between the Company's Mains and the Service Connection and which includes all of the pipes, fittings and valves necessary to make the connection to the Customer's premises, excluding the meter.
- 14.0 "TERRITORY" - The geographical area described, if necessary, by metes and bounds but, in all cases, with township, range and section in a Certificate, which may be within or without the boundaries of an incorporated municipality and may include areas in more than one county.

JACK SCHENKMAN
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: NORTH FORT MYERS UTILITY, INC.

WATER TARIFF

INDEX OF RULES AND REGULATIONS

	<u>Sheet Number:</u>	<u>Rule Number:</u>
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Adjustment of Bills	10.0	22.0
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All Water Through Meter	10.0	21.0
Application	7.0	3.0
Applications by Agents	7.0	4.0
Change of Customer's Installation	8.0	11.0
Continuity of Service	8.0	9.0
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Meter Accuracy Requirements	10.0	24.0
Meters	10.0	20.0
Payment of Water and Wastewater Service Bills Concurrently	10.0	18.0

(Continued to Sheet No. 6.1)

JACK SCHENKMAN
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: NORTH FORT MYERS UTILITY, INC.

WATER TARIFF

(Continued from Sheet No. 6.0)

	<u>Sheet Number:</u>	<u>Rule Number:</u>
Policy Dispute	7.0	2.0
Protection of Company's Property	8.0	12.0
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Right-of-way or Easements	9.0	15.0
Termination of Service	9.0	17.0
Type and Maintenance	7.0	7.0
Unauthorized Connections - Water	10.0	19.0

JACK SCHENKMAN
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: NORTH FORT MYERS UTILITY, INC.

WATER TARIFF

RULES AND REGULATIONS

- 1.0 GENERAL INFORMATION - These Rules and Regulations are a part of the rate schedules and applications and contracts of the Company and, in the absence of specific written agreement to the contrary, apply without modifications or change to each and every Customer to whom the Company renders water service.
- The Company shall provide water service to all Customers requiring such service within its Certificated territory pursuant to Chapter 25-30, Florida Administrative Code and Chapter 367, Florida Statutes.
- 2.0 POLICY DISPUTE - Any dispute between the Company and the Customer or prospective Customer regarding the meaning or application of any provision of this tariff shall upon written request by either party be resolved by the Florida Public Service Commission.
- 3.0 APPLICATION - In accordance with Rule 25-30.310, Florida Administrative Code, a signed application is required prior to the initiation of service. The conditions of such application or agreement are binding upon the customer as well as upon the company. A copy of the application or agreement for sewer service accepted by the company will be furnished to the applicant on request.
- 4.0 APPLICATIONS BY AGENTS - Applications for water service requested by firms, partnerships, associations, corporations, and others shall be rendered only by duly authorized parties or agents. When sewer service is rendered under agreement(s) entered into between the company and an agent of the principal, the use of such sewer service by the principal or agent shall constitute full and complete ratification by the principal of the agreement(s) entered into between agent and the company and under which such sewer service is rendered.
- 5.0 REFUSAL OR DISCONTINUANCE OF SERVICE - The Company may refuse or discontinue water service rendered under application made by any member or agent of a household, organization, or business in accordance with Rule 25-30.320, Florida Administrative Code, unless all prior indebtedness to the company or such household, organization or business for sewer service has been settled in full.
- Service may also be discontinued for any violation by the customer or consumer of any rule or regulation set forth in this tariff.
- 6.0 EXTENSIONS - Extensions will be made to the Company's facilities in compliance with Commission Rules and Orders and the Company's tariff. The company will make such extensions to its existing facilities as may be required by one or more consumers, provided the revenues to be derived therefrom shall be sufficient to afford fair and reasonable return on the cost of providing and rendering the service. Otherwise, the company will require from the consumer prepayments, cash advances, minimum guarantees, service guarantees, CIAC, or other arrangements with the consumer, whereby the company will be enabled to earn a fair and reasonable return on the cost of providing and rendering the required service.
- 7.0 TYPE AND MAINTENANCE - In accordance with Rule 25-30.545, Florida Administrative Code, the Customer's pipes, apparatus and equipment shall be selected, installed, used and maintained in accordance with standard practice and shall conform with the Rules and Regulations of the Company and shall comply with all laws and governmental regulations applicable to same. The Company shall not be responsible for the maintenance and operation of the Customer's pipes and facilities. The Customer expressly agrees not to utilize any appliance or device which is not properly constructed, controlled and protected or which may adversely affect the water service. The Company reserves the right to discontinue or withhold water service to such apparatus or device.

(Continued to Sheet No. 8)

JACK SCHENKMAN
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: NORTH FORT MYERS UTILITY, INC.

WATER TARIFF

9.0 CONTINUITY OF SERVICE - In accordance with Rule 25-30.250, Florida Administrative Code, the Company will at all times use reasonable diligence to provide continuous water service and, having used reasonable diligence, shall not be liable to the Customer for failure or interruption of continuous water service. The company shall not be liable for any act or omission caused directly or indirectly by strikes, labor troubles, accident, litigations, breakdowns, shutdowns for emergency repairs, or adjustments, acts of sabotage, enemies of the U.S.A., wars, U.S.A., State, Municipal or other governmental interference, acts of God or other causes beyond its control.

If at any time the Company shall interrupt or discontinue its service, all Customers affected by said interruption or discontinuance shall be given not less than 24 hours written notice.

10.0 LIMITATION OF USE - Water service purchased from the Company shall be used by the Customer only for the purposes specified in the application for water service. Water service shall be rendered to the Customer for the Customer's own use and the Customer shall not sell or otherwise dispose of such water service supplied by the Company.

In no case shall a Customer, except with the written consent of the Company, extend his lines across a street, alley, lane, court, property line, avenue, or other way in order to furnish water service to the adjacent property through one meter even though such adjacent property may be owned by him. In case of such unauthorized extension, sale, or disposition of service, the Customer's water service will be subject to discontinuance until such unauthorized extension, remetering, sale or disposition of service is discontinued and full payment is made to the Company for water service rendered by the Company (calculated on proper classification and rate schedules) and until reimbursement is made in full to the Company for all extra expenses incurred for clerical work, testing, and inspections.

11.0 CHANGE OF CUSTOMER'S INSTALLATION - No changes or increases in the Customer's installation, which will materially affect the proper operation of the pipes, mains, or stations of the Company, shall be made without written consent of the Company. The Customer shall be liable for any charge resulting from a violation of this Rule.

12.0 PROTECTION OF COMPANY'S PROPERTY - The Customer shall exercise reasonable diligence to protect the Company's property and shall knowingly permit no one but the Company's agents, or persons authorized by law, to have access to Company's pipes and apparatus. If the Customer is found to have tampered with any Company property or refuses to correct any problems reported by the Company, service may be discontinued in accordance with Rule 25-30.320, Florida Administrative Code.

In the event of any loss or damage to property of the Company caused by or arising out of carelessness, neglect, or misuse by the Customer, the cost of making good such loss or repairing such damage shall be paid by the Customer.

(Continued on Sheet No. 9.0)

JACK SCHENKMAN
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: NORTH FORT MYERS UTILITY, INC.
 WATER TARIFF

(Continued from Sheet No. 8.0)

- 13.0 INSPECTION OF CUSTOMER'S INSTALLATION - All Customer's water service installations or changes shall be inspected upon completion by a competent authority to ensure that the Customer's piping, equipment, and devices have been installed in accordance with accepted standard practice and local laws and governmental regulations. Where municipal or other governmental inspection is required by local rules and ordinances, the Company cannot render water service until such inspection has been made and a formal notice of approval from the inspecting authority has been received by the Company.

Notwithstanding the above, the Company reserves the right to inspect the Customer's installation prior to rendering water service, and from time to time thereafter, but assumes no responsibility whatsoever for any portion thereof.

- 14.0 ACCESS TO PREMISES - In accordance with Rule 25-30.320(2)(f), Florida Administrative Code, the Customer shall provide the duly authorized agents of the Company access at all reasonable hours to the premises of the customer for the purposes of installing, monitoring, inspecting or removing company's property, reading meters and other purposes incident to performance under or termination of the company's agreement with the customer and in such performance shall not be liable for trespass. If reasonable access is not provided, service may be discontinued pursuant to the above rule.

- 15.0 RIGHT-OF-WAY OR EASEMENTS - The Customer shall grant or cause to be granted to the Company, and without cost to the Company, all rights, easements, permits, and privileges which are necessary for the rendering of water service.

- 16.0 CUSTOMER BILLING - Bills for water service will be rendered - Monthly - as stated in the rate schedule. Bills are due when rendered and shall be considered as received by customer when delivered or mailed to wastewater service address or some other place mutually agreed upon. Nonreceipt of bills by customer shall not release or diminish obligation of customer with respect to payment thereof.

In accordance with Rule 25-30.335, Florida Administrative Code, the Company may not consider a Customer delinquent in paying his or her bill until the twenty-first day after the Company has mailed or presented the bill for payment.

A municipal or county franchise tax levied upon a water or wastewater public utility shall not be incorporated into the rate for water or wastewater service but shall be shown as a separate item on the Company's bills to its Customers in such municipality or county.

If a utility utilizes the base facility and usage charge rate structure and does not have a Commission authorized vacation rate, the Company shall bill the Customer the base facility charge regardless of whether there is any usage.

In accordance with Rule 25-30.335, F.A.C., the Company may not consider a Customer delinquent in paying his or her bill until the twenty-first day after the Company has mailed or presented the bill for payment.

A municipal or county franchise tax levied upon a water or wastewater public Company shall not be incorporated into the rate for water or wastewater service but shall be shown as a separate item on the Company's bills to its Customers in such municipality or county.

If a Company utilizes the base facility and usage charge rate structure and does not have a Commission authorized vacation rate, the Company shall bill the Customer the base facility charge regardless of whether there is any usage.

- 17.0 TERMINATION OF SERVICE - When a Customer wishes to terminate service on any premises where water service is supplied by the Company, the Company may require reasonable notice to the Company in accordance with Rule 25-30.325, F.A.C.

(Continued on Sheet No. 10 0)

JACK SCHENKMAN
 ISSUING OFFICER

PRESIDENT
 TITLE

NAME OF COMPANY: NORTH FORT MYERS UTILITY, INC.

WATER TARIFF

(Continued from Sheet No. 9.0)

- 18.0 PAYMENT OF WATER AND WASTEWATER SERVICE BILLS CONCURRENTLY - In accordance with Rule 25-30.320(2)(g), Florida Administrative Code, when both water and wastewater service are provided by the Company, payment of any water service bill rendered by the Company to a Customer shall not be accepted by the Company without the simultaneous or concurrent payment of any wastewater service bill rendered by the Company.
- 19.0 UNAUTHORIZED CONNECTIONS - WATER - Any unauthorized connections to the Customer's water service shall be subject to immediate discontinuance without notice, in accordance with Rule 25-30.320, Florida Administrative Code. Unauthorized connections render the service subject to immediate discontinuance without notice and wastewater service will not be restored until such unauthorized connections have been removed and unless settlement is made in full and for water service estimated by the company to have been used by reason of such unauthorized connection
- 20.0 METERS - All water meters shall be furnished by and remain the property of the Company and shall be accessible and subject to its control, in accordance with Rule 25-30.230, Florida Administrative Code.
- 21.0 ALL WATER THROUGH METER - That portion of the Customer's installation for water service shall be so arranged to ensure that all water service shall pass through the meter. No temporary pipes, nipples or spaces are permitted and under no circumstances are connections allowed which may permit water to by-pass the meter or metering equipment.
- 22.0 ADJUSTMENT OF BILLS - When a Customer has been undercharged as a result of incorrect application of the rate schedule, incorrect reading of the meter, incorrect connection of the meter, or other similar reasons, the amount may be refunded or billed to the Customer as the case may be pursuant to Rules 25-30.340 and 25-30.350, Florida Administrative Code.
- 23.0 ADJUSTMENT OF BILLS FOR METER ERROR - When meter tests are made by the Commission or by the Company, the accuracy of registration of the meter and its performance shall conform with Rule 25-30.262, Florida Administrative Code and any adjustment of a bill due to a meter found to be in error as a result of any meter test performed whether for unauthorized use or for a meter found to be fast, slow, non-registering, or partially registering, shall conform with Rule 25-30.340, Florida Administrative Code.
- 24.0 METER ACCURACY REQUIREMENTS - All meters used by the Company should conform to the provisions of Rule 25-30.262, Florida Administrative Code.
- 25.0 FILING OF CONTRACTS - Whenever a Developer Agreement or Contract, Guaranteed Revenue Contract, or Special Contract or Agreement is entered into by the Company for the sale of its product or services in a manner not specifically covered by its Rules and Regulations or approved Rate Schedules, a copy of such contracts or agreements shall be filed with the Commission prior to its execution in accordance with Rule 25-9.034 and Rule 25-30.550, Florida Administrative Code. If such contracts or agreements are approved by the Commission, a conformed copy shall be placed on file with the Commission within 30 days of execution.

JACK SCHENKMAN
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: NORTH FORT MYERS UTILITY, INC.

WATER TARIFF

INDEX OF RATES AND CHARGES SCHEDULES

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General Service, GS	12.0
Meter Test Deposit	17.0
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Fire Hydrants	15.0
Residential Service, RS	13.0
Schedule of Capacity Fees	14.0

JACK SCHENKMAN
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: NORTH FORT MYERS UTILITY, INC.

WATER TARIFF

GENERAL SERVICE

RATE SCHEDULE GS

- AVAILABILITY - Available throughout the area served by the Company.
- APPLICABILITY - For water service to all Customers for which no other schedule applies.
- LIMITATIONS - Subject to all of the Rules and Regulations of this tariff and General Rules and Regulations of the Commission.
- BILLING PERIOD - Monthly
- RATE -

<u>Meter Size</u>	<u>Base Facility Charge</u>
5/8" x 3/4"	\$ 6.42
3/4"	9.65
1"	16.07
1 1/2"	32.15
2"	51.46
3"	102.89
4"	159.10
6"	318.18

GALLONAGE CHARGE \$ 3.77

MINIMUM CHARGE - \$ 6.42 per month.

TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for water service, service may then be discontinued.

EFFECTIVE DATE -
TYPE OF FILING - Transfer of Certificate

JACK SCHENKMAN
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: NORTH FORT MYERS UTILITY, INC.

WATER TARIFF

RESIDENTIAL SERVICE

RATE SCHEDULE RS

- AVAILABILITY - Available throughout the area served by the Company.
- APPLICABILITY - For water service for all purposes in private residences and individually metered apartment units.
- LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.
- BILLING PERIOD - Monthly

RATE -

<u>Meter Size</u>	<u>Base Facility Charge</u>
5/8" x 3/4"	\$ 6.42
3/4"	9.65
1"	16.07
1 1/2"	32.15
2"	51.46
3"	102.89
4"	159.10
6"	318.18

GALLONAGE CHARGE \$ 3.77

MINIMUM CHARGE - Base Facility Charge

TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for water service, service may then be discontinued.

EFFECTIVE DATE -

TYPE OF FILING - Transfer of Certificate

JACK SCHENKMAN
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: NORTH FORT MYERS UTILITY, INC.

WATER TARIFF

WATER

SCHEDULE OF CAPACITY FEES

- AVAILABILITY - Available throughout the area served by the company.
- APPLICABILITY - To all classifications of customers for the first time commencement of water service to any given new location.
- RATE - System Capacity Charge
- \$300.00 per Equivalent Residential Connection as defined in the Rules and Regulations of the Company and the tariff sheets contained therein.
- ERC = 100 gallons per day
- The system capacity charge is designed to cover the cost per ERC of reserving plant and line capacity. The utility does not require the contribution of lines.
- MINIMUM CHARGE -
- TERMS OF PAYMENT -

JACK SCHENKMAN
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: NORTH FORT MYERS UTILITY, INC.

WATER TARIFF

FIRE HYDRANTS

WATER

AVAILABILITY - Available throughout the area served by the company.

APPLICABILITY - To fire hydrants furnishing fire protection installed on public or private property connected to the water mains of the company.

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

RATE - N/A

MINIMUM CHARGE -

TERMS OF PAYMENT -

JACK SCHENKMAN
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: NORTH FORT MYERS UTILITY, INC.

WATER TARIFF

CUSTOMER DEPOSITS

ESTABLISHMENT OF CREDIT - Before rendering water service, the Company may require an Applicant for service to satisfactorily establish credit, but such establishment of credit shall not relieve the Customer from complying with the Company's rules for prompt payment. Credit will be deemed so established if the Customer complies with the requirements of Rule 25-30.311, Florida Administrative Code.

AMOUNT OF DEPOSIT - The amount of initial deposit shall be the following according to meter size:

	<u>Residential</u>	<u>General Service</u>
5/8" x 3/4"	<u>10.00</u>	<u>10.00</u>
1"	<u>12.50</u>	<u>12.50</u>
1 1/2"	<u>12.50</u>	<u>12.50</u>
Over 2"	<u>15.00</u>	<u>15.00</u>

ADDITIONAL DEPOSIT - Under Rule 25-30.311(7), Florida Administrative Code, the Company may require a new deposit, where previously waived or returned, or an additional deposit in order to secure payment of current bills provided.

INTEREST ON DEPOSIT - The Company shall pay interest on Customer deposits pursuant to Rules 25-30.311(4) and (4a). The Company will pay or credit accrued interest to the Customers account during the month of N/A each year.

REFUND OF DEPOSIT - After a residential Customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the Company shall refund the Customer's deposit provided the Customer has met the requirements of Rule 25-30.311(5), Florida Administrative Code. The Company may hold the deposit of a non-residential Customer after a continuous service period of 23 months and shall pay interest on the non-residential Customer's deposit pursuant to Rules 25-30.311(4) and (5), Florida Administrative Code.

Nothing in this rule shall prohibit the Company from refunding a Customer's deposit in less than 23 months.

EFFECTIVE DATE -TYPE OF FILING - Transfer of Certificate

JACK SCHENKMAN
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: NORTH FORT MYERS UTILITY, INC.

WATER TARIFF

METER TEST DEPOSIT

METER BENCH TEST REQUEST - If any Customer requests a bench test of his or her water meter, in accordance with Rule 25-30.266, Florida Administrative Code, the Company may require a deposit to defray the cost of testing; such deposit shall not exceed the schedule of fees found in Rule 25-30.266, Florida Administrative Code.

<u>METER SIZE</u>	<u>FEE</u>
5/8" x 3/4"	\$20.00
1" and 1 1/2"	\$25.00
2" and over	Actual Cost

REFUND OF METER BENCH TEST DEPOSIT - The Company may refund the meter bench test deposit in accordance with Rule 25-30.266, Florida Administrative Code.

METER FIELD TEST REQUEST - A Customer may request a no-charge field test of the accuracy of a meter in accordance with Rule 25-30.266, Florida Administrative Code.

EFFECTIVE DATE -

TYPE OF FILING - Transfer of Certificate

JACK SCHENKMAN
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: NORTH FORT MYERS UTILITY, INC.

WATER TARIFF

MISCELLANEOUS SERVICE CHARGES

The Company may charge the following miscellaneous service charges in accordance with the terms stated herein. If both water and wastewater services are provided, only a single charge is appropriate unless circumstances beyond the control of the Company requires multiple actions.

INITIAL CONNECTION - This charge may be levied for service initiation at a location where service did not exist previously.

NORMAL RECONNECTION - This charge may be levied for transfer of service to a new Customer account at a previously served location or reconnection of service subsequent to a Customer requested disconnection.

VIOLATION RECONNECTION - This charge may be levied prior to reconnection of an existing Customer after disconnection of service for cause according to Rule 25-30.320(2), Florida Administrative Code, including a delinquency in bill payment.

PREMISES VISIT CHARGE (IN LIEU OF DISCONNECTION) - This charge may be levied when a service representative visits a premises for the purpose of discontinuing service for nonpayment of a due and collectible bill and does not discontinue service because the Customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill.

Schedule of Miscellaneous Service Charges

Initial Connection Fee	\$ <u>15.00</u>
Normal Reconnection Fee	\$ <u>15.00</u>
Violation Reconnection Fee	\$ <u>15.00</u>
Premises Visit Fee (in lieu of disconnection)	\$ <u>10.00</u>

EFFECTIVE DATE -TYPE OF FILING - Transfer of Certificate

JACK SCHENKMAN
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: NORTH FORT MYERS UTILITY, INC.
 WATER TARIFF

SERVICE AVAILABILITY FEES AND CHARGES

<u>Description</u>	<u>Amount</u>	<u>Refer to Service Availability Policy Sheet No./Rule No.</u>
<u>Back-Flow Preventor Installation Fee</u>		
5/8" x 3/4"	\$	
1"	\$	
1 1/2"	\$	
2"	\$	
Over 2"	\$ ¹	
<u>Customer Connection (Tap-in) Charge</u>		
5/8" x 3/4" metered service	\$	
1" metered service	\$	
1 1/2" metered service	\$	
2" metered service	\$	
Over 2" metered service	\$ ¹	
<u>Guaranteed Revenue Charge</u>		
With Prepayment of Service Availability Charges:		
Residential-per ERC/month (__ GPD)	\$	
All others-per gallon/month	\$	
Without Prepayment of Service Availability Charges:		
Residential-per ERC/month (__ GPD)	\$	
All others-per gallon/month	\$ ¹	
<u>Inspection Fee</u>	\$ ¹	
<u>Main Extension Charge</u>		
Residential-per ERC (__ GPD)	\$	
All others-per gallon	\$	
or		
Residential-per lot (__ foot frontage)	\$	
All others-per front foot	\$	
<u>Meter Installation Fee</u>		
5/8" x 3/4"	\$	
1"	\$	
1 1/2"	\$	
2"	\$	
Over 2"	\$ ¹	
<u>Plan Review Charge</u>	\$ ¹	
<u>Plant Capacity Charge</u>		
Residential-per ERC (__ GPD)	\$	
All others-per gallon	\$	
<u>System Capacity Charge</u>		
Residential-per ERC (80GPD)	\$	692.50
All others-per gallon	\$	

¹Actual Cost is equal to the total cost incurred for services rendered.

EFFECTIVE DATE -

TYPE OF FILING - Transfer of Certificate

JACK SCHENKMAN
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: NORTH FORT MYERS UTILITY, INC.

WATER TARIFF

INDEX OF STANDARD FORMS

<u>Description</u>	<u>Sheet No.</u>
COPY OF CUSTOMER'S BILL	22.0
CUSTOMER'S GUARANTEE DEPOSIT RECEIPT	21.0

JACK SCHENKMAN
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY, NORTH FORT MYERS UTILITY, INC

WATER TARIFF

CUSTOMER'S GUARANTEE DEPOSIT RECEIPT

NORTH FORT MYERS UTILITY, INC.

Post Office Box 2547

Fort Myers Florida 33902

Phone 543-1005 - Fax 543-2226

NAME _____

SERVICE ADDRESS _____

MAILING ADDRESS _____

DATE RECEIVED _____ METHOD OF PAYMENT

CASH _____ CHECK # _____

BILLS ARE DUE ON PRESENTATION. PAID DUE TO JUNE AFTER BILLING DATE. REFUNDS ARE MADE IN ACCORDANCE WITH THE PUBLIC SERVICE COMMISSIONS RULES.

NORTH FORT MYERS UTILITY, INC.

BY _____

JACK SCHENKMAN
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: NORTH FORT MYERS UTILITY, INC.

WATER TARIFF

INDEX OF SERVICE AVAILABILITY

Description

Sheet Number

Rule Number

Acceptance of Facilities
 Availability
 Construction of Oversized Facilities
 Customer Connection (Tap-in)
 Customer Installation (Customer Maintained Lines)
 Cost Records and "As-Built" Plans
 Design by Independent Engineers
 Developer Agreements
 Easements and Rights-of-Way
 Extensions Outside Certificated Territory
 General Information
 Inspections
 Obligations of Developer
 Obligations of Company
 Off-Site Facilities
 On-Site Facilities
 Refundable Advances
 Schedule of Fees and Charges Go to Sheet No. 19.0
 System Design and Construction
 Table of Daily Flows
 Transfer of Contributed Property - Bills of Sale

JACK SCHENKMAN
ISSUING OFFICER

PRESIDENT
TITLE

EXHIBIT "E"

WILL BE LATE FILED

(Water Certificate No. 343-W and
Wastewater Certificate No. 309-S)

AFFIDAVIT OF MAILING

STATE OF FLORIDA
COUNTY OF LEON

Before me, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared BRONWYN S. REVELL MODERAU, who, after being duly sworn on oath, did depose on oath and say that she is the secretary of Martin S. Friedman, attorney for North Fort Myers Utility, Inc. and that on March 2, 2000, she did send by certified mail, return receipt requested, a copy of the notice attached hereto to each of the utilities, governmental bodies, agencies, or municipalities, in accordance with the list provided by the Florida Public Service Commission, which is also attached hereto.

FURTHER AFFIANT SAYETH NAUGHT.

Bronwyn S. Revell Moderau
Bronwyn S. Revell Moderau

Sworn to and subscribed before me this 2nd day of March, 2000, by Bronwyn S. Revell Moderau, who is personally known to me.

Tonya M. Graham
Print Name
NOTARY PUBLIC
My Commission Expires:

EXHIBIT "F"



Tonya M. Graham
MY COMMISSION # CC874089 EXPIRES
April 13, 2002
BONDED THRU TROY FAIN INSURANCE INC

NOTICE OF APPLICATION FOR A TRANSFER
OF ASSETS AND CERTIFICATES 353-W AND 309-S

LEGAL NOTICE

Notice is hereby given on March 2, 2000, pursuant to Section 367.071, Florida Statutes, of the application for transfer of the utility facilities of MHC Systems, Inc. d/b/a FFEC-Six and Certificate Nos. 253-W and 309-S to North Fort Myers Utility, Inc. providing water and sewer utility service to the following described territory in Lee County, Florida:

Township 43 South, Range 24 East, Sections 8 & 9
(Pine Lakes Country Club Manufactured Home Community and Lake Fairways Country Club Manufactured Home Community)

Any objection to the said application must be made in writing and filed within thirty (30) days from this date to the Director, Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oaks Boulevard, Tallahassee, FL 32399-0850. A copy of said objection should be mailed to the attorney for the applicant: Martin S. Friedman, Esquire, Rose, Sundstrom & Bentley, LLP, 2548 Blairstone Pines Drive, Tallahassee, FL 32301.

nfmh\mhc\legal.not

LIST OF WATER AND WASTEWATER UTILITIES IN LEE COUNTY

(VALID FOR 60 DAYS)
03/02/2000-04/30/2000

UTILITY NAME

MANAGER

LEE COUNTY

AQUASOURCE UTILITY, INC. (SL821)
200 CORPORATE CENTER DRIVE, SUITE 300
CORACPOLIS, PA 15108

RICK HERSKOVITZ
(412) 388-3000

BAYSHORE UTILITIES, INC. (WJ013)
2259 CLUBHOUSE ROAD
NORTH FT. MYERS, FL 33917-2523

WAYNE CARSON WAMPLER
(941) 482-4024

BONITA COUNTRY CLUB UTILITIES, INC. (SL285)
10200 MADDOX LANE
BONITA SPRINGS, FL 34135-7639

MICHAEL J. MICELI
(941) 992-2800

CHATEAU COMMUNITIES, INC. (SL315)
6160 SOUTH SYRACUSE WAY
GREENWOOD VILLAGE, CO 80112

BRIAN FENNELLY
(303) 741-3707 EXT 326

DEL VERA LIMITED PARTNERSHIP (SL612)
2250 AVENIDA DEL VERA
NORTH FT. MYERS, FL 33917-6700

ROBERT G. PETERS
(941) 543-6200 EXT 528

ENVIRONMENTAL PROTECTION SYSTEMS OF PINE ISLAND, INC. (SL287)
3039 YORK ROAD
ST. JAMES CITY, FL 33956-2303

KEVIN J. CHERRY
(941) 283-1144

FLORIDA CITIES WATER COMPANY - LEE COUNTY DIVISION (WS076)
4837 SWIFT ROAD, SUITE 100
SARASOTA, FL 34231-5157

ROGER YTTERBERG
(941) 936-3801

FLORIDA WATER SERVICES CORPORATION (WS565)
P. O. BOX 609520
ORLANDO, FL 32960-9520

BRIAN P. ARMSTRONG
(407) 598-4152

FOREST PARK PROPERTY OWNER'S ASSOCIATION (SL645)
5200 FOREST PARK DRIVE
NORTH FT. MYERS, FL 33917-5404

RONALD ZECHMAN
(941) 543-1155

FOREST UTILITIES, INC. (SL293)
6000 FOREST BLVD.
FT. MYERS, FL 33908-4318

DAVID SWOR
(941) 481-0111

FOUNTAIN LAKES SEWER CORPORATION (SL572)
523 SOUTH EIGHTH STREET
MINNEAPOLIS, MN 55404-1078

JERRY A. SHERMAN
(612) 305-2927

LIST OF WATER AND WASTEWATER UTILITIES IN LEE COUNTY

(VALID FOR 60 DAYS)
03/02/2000-04/30/2000

UTILITY NAME

MANAGER

LEE COUNTY (continued)

GLLF UTILITY COMPANY (WS096)
% GLLF ENVIRONMENTAL SERVICES, INC.
P. O. BOX 350
ESTERO, FL 33928-0350

CAROLYN B. ANDREWS
(941) 498-1000

HUNTER'S RIDGE UTILITY CO. OF LEE COUNTY (SL674)
12500 HUNTERS RIDGE DRIVE
BONITA SPRINGS, FL 34135-3401

DON HURRICH
(941) 992-4900

MHC SYSTEMS, INC. D.B/A FFEC-SIX (WS743)
% MANUFACTURED HOME COMMUNITIES, INC.
28050 U.S. HIGHWAY 19, N., SUITE 406
CLEARWATER, FL 33761-2629

UTILITY
(941) 474-1122

MHC-DEANZA FINANCING LIMITED PARTNERSHIP, D.B/A BUCCANEER (WJ730)
% MANUFACTURED HOME COMMUNITIES, INC.
2 NORTH RIVERSIDE PLAZA, SUITE 800
CHICAGO, IL 60606

DONALD BARTON
(813) 995-3337

MOBILE MANOR, INC. (WJ167)
150 LANTERN LANE
NORTH FORT MYERS, FL 33917-6515

CAROL JULIUS
(941) 543-1414

NORTH FORT MYERS UTILITY, INC. (SL817)
P. O. BOX 2547
FORT MYERS, FL 33902-2547

JACK SCHENKMAN
(941) 543-4000 CR -1808

PINE ISLAND COVE HOMEOWNERS ASSOCIATION, INC. (SL724)
7290 LADYFISH DRIVE
ST. JAMES CITY, FL 33966-2723

THOMAS MARTENS
(941) 283-3100

SANIBEL BAYOU UTILITY CORPORATION (SL631)
15660 MCGREGOR BLVD., #8
FT. MYERS, FL 33908-2547

FIELD SUPERVISORS
(941) 936-6609

SPRING CREEK VILLAGE, LTD. (WS234)
24681 SPRING CREEK VILLAGE
BONITA SPRINGS, FL 33134

DENNIS M. WALTCHACK
(941) 992-3800/936-8888

TAMIAMI VILLAGE WATER COMPANY, INC. (WJ740)
9280-5 COLLEGE PARKWAY
FT. MYERS, FL 33919-4848

JOHN J. USTICA
(941) 482-0717

LIST OF WATER AND WASTEWATER UTILITIES IN LEE COUNTY

(VALID FOR 60 DAYS)
03/02/2000-04/30/2000

UTILITY NAME

MANAGER

LEE COUNTY (continued)

TOWN AND COUNTRY UTILITIES COMPANY (WLB11)
8000 STATE ROAD 31
PUNTA GORDA, FL 33982-9783

RICHARD S. OLDA
(941) 639-3958

USEPPA ISLAND UTILITY, INC. (WS249)
P. O. BOX 640
BOKEELIA, FL 33922-0640

VINCENT FORMOSA
(941) 283-1061

UTILITIES, INC. OF EAGLE RIDGE (SJ749)
200 WEATHERSFIELD AVENUE
ALTAMONTE SPRINGS, FL 32714-4099

CARL J. WENZ
(708) 498-6440

LIST OF WATER AND WASTEWATER UTILITIES IN LEE COUNTY

(VALID FOR 60 DAYS)
03/02/2000-04/30/2000

UTILITY NAME

MANAGER

GOVERNMENTAL AGENCIES

CHAIRMAN, BOARD OF COUNTY COMMISSIONERS, LEE COUNTY
P. O. BOX 388
FT. MYERS, FL 33902-0388

CLERK OF CIRCUIT COURT, LEE COUNTY
P. O. BOX 2469
FORT MYERS, FL 33902-2469

DEP SOUTH DISTRICT
2296 VICTORIA AVE., SUITE 364
FORT MYERS, FL 33901

MAYOR, CITY OF CAPE CORAL
P. O. BOX 150027
CAPE CORAL, FL 33915-0027

MAYOR, CITY OF FT. MYERS
P. O. BOX 2217
FORT MYERS, FL 33902-2217

MAYOR, CITY OF SANIBEL
800 DUNLOP ROAD
SANIBEL, FL 33957-4096

S.W. FLORIDA REGIONAL PLANNING COUNCIL
P.O. BOX 3455
NORTH FT. MYERS, FL 33918-3455

SO. FLORIDA WATER MANAGEMENT DISTRICT
P.O. BOX 24680
WEST PALM BEACH, FL 33416-4680

LIST OF WATER AND WASTEWATER UTILITIES IN LEE COUNTY

(VALID FOR 60 DAYS)
03/02/2000-04/30/2000

UTILITY NAME

MANAGER

STATE OFFICIALS

STATE OF FLORIDA PUBLIC COUNSEL
C/O THE HOUSE OF REPRESENTATIVES
THE CAPITOL
TALLAHASSEE, FL 32399-1300

DIVISION OF RECORDS AND REPORTING
FLORIDA PUBLIC SERVICE COMMISSION
2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FL 32399-0860

EXHIBIT "G"

WILL BE LATE FILED

(Affidavit of Customer Notice)

EXHIBIT "H"

WILL BE LATE FILED

(Affidavit of Newspaper Publication)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

RECEIVED-PPSC
03 MAR -8 PM 3:51

RECORDS AND
REPORTING

In re: Application for Authority)
to Transfer the Facilities of)
MHC SYSTEMS, INC. and) Docket No. 000277
Certificate Nos. 353-W and 309-S)
in Lee County, Florida to)
NORTH FORT MYERS UTILITY, INC.)
_____)

NOTICE OF FILING

NORTH FORT MYERS UTILITY, INC. hereby notices the filing of
Late Filed Exhibit "H" which is the Affidavit of Publication in the
above-referenced docket.

Respectfully submitted on this
8th day of March, 2000, by:

ROSE, SUNDSTROM & BENTLEY, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301
(850) 877-6555

BY: 
MARTIN S. FRIEDMAN

nfmu\mhc\filing.not

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

NEWS-PRESS
Published every morning — Daily and Sunday
Fort Myers, Florida

Affidavit of Publication

STATE OF FLORIDA
COUNTY OF LEE

Before the undersigned authority, personally appeared _____
Kieanna Henry

who on oath says that he/she is the _____
Asst. Legal Coordinator of the News-Press, a

daily newspaper, published at Fort Myers, in Lee County, Florida, that the
attached copy of advertisement, being a _____
legal notice

in the matter of _____
Application for Transfer of Assets

in the _____ Court
was published in said newspaper in the issues of _____
March 4, 2000

Affiant further says that the said News-Press is a paper of general circulation
daily in Lee, Charlotte, Collier, Glades and Hendry Counties and published at
Fort Myers, in said Lee County, Florida and that said newspaper has heretofore
been continuously published in said Lee County, Florida, each day, and has
been entered as a second class mail matter at the post office in Fort Myers in
said Lee County, Florida, for a period of one year next preceding the first
publication of the attached copy of the advertisement; and affiant further says
that he/she has neither paid nor promised any person, firm or corporation any
discount, rebate, commission or refund for the purpose of securing this
advertisement for publication in the said newspaper

Kieanna Henry

Sworn to and subscribed before me this
6th day of _____
March 2000 by
Kieanna Henry

who is personally known to me or who has produced

as identification, and who did or did not take an oath

Notary Public *Srenda Leighton*

Print Name _____

My Commission Expires

CLASS-16



Srenda Leighton
MY COMMISSION # CC308905 EXPIRES
February 14, 2003
BONDED THRU TROY FAIN INSURANCE, INC.

NOTICE OF APPLICATION FOR A TRANSFER OF ASSETS AND CERTIFICATES 353-W AND 309-S
LEGAL NOTICE
Notice is hereby given on March 4, 2000, pursuant to Section 367.071, Florida Statutes, of the application for transfer of the utility facilities of MHC Systems, Inc. d/b/a FEEC Six and Certificate Nos. 253-W and 309-S to North Fort Myers Utility, Inc. providing water and sewer utility service to the following described territory in Lee County, Florida: 43 South, Township 24 East, Sections 8 & 9 (Pine Lakes County Club Manufactured Home Community and Lake Fairways Country Club Manufactured Home Community)
Any objection to the said application must be made in writing and filed within thirty (30) days from this date to the Director, Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oaks Boulevard, Tallahassee, FL 32399-0850. A copy of said objection should be mailed to the attorney for the applicant, Martin S. Friedman, Esquire, Rose, Sundstrom & Bentley, LLP, 2548 Blairstone Pines Drive, Tallahassee, FL 32301.
Mar 4 No. 31823

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

RECEIVED-FPSC

00 MAR 13 PM 1:37

In re: Application for Authority)
to Transfer the Facilities of)
MHC SYSTEMS, INC. and)
Certificate Nos. 353-W and 309-S)
in Lee County, Florida to)
NORTH FORT MYERS UTILITY, INC.)
_____)

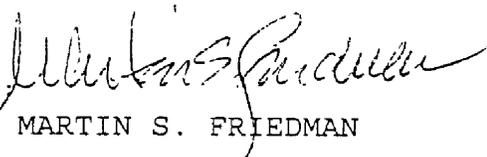
RECORDS AND REPORTING
Docket No. 000277-W8

NOTICE OF FILING

NORTH FORT MYERS UTILITY, INC. hereby notices the filing of
Late Filed Exhibit "E" which is Water Certificate No. 353-W and
Wastewater Certificate No. 309-S in the above-referenced docket.

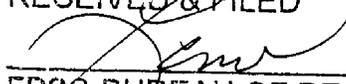
Respectfully submitted on this
13th day of March, 2000, by:

ROSE, SUNDSTROM & BENTLEY, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301
(850) 877-6555

By 
MARTIN S. FRIEDMAN

nfmu\mhc\filing not

RECEIVED & FILED


FPSC-BUREAU OF RECORDS

FLORIDA PUBLIC SERVICE COMMISSION

Certificate Number

353 - W

Upon consideration of the record it is hereby ORDERED that authority be and is hereby granted to:

FFEC - SIX (MHC Systems, Inc. d/b/a)

Whose principal address is:

28050 U.S. Highway 19, North, Suite 406
Clearwater, FL 33761 (Lee County)

to provide water service in accordance with the provision of Chapter 367, Florida Statutes, the Rules, Regulations and Orders of this Commission in the territory described by the Orders of this Commission.

This Certificate shall remain in force and effect until suspended, cancelled or revoked by Orders of this Commission.

ORDER	11606	DOCKET	800733-WS
ORDER	17020	DOCKET	861440-WS
ORDER	24240	DOCKET	910180-WS
ORDER	PSC-95-1271-FOF-WS	DOCKET	950193-WS
ORDER	PSC-95-1271A-FOF-WS	DOCKET	950193-WS
ORDER	PSC-99-1881-FOF-WS	DOCKET	990972-WS
ORDER	PSC-99-1881A-FOF-WS	DOCKET	990972-WS
ORDER		DOCKET	
ORDER		DOCKET	
ORDER		DOCKET	



FLORIDA PUBLIC SERVICE COMMISSION

Dennis L. Bayo

Director
Division of Records and Reporting

FLORIDA PUBLIC SERVICE COMMISSION

Certificate Number

309 - S

Upon consideration of the record it is hereby ORDERED that authority be and is hereby granted to:

FFEC - SIX (MHC Systems, Inc. d/b/a)

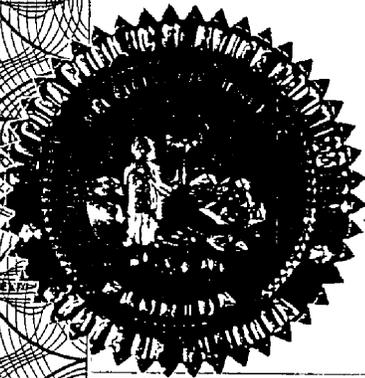
Whose principal address is:

28050 U.S. Highway 19, North, Suite 406
Clearwater, FL 33761 (Lee County)

to provide wastewater service in accordance with the provision of Chapter 367, Florida Statutes, the Rules, Regulations and Orders of this Commission in the territory described by the Orders of this Commission.

This Certificate shall remain in force and effect until suspended, cancelled or revoked by Orders of this Commission.

ORDER	11606	DOCKET	800733-WS
ORDER	17020	DOCKET	861440-WS
ORDER	24240	DOCKET	910180-WS
ORDER	PSC-95-1271-FOF-WS	DOCKET	950193-WS
ORDER	PSC-95-1271A-FOF-WS	DOCKET	950193-WS
ORDER	PSC-99-1881-FOF-WS	DOCKET	990972-WS
ORDER	PSC-99-1881A-FOF-WS	DOCKET	990972-WS
ORDER		DOCKET	
ORDER		DOCKET	
ORDER		DOCKET	



FLORIDA PUBLIC SERVICE COMMISSION

Doreen S. Lugo

Director
Division of Records and Reporting

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for Authority)
to Transfer the Facilities of)
MHC SYSTEMS, INC. and)
Certificate Nos. 353-W and 309-S)
in Lee County, Florida to)
NORTH FORT MYERS UTILITY, INC.)
_____)

Docket No. 000277

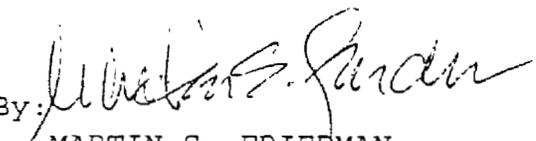
RECEIVED-FPSC
00 MAR 23 PM 2:42
RECORDS AND REPORTING

NOTICE OF FILING

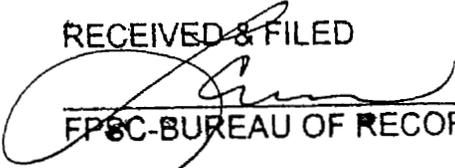
NORTH FORT MYERS UTILITY, INC. hereby notices the filing of Certificate No. 247-S of North Fort Myers Utility, Inc. in the above-referenced docket.

Respectfully submitted on this 23rd day of March, 2000, by:

ROSE, SUNDSTROM & BENTLEY, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301
(850) 877-6555

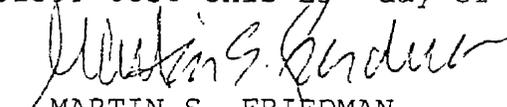
By: 
MARTIN S. FRIEDMAN

nfmu\mhc\filling.not

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Notice of Filing was forwarded via U.S. Mail to Tyler Van Leuven, Esquire, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850 this 23rd day of March, 2000.


MARTIN S. FRIEDMAN

FLORIDA PUBLIC SERVICE COMMISSION

Certificate Number

247 - S

Upon consideration of the record it is hereby ORDERED that authority be and is hereby granted to:

NORTH FORT MYERS UTILITY, INC.

Whose principal address is:

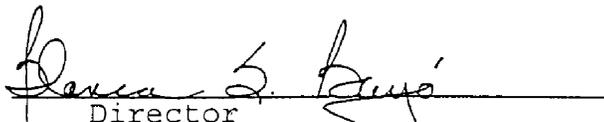
18500 Tucker Lane
North Fort Myers, FL 33917 (Lee County)

to provide wastewater service in accordance with the provision of Chapter 367, Florida Statutes, the Rules, Regulations and Orders of this Commission in the territory described by the Orders of this Commission.

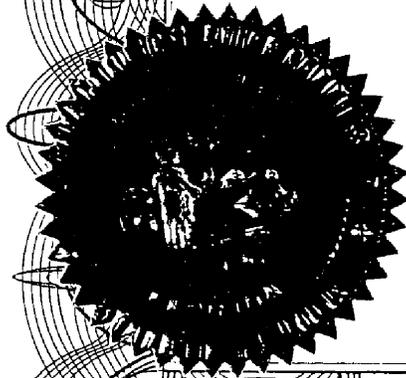
This Certificate shall remain in force and effect until suspended, cancelled or revoked by Orders of this Commission.

ORDER	8025	DOCKET	770709-S
ORDER	11300	DOCKET	820278-S
ORDER	12572	DOCKET	830316-S
ORDER	15659	DOCKET	830362-S
ORDER	19059	DOCKET	871306-SU
ORDER	PSC-92-0537-FOF-SU	DOCKET	920037-SU
ORDER	PSC-92-0588-FOF-SU	DOCKET	920273-SU
ORDER	PSC-93-0971-FOF-SU	DOCKET	930289-SU
ORDER	PSC-94-0726-FOF-SU	DOCKET	930724-SU
ORDER	PSC-93-1851-FOF-SU	DOCKET	931040-SU
ORDER	PSC-93-1821-FOF-WS	DOCKET	930373-WS
ORDER	PSC-94-0450-FOF-SU	DOCKET	931164-SU
ORDER	PSC-94-0726-FOF-SU	DOCKET	930724-SU
ORDER	PSC-95-0576-FOF-SU	DOCKET	940963-SU
ORDER	PSC-99-2444- AS-SU	DOCKET	981781-SU

FLORIDA PUBLIC SERVICE COMMISSION


Director

Division of Records and Reporting



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

RECEIVED-FPSC
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RECORDS AND
REPORTING

In re: Application for Authority)
to Transfer the Facilities of)
MHC SYSTEMS, INC. and)
Certificate Nos. 353-W and 309-S)
in Lee County, Florida to)
NORTH FORT MYERS UTILITY, INC.)
_____)

Docket No. 000277-W

NOTICE OF FILING

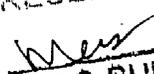
NORTH FORT MYERS UTILITY, INC. hereby notices the filing a recorded copy of Exhibit "C" to Exhibit "A" of the Application in the above-referenced docket.

Respectfully submitted on this
24th day of March, 2000, by:

ROSE, SUNDSTROM & BENTLEY, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301
(850) 877-6555

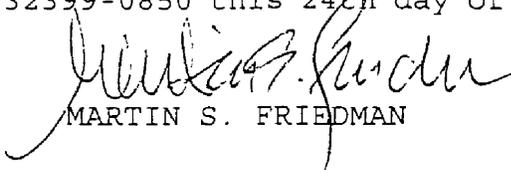
By: 
MARTIN S. FRIEDMAN

nfmu\mhc\filing.not

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Notice of Filing was forwarded via U.S. Mail to Tyler Van Leuven, Esquire, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850 this 24th day of March, 2000.


MARTIN S. FRIEDMAN

28.50
7,000.00

This instrument prepared by
and please return to:
Wilhelmina F. Kightlinger, Esquire
Piper Marbury Rudnick & Wolfe LLP
101 East Kennedy Boulevard
Suite 2000
Tampa, Florida 33602

INSTR # 4824328
OR BK 03226 PG 2307
RECORDED 03/02/00 03:14 PM
CHARLIE GREEN CLERK OF COURT
LEE COUNTY
RECORDING FEE 28.50
DOC TAX PD(F.S.201.02) 7,000.00
DEPUTY CLERK T Voges

Tax folio nos.: 08-43-24-00-00002.0010
08-43-24-00-00002.0020

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED made the 29th day of February, 2000, by GATORLAND VISTAS, INC., an Illinois corporation, with its principal place of business at Two North Riverside Plaza, Suite 800, Chicago, Illinois 60606 (hereinafter referred to as "Grantor"), to NORTH FORT MYERS UTILITY, INC., a Florida corporation, whose post office address is Post Office Box 2547, Fort Myers, Florida 33902-2547 (hereinafter referred to as "Grantee"):

WITNESSETH: That Grantor, for and in consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration, receipt whereof is hereby acknowledged, by these presents does grant, bargain, sell, alien, remise, release, convey and confirm unto Grantee all of that certain land situate in Lee County, Florida, viz:

See attached Exhibit "A" (the "Property").

SUBJECT TO conditions, restrictions, reservations, zoning, prohibitions and other requirements imposed by governmental authority; restrictions and matters appearing on the plat or otherwise common to the subdivision; public utility easements of record; taxes for the current year and all subsequent years; and those matters listed on Exhibit "B" attached hereto (collectively, the "Permitted Encumbrances").

FURTHERMORE, Grantee, its successors and assigns shall use the Property solely to construct, operate and maintain a utility system and related facilities which provide for potable water supply and wastewater collection, treatment and disposal services.

TOGETHER with all the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

TO HAVE AND TO HOLD the same in fee simple forever.

AND Grantor hereby covenants with Grantee that Grantor is lawfully seized of the Property in fee simple; that Grantor has good right and lawful authority to sell and convey the Property; that



EXHIBIT "A"

LEGAL DESCRIPTION

PARCEL 1 WATER TREATMENT FACILITY

A parcel of land lying in the south half (S-1/2) of Section 8, Township 43 South, Range 24 East, Lee County, Florida being described as follows:

From the southeast corner of said Section 8 run N 00° 11' 10" E along the east line of said Section for 2,200.00 feet; thence run S 88° 31' 00" W parallel with the south line of the southeast quarter (SE 1/4) of said Section for 2,349.44 feet; thence run N 88° 31' 33" W parallel with the south line of the southwest quarter (SW 1/4) of said Section for 52.52 feet; thence run S 00° 00' 00" E for 237.52 feet; thence run N 90° 00' 00" E for 110.00 feet; thence run S 00° 00' 00" E for 12.00 feet to the Point of Beginning of this description.

From said Point of Beginning continue S 00° 00' 00" E for 88.00 feet; thence run S 90° 00' 00" W for 115.00 feet; thence run N 00° 00' 00" W for 13.30 feet to a point on a non-tangent curve; thence run northeasterly along an arc of a curve to the left having a radius of 182.00 feet (delta 16° 15' 05") (chord bearing N 16° 50' 06" E) (chord 51.45 feet) for an arc length of 51.63 feet to a point of reverse curvature; thence run northeasterly along an arc of a curve to the right having a radius of 30.00 feet (delta 81° 17' 27") (chord bearing N 49° 21' 16" E) (chord 39.08 feet) for an arc length of 42.56 feet to a point of tangency; thence run N 90° 00' 00" E for 70.44 feet to the Point of Beginning.

Bearings hereinabove mentioned are derived from the Plat of Indian Pines Unit One as recorded in Plat Book 29 at Pages 65 through 72, Public Records of Lee County, Florida. The south line of Tract "A" as shown on said plat bears S 64° 05' 00" W.

PARCEL 2 SEWAGE TREATMENT FACILITY

A parcel of land lying in the southwest quarter (SW-1/4) of Section 8, Township 43 South, Range 24 East, Lee County, Florida being described as follows:

From the south quarter corner of said Section 8 run westerly along the south line of said Section 8, N 88° 31' 33" W for 750.28 feet to the Point of Beginning of this description.

From said Point of Beginning continue westerly along said south line N 88° 31' 33" W for 862.20 feet to the southerly end of a line that intersects the south line of said Section 8 and is parallel with the east line of said Section 8; thence run along said parallel line N 00° 11' 10" E for 831.50 feet; thence run southeasterly along an arc

of a curve, the north end of said curve being tangent with the last mentioned "parallel line," said curve having a radius of 480.75 feet (delta 44° 11' 14") (chord bearing S 21° 54' 27" E) (chord 361.64 feet) for an arc length of 370.76 feet to a point of tangency; thence run S 44° 00' 03" E for 72.34 feet to a point of curve; thence run along an arc of a curve to the left having a radius of 461.32 feet (delta 13° 04' 28") (chord bearing S 50° 32' 17" E) (chord 105.04 feet) for an arc length of 105.27 feet to a point of tangency; thence run S 57° 04' 31" E for 45.34 feet to a point of curve; thence run along an arc of a curve to the right having a radius of 254.02 feet (delta 20° 19' 30") (chord bearing S 46° 54' 46" E) (chord 89.64 feet) for an arc length of 90.11 feet to a point of tangency; thence run S 36° 45' 02" E for 92.20 feet to a point of curve; thence run along an arc of a curve to the left having a radius of 439.30 feet (delta 13° 45' 45") (chord bearing S 43° 37' 54" E) (chord 105.27 feet) for an arc length of 105.52 feet to a point of tangency; thence run S 50° 30' 41" E for 81.54 feet to a point of curve; thence run along an arc of a curve to the left having a radius of 489.48 feet (delta 38° 00' 52") (chord bearing S 69° 31' 07" E) (chord 318.83 feet) for an arc length of 324.76 feet to the south line of said Section 8 and the Point of Beginning.

Bearings hereinabove mentioned are derived from the Plat of Indian Pines Unit One as recorded in Plat Book 29 at Pages 65 through 72, Public Records of Lee County, Florida. The south line of Tract "A" as shown on said plat bears S 64° 05' 00" W.

PARCEL 3 EFFLUENT POND

A parcel of land lying in the southwest quarter (SW-1/4) of Section 8, Township 43 South, Range 24 East, Lee County, Florida being described as follows:

From the south quarter corner of said Section 8 run westerly along the south line of said Section 8, N 88° 31' 33" W for 1612.48 feet to the southerly end of a line that intersects the south line of said Section 8 and is parallel with the east line of said Section 8; thence run along said parallel line N 00° 11' 10" E for 362.27 feet to the Point of Beginning of this description.

From said Point of Beginning run N 89° 53' 39" W for 392.28 feet; thence run N 02° 16' 40" W for 151.98 feet; thence run N 87° 39' 32" E for 267.27 feet; thence run N 41° 55' 05" E for 48.86 feet; thence run S 85° 16' 56" E for 99.59 feet to an intersection with said parallel line; thence run S 00° 11' 10" W along said line for 191.67 feet to the Point of Beginning.

Bearings hereinabove mentioned are derived from the Plat of Indian Pines Unit One as recorded in Plat Book 29 at Pages 65 through 72, Public Records of Lee County, Florida. The south line of Tract "A" as shown on said plat bears S 64° 05' 00" W.

EXHIBIT "B"PERMITTED ENCUMBRANCES

- (1) Taxes and assessments for the year 2000 and subsequent years.
- (2) Zoning and other laws, rules, and regulations of local governmental authorities.
- (3) Reservation of 1/2 interest in all oil, gas and other mineral rights contained in Deed between Lilian Bayliss Green, Edwin R. Bayliss, Eulalie M. Bayliss, Mary Bayliss Forsmark and Martin J. Forsmark, Celeste Bayliss Koski and Reyno M. Koski, Franklin G. Bayliss and Elizabeth K. Bayliss, Dudley C. Bayliss and Rose Weston Bayliss, being the sole and only heirs of the Estates of Edwin Bayliss, deceased, Jerome Z. Bayliss, deceased, and Willard Bayliss, deceased, parties of the first part and Robert W. Marxer and Kathryn A. Marxer, husband and wife, parties of the second part, dated June 1, 1950 and recorded July 5, 1950 as instrument #128806 in Deed Book 202, Page 353, Public Records of Lee County, Florida.
- (4) Right-of-Way Easement 16 feet wide from Pine Lakes Venture, a Florida General Partnership ("PLV") to Lee County Electric Co-Operative, Inc., dated November 24, 1986 and recorded June 15, 1988 as instrument #2471851 in O.R. Book 1996, Page 2308, Public Records of Lee County, Florida.
- (5) Covenant of Unified Control executed by Robert D. Brown, dated July 8, 1985 and recorded July 18, 1985 as instrument #1967962 in O.R. Book 1794, Page 1769, Public Records of Lee County, Florida.
- (6) Declaration of Restriction executed by PLV dated September 19, 1985 and recorded September 19, 1985 as instrument #1993907 in O.R. Book 1804, Page 4190, Public Records of Lee County, Florida.
- (7) Resolution of the Board of County Commissioners of Lee County, Florida, dated June 17, 1985 and recorded April 24, 1986 as instrument #2085258 in O.R. Book 1841, Page 2940, Public Records of Lee County, Florida.
- (8) Notice of Development Order recorded June 6, 1986 as instrument #2105432 in O.R. Book 1850, Page 137, Public Records of Lee County, Florida.
- (9) Resolution of the Board of County Commissioners of Lee County, Florida, dated February 11, 1985 and recorded June 23, 1985 as instrument #2112915 in O.R. Book 1853, Page 324, Public Records of Lee County, Florida.
- (10) Resolution of the Board of County Commissioners of Lee County, Florida, dated February 11, 1985 and recorded July 2, 1986 as instrument #2117465 in O.R. Book 1855, Page 119, Public Records of Lee County, Florida.

- (11) Terms, covenants, conditions and easements as reflected on plat of Pine Lakes Country Club, Phase IV, as recorded July 31, 1989 in Plat Book 43, Pages 35 through 48, inclusive, Public Records of Lee County, Florida.
- (12) Riparian and Littoral Rights.
- (13) Service Agreement, to provide water and wastewater service for Pine Lakes Country Club between PLV and FFEC-Six, Inc. ("FFEC"), dated May 29, 1990 and recorded January 3, 1991 as instrument #2958898 in O.R. Book 2195, Page 2867 and assigned by Assignment of Service Agreement from PLV to Pine Lakes Venture, Ltd., dated December 31, 1990 and recorded January 3, 1991 as instrument #2958899 in O.R. Book 2195, Page 2879, Public Records of Lee County, Florida.
- (14) Service Agreement, to provide water and wastewater service for Lake Fairways Manufactured Home Community, between LRB Co. and FFEC dated May 29, 1990 and recorded May 30, 1990 as instrument #2852755 in O.R. Book 2152, Page 2288, Public Records of Lee County, Florida; Consent to Service Agreement (undated), recorded May 30, 1990 as instrument #2852756 in O.R. Book, 2152, Page 2310, Public Records of Lee County, Florida; and assigned to The Mutual life Insurance Company of New York by Assignment dated May 29, 1990 and recorded May 30, 1990 as instrument #2852757 in O.R. Book 2152, Page 2335, Public Records of Lee County, Florida.
- (15) Memorandum of Covenant and Restrictions by and between MHC Systems, Inc. ("MHC") and North Fort Myers Utility, Inc. ("NFMU"), to be recorded in the Public Records of Lee County, Florida.
- (16) Encroachment of 6 foot high chain link fence on the western boundary of Parcel 3 (the Effluent Pond) as shown on Boundary Survey prepared by Johnson Engineering, Inc., dated August 22, 1994, and revised and updated November 6, 1995 (File No. 8-43-24, Project No. 20290).
- (17) Pine lakes Reclaimed Water Use Agreement to provide wastewater effluent for public access irrigation, between MHC and MHC Operating Limited Partnership, dated November 1, 1994.
- (18) Grant of Non-Exclusive Easement by NFMU in favor of MHC dated the date hereof, to be recorded in the Public Records of Lee County, Florida.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

RECEIVED-FPSC
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RECORDS AND
REPORTING

In re: Application for Authority)
to Transfer the Facilities of)
MHC SYSTEMS, INC. and)
Certificate Nos. 353-W and 309-S)
in Lee County, Florida to)
NORTH FORT MYERS UTILITY, INC.)
_____)

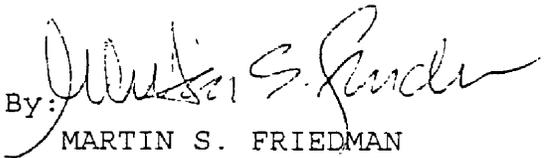
Docket No. 000277-W

NOTICE OF FILING

NORTH FORT MYERS UTILITY, INC. hereby notices the filing of
Late Filed Exhibit "G" which is the Affidavit of Mailing to each of
the customers.

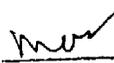
Respectfully submitted on this
7th day of April, 2000, by:

ROSE, SUNDSTROM & BENTLEY, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301
(850) 877-6555

By: 
MARTIN S. FRIEDMAN

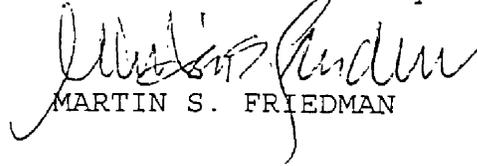
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RECEIVED & FILED

FPSC-BUREAU OF RECORDS

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Notice of Filing was forwarded via U.S. Mail to Tyler Van Leuven, Esquire, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850 this 7th day of April, 2000.


MARTIN S. FRIEDMAN

AFFIDAVIT OF MAILING

STATE OF FLORIDA

COUNTY OF LEE

Before me, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared A. A. Reeves, III, who, after being duly sworn on oath, did depose on oath and say that he is the Vice President of North Fort Myers Utility, Inc. and that on March 7, 2000, he did send by first class U.S. Mail a copy of the notice attached hereto to each of the customers of the MHC Systems, Inc. water and wastewater systems.

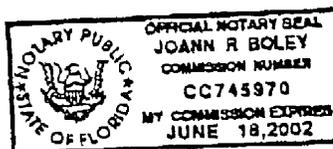
FURTHER AFFLIANT SAYETH NAUGHT.

By: *A.A. Reeves III*
A.A. Reeves, III

Sworn to and subscribed before me this 6 day of April, 2000, by A. A. Reeves, III, who is personally known to me or who provided as identification.

Joann R. Boley
Print Name: Joann R. Boley
NOTARY PUBLIC
My Commission Expires:

nfdm\mhc\mailing.aff



NOTICE OF APPLICATION FOR A TRANSFER
OF ASSETS AND CERTIFICATES 353-W AND 309-S

LEGAL NOTICE

Notice is hereby given on March 2, 2000, pursuant to Section 367.071, Florida Statutes, of the application for transfer of the utility facilities of MHC Systems, Inc. d/b/a FFEC-Six and Certificate Nos. 253-W and 309-S to North Fort Myers Utility, Inc. providing water and sewer utility service to the following described territory in Lee County, Florida:

Township 43 South, Range 24 East, Sections 8 & 9
(Pine Lakes Country Club Manufactured Home Community and Lake Fairways Country Club Manufactured Home Community)

Any objection to the said application must be made in writing and filed within thirty (30) days from this date to the Director, Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oaks Boulevard, Tallahassee, FL 32399-0850. A copy of said objection should be mailed to the attorney for the applicant: Martin S. Friedman, Esquire, Rose, Sundstrom & Bentley, LLP, 2548 Blairstone Pines Drive, Tallahassee, FL 32301.

nfmu\mhc\legal.not