

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application by Pine Run Utilities,)
Inc., holder of Certificate No. 409-W)
in Marion County, for transfer of facilities)
to Marion County, and cancellation of)
Certificate No. 409-W.)
_____)

Docket No.: _____

APPLICATION FOR TRANSFER OF
FACILITIES TO MARION COUNTY

Applicant, Pine Run Utilities, Inc. ("Utility"), files this Application for Transfer of Water Facilities to Marion County, Florida ("County"), pursuant to Section 367.071(4), Florida Statutes, and Rule 25-30.038(4), Florida Administrative Code, and states:

- 1. The name and address of the Utility is:

Pine Run Utilities, Inc.
11637 SW 90th Terrace
Ocala, Florida 34481-3563

- 2. The Utility operates in Marion County pursuant to Certificate No. 409-W.

The original Certificate will be returned to the Commission prior to the Commission's acknowledgment of this transfer.

- 3. The name and address of the Utility's authorized representative, for purposes of this application, is:

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

4. Marion County is exempt from regulation by the Commission pursuant to Section 367.022(2), Florida Statutes.

5. Utility herewith files with this Commission its Application for transfer of all of its utility assets to Marion County ("Application"). On February 2, 2001, the Utility closed on the sale and Marion County purchased certain Purchased Assets pursuant to and as more particularly described in that certain Marion County/Pine Run Utilities, Inc. Water System Asset Purchase & Sale Agreement ("Purchase & Sale Agreement"). A copy of the Purchase and Sale Agreement is attached to this Application as Exhibit "A", and is incorporated by reference herein.

6. Marion County obtained the then most recently available income and expense statement, balance sheet, statement of rate base for regulatory purposes, and contributions-in-aid-of-construction applicable to the Purchased Assets, as was required by Section 125.3401, Florida Statutes, and Section 367.071(4)(a), Florida Statutes. Marion County has complied with the requirements of Section 125.3401, Florida Statutes. See Recital 6 and Section 8.2 of the Purchase & Sale Agreement.

7. The Utility held no customer deposits.

8. All regulatory assessment fees for the Utility have been paid in full. Regulatory assessment fees for 2000 and the first 32 days in 2001 will be paid by the Utility when due.

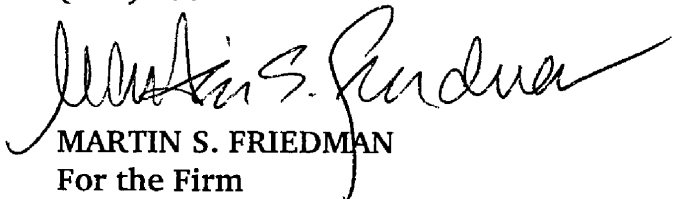
9. There are no fines or refunds owed.

WHEREFORE, the Utility requests that this Commission:

1. Approve the transfer of water facilities as set forth in this Application to Marion County as a matter of right, pursuant to Section 367.071, Florida Statutes; and
2. Cancel Certificate No. 409-W.
3. Grant such other relief as is appropriate.

Respectfully submitted this 9th day of
February, 2001, by:

Rose, Sundstrom & Bentley, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301
(850) 877-6555



MARTIN S. FRIEDMAN
For the Firm

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**MARION COUNTY/PINE RUN UTILITIES, INC.
WATER SYSTEM
ASSET PURCHASE & SALE AGREEMENT**

February 2, 2001

Gray, Harris & Robinson, P.A.

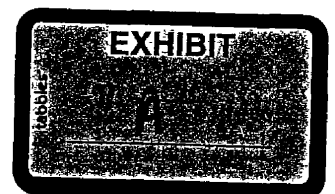


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SCHEDULE OF EXHIBITS

EXHIBIT NO.	TITLE
1	The Real Property
2	Easements and Other Rights
3	Plant and Other Facilities Assets
4	Engineering Plans
5	All Permits, Certifications, Authorizations and Approvals
6	FPSC Service Area Maps
7	Assignment and Assumption Agreement

MARION COUNTY/PINE RUN UTILITIES, INC. WATER SYSTEM ASSET PURCHASE & SALE AGREEMENT

THIS AGREEMENT, made and entered into this 2nd day of February, 2001, by and between **MARION COUNTY**, a political subdivision of the State of Florida (hereafter "COUNTY"), and **PINE RUN UTILITIES, INC.**, a Florida corporation, (hereafter "SELLER").

RECITALS

1. SELLER owns and operates a potable water production, treatment, storage, transmission, and distribution system in Marion County, Florida, known as the Pine Run Water System. This water system shall hereinafter be sometimes referred to as "the Water System."

2. The Water System (hereafter also referred to as the "Utility System") operates under Certificate of Authorization (the "Certificate") issued by the Florida Public Service Commission (the "Commission"), which authorizes SELLER to provide water service to certain territories in Marion County, Florida.

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

4. The SELLER is willing to sell the Utility System to the COUNTY, and the COUNTY is willing to purchase the Utility System from the SELLER.

5. The COUNTY has the power and authority to acquire the Utility System and to operate the Utility System in order to provide potable water infrastructure and service within Marion County, and the SELLER has the power and authority to sell the Utility System.

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

Utility System is in the public interest. The COUNTY has also examined those documents specified in Section 367.071(4)(a), Florida Statutes.

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

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

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

SECTION 2. PURCHASE AND SALE OF WATER SYSTEM ASSETS. The SELLER, pursuant to the circumstances noted in the Recitals above, agrees to sell and the COUNTY agrees to buy the Utility System, consisting of all real, personal and mixed property used or held for use in connection with the Utility System, hereinafter referred to as the "Purchased Assets" or the "Water System Assets."

SECTION 3. PURCHASED ASSETS. On the Closing Date, as defined below, SELLER shall sell, assign, transfer, convey and deliver to COUNTY, and COUNTY shall purchase, accept and pay for all of the right, title and interest, in and to the following property and assets:

3.1 Real Property. All real property and interests in real property (the "Property"), owned by the SELLER, as described in Exhibit "1" hereof, whereupon water production, storage, treatment, transmission, and distribution facilities and other water service facilities are located.

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

3.3 Plant and Other Facilities. The following assets owned by the SELLER and used or held for use in connection with the Utility System, as more specifically described in Exhibit "3" hereof, including all water production, treatment plant, storage, treatment, transmission, distribution, pumping, and other water facilities of every

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

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

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

3.6 Certificates, Permits, and Approvals. Subject to all necessary regulatory approvals and to all conditions, limitations or restrictions contained therein, all existing original certificates, permits, and other governmental authorizations and approvals of any kind in the possession of SELLER necessary to operate and maintain the Utility System in accordance with all governmental requirements, more specifically described in Exhibit "5," attached to and incorporated in this Agreement. Certificated Service Area maps and legal descriptions accurately reflecting those service areas currently certificated by the FPSC related to the Utility System are attached to and incorporated in this Agreement as Exhibit "6." The COUNTY agrees to execute necessary forms required by governmental agencies to transfer and to assume SELLER's future obligations under said permits and approvals. These certificates, permits, and approvals shall include any such certificates, permits, and approvals related to work-in-progress, if any.

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

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

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

4.1 The COUNTY hereby agrees to pay to the SELLER at closing, subject to the adjustments and prorations referred to elsewhere herein, a total Purchase Price in the amount of FIVE HUNDRED EIGHTY-FIVE THOUSAND DOLLARS (\$585,000.00). Said Purchase Price shall be paid at closing in federal or other immediately available funds by wire transfer.

4.2 Although stated elsewhere in this Agreement, it is specifically agreed by and among the parties hereto, that the COUNTY shall not and at closing will not purchase or assume any of the liabilities or outstanding obligations of the Utility Systems and the SELLER shall remain responsible for same, including payment or satisfaction of its outstanding debts, obligations, and responsibilities, except as otherwise herein provided.

SECTION 5. TITLE EVIDENCE. The COUNTY's attorneys, Gray, Harris & Robinson, P.A., shall cause to be issued, at the expense of the COUNTY, a title commitment for an owners ALTA Form B Marketability Policy in favor of the COUNTY in the amount of the Purchase Price from a title insurance company licensed in Florida as

determined by the COUNTY in its sole discretion. The SELLER shall convey a marketable title subject only to the title exceptions set forth below.

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

(1) Ad valorem real estate taxes and assessments for the year 2001 and subsequent years;

(2) Restrictions set out in the recorded plats of subdivisions covered by the Utility System;

(3) Easements for utilities and drainage set out in such recorded plats of subdivisions; provided, however, that none of the restrictions or easements set out in such recorded plats of subdivisions shall prevent, hinder or restrict the present use of the Property;

(4) Restrictions of record (except liens, encumbrances, or mortgages) that do not impair, restrict, or inhibit the present use of or improvement to the property as permitted by applicable zoning and land use regulations presently in effect and that are not coupled with a forfeiture or reversionary provision; and

(5) All laws, ordinances, and governmental regulations, including, but not limited to, all applicable building, zoning, land use and environmental ordinances, regulations, restrictions, prohibitions and other requirements, none of which will prevent or hinder the present use of the Property and Easements.

5.2 Status of Title. The COUNTY shall have until February 2, 2001 to examine the Title Commitment. If the COUNTY finds title, as shown on the Commitment, to be defective (i.e., matters which render title unmarketable in accordance with the title standards adopted by the Florida Bar and are not Permitted Exceptions), the COUNTY shall, on or before February 2, 2001, notify the SELLER specifying the defect(s), provided that if the COUNTY fails to give the SELLER notice of defect(s) on or before February 2, 2001, the defects shown in the Commitment shall, anything in this Agreement notwithstanding, be deemed to be waived as title objections to closing this transaction and the SELLER shall be under no obligation whatsoever to take any corrective action with respect to same nor to warrant title to same in its statutory warranty deed of conveyance. If the COUNTY has given the SELLER timely notice of defect(s) and the defect(s) render the title other than as required by this Agreement, the SELLER shall use its reasonable efforts to cause such defects to be cured by the Closing Date. In the event that defects are timely raised and the SELLER, after exercising all reasonable efforts, cannot clear same prior to the Closing Date, then, in that event, the COUNTY shall have the right to

purchase the Property and Easements in its then existing condition of title, or to rescind and terminate this Agreement without liability by either party to the other. Notice of such election shall be given by the COUNTY to the SELLER, as contemplated in this Agreement, within the time herein prescribed.

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

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

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

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

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

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

6.5 Litigation. Except for that enforcement action brought by the Southwest Florida Water Management District applicable to water use permit number 2006151.006 (hereafter "SWFWMD Enforcement Action"), there are no actions, suits, or proceedings at law or in equity, pending against the SELLER before any federal, state, municipal or other court, administrative or governmental agency or instrumentality,

domestic or foreign, which affect the Utility System or any of the Purchased Assets or the SELLER's right and ability to make and perform this Agreement; nor is the SELLER aware of any facts which to its knowledge are likely to result in any such action, suit or proceeding. The SELLER is not aware and has not been notified that it is in default with respect to any permit, approval order or decree of any court or of any administrative or governmental agency or instrumentality affecting the Utility System or any of the Purchased Assets. The SELLER agrees and warrants that it shall have a continuing duty to disclose up to and including the Closing Date the existence and nature of all pending judicial or administrative suits, actions, proceedings, and orders which in any way relate to the operation of the Utility System.

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

6.7 No Governmental Violations. Except for the SWFWMD Enforcement Action, the SELLER is not aware and has not been notified of the existence of any violations of any governmental rules, regulations, permitting conditions or other governmental requirements applicable to the ownership, maintenance or operation of the Utility System.

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

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

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

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

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

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

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

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

6.16 Location of Plants. The water plant and wells used in the operation of the Utility System are located on the Property as identified in Exhibit "1" and the use of such water plant and wells on the Property does not violate any zoning certifications, special exceptions or variances in a manner which would prohibit or materially interfere with the operation and maintenance of such water plants.

6.17 Assignment of Certain Agreements. To the extent such is required, the SELLER agrees that it shall obtain all necessary assignments, consents, and approvals in order to assign the agreements set forth in Exhibit "8" as referenced in Section 19 hereof.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

will be properly maintained by the SELLER within the custom and usage of the water industry in Florida until the Closing Date.

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

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

8.2 Authority for Agreement. The COUNTY has the authority and power to execute and deliver this Agreement and to carry out its obligations hereunder. The COUNTY has held all of the necessary public hearings to authorize the COUNTY's exercise of its option to purchase the Utility System and obtained the documents required by Section 367.071(4)(a), Florida Statutes. This Agreement has been duly authorized by all action required to be taken by the COUNTY, has been duly executed and delivered by the COUNTY, and constitutes a valid and legally binding obligation of the COUNTY, enforceable in accordance with its terms.

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

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

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

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

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

8.8 No Conflicts. The execution, delivery and performance of this Agreement will not violate any provision of law, order of any court or agency of government, the charter of the COUNTY, or any administrative regulation or decree, or any provision of the Constitution or the laws of the State of Florida relating to the COUNTY or its affairs or any ordinance, resolution, agreement, indenture, lease, or other instrument to which the COUNTY is a party, subject or by which it is bound.

8.9 Police Power. Subject to the police power of the COUNTY and its ability to charge its prevailing capital charges, COUNTY shall after closing fulfill the SELLER's obligations to furnish water service as of the Closing Date as set forth in Section 19 of this Agreement.

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

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

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

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

10.1 Real and personal property taxes for 2001 on all real and personal property which is being conveyed by the SELLER to the COUNTY, shall be prorated as of 11:59 p.m. of the Closing Date and shall be paid by the SELLER in accordance with Section 196.295, Florida Statutes. The COUNTY shall not be charged with proration of any ad valorem taxes. SELLER shall remain obligated to pay real and personal property taxes for 2000.

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

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

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

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

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

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

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

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

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

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

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

SECTION 12. ENVIRONMENTAL MATTERS. The COUNTY shall have the right to perform both a Level I and Level II Environmental Audit, as such terms are generally

understood by the environmental consulting industry in the State of Florida, of all real property associated with the operation of the System, including the Property. These audits shall be performed at COUNTY's expense. These environmental audits may include, but not be limited to, appropriate borings, samplings, "sniffer" tests, as well as an appropriate title search in order to determine that the sites are in full compliance with applicable local, state, and federal environmental and occupational health and safety statutes and regulations. If after reviewing the environmental audits, COUNTY reasonably determines that any portion of the Utility System hereunder is not in full compliance with applicable local, state, and federal environmental and occupational health and safety statutes and regulations, COUNTY may elect not to acquire the Utility System by giving SELLER written notice of its election not to acquire said Utility System five (5) days before the Closing Date. In the event COUNTY elects not to acquire the Utility System, neither party shall have any liability to the other. The COUNTY, however, shall provide SELLER prior written notice (not less than forty-eight (48) hours in advance) of any proposed inspection of the Utility Systems, which shall take place at reasonable times and without interfering with the operation of the System by SELLER. The COUNTY shall indemnify, defend and hold SELLER harmless for any claims, actions, expenses or damages, including cost and attorney's fees, at trial and appeal, which SELLER incurs for personal injury or property damage that occurs as a direct result of the inspection of the Utility System by COUNTY, its agents, contractors, representatives and/or employees. This Section 12 indemnification obligation shall survive the closing by two (2) years.

SECTION 13. CLOSING. The place of closing shall be in Ocala, Marion County, Florida at the COUNTY's administration building, 601 S.E. 25th Avenue, and such closing shall occur on or before February 2, 2001 (the "Closing Date"). Notwithstanding anything to the contrary, the closing of this transaction shall take place upon the delivery of the Purchase Price to the SELLER in the manner and on the date provided for in this Agreement. The parties agree that the closing of this transaction on or before February 2, 2001, was a material part of the negotiations and absent such agreement this transaction would not have taken place. Accordingly, the closing of this transaction shall not be extended beyond the Closing Date.

SECTION 14. CLOSING DOCUMENTS AND PROCEDURES.

14.1 Deliveries from SELLER. The following documents shall be delivered by the SELLER to the COUNTY no later than February 2, 2001, but shall be executed on the Closing Date:

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

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

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

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

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

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

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

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

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

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

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

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

(13) All assignments of agreements listed in Section 19 that assign the agreements to COUNTY.

14.2 Deliveries from the COUNTY. On the Closing Date, the COUNTY shall pay the Purchase Price to the SELLER by wire transfer in the amount due SELLER as provided in Section 4 of this Agreement, subject to the prorations and adjustments. The COUNTY shall also deliver at the closing, the executed form of an assumption of the agreements (if any) set forth in Section 19 of this Agreement, an assumption of the leases, permits, agreements, approvals and other interests in the Purchased Assets being assigned by the SELLER, as provided by the SELLER pursuant to Subsection 14.1 hereof, and a certified copy of a resolution of the COUNTY approving this transaction, if not previously delivered to SELLER. Said documents shall be executed on the Closing Date. The assignments and assumptions being prepared by the parties may be incorporated into one document at the convenience of the parties. COUNTY shall also deliver at closing: (a) such affidavits and acknowledgments as the title Company shall reasonably request in order to cause said title Company to issue a title insurance policy evidencing a marketable title in COUNTY; (b) a County Officer's Certificate confirming that the warranties of COUNTY set forth in this Agreement applicable to the closing are true and correct as of the closing; and (c) such other instruments and documents as SELLER's Counsel may reasonably require, in form approved by COUNTY's Counsel, in order to transfer possession and control of the Purchased Assets to COUNTY, provided that none of such documents shall result in any additional liability on the part of COUNTY not otherwise provided for in this Agreement.

SECTION 15. RESPONSIBILITY FOR PROFESSIONAL FEES AND COSTS.

Each party hereto shall be responsible for its own attorneys' fees, engineering fees, accounting fees and other costs in connection with the preparation and execution of this Agreement, the closing of the transaction contemplated herein and in connection with all judicial and administrative proceedings related to the acquisition of the Utility System.

SECTION 16. PUBLIC SERVICE COMMISSION APPROVAL. SELLER shall apply for approval by the Florida Public Service Commission for transfer of the Purchased Assets from SELLER to COUNTY. SELLER agrees to pay all fees and costs incurred by SELLER incident to such dealings with the Florida Public Service Commission. It is agreed that COUNTY shall apply every reasonable effort to cooperate with SELLER to obtain approval from the Florida Public Service Commission and will render all reasonable assistance to SELLER necessary to obtain such approval. Copies of the Order(s) of the

Commission acknowledging sale of the Utility Systems to the COUNTY shall be promptly provided to the COUNTY, upon SELLER's receipt thereof.

SECTION 17. COMMISSIONS. The SELLER and the COUNTY warrant to the other that the transaction contemplated by this Agreement is a direct, private transaction between the SELLER and the COUNTY without the use of a broker or commissioned agent.

SECTION 18. FURTHER ASSURANCES. Each of the parties hereto agrees that, from time to time, upon the reasonable request of the other party and at the expense of the requesting party, without further consideration, it shall execute and deliver to the requesting party any and all further instruments, affidavits, conveyances and transfers as may be reasonably required to carry out the provisions of this Agreement.

SECTION 19. CERTAIN AGREEMENTS.

19.1 Contracts and Agreements. The COUNTY shall take title to the Purchased Assets encumbered by no contracts or agreements. Notwithstanding anything to the contrary stated in this Agreement, the COUNTY is not assuming and has no obligation to honor the amount of any prepaid or discounted connections for customers or properties, dwelling units, or commercial or industrial structures not connected to the Utility System prior to the Closing Date, but rather reserves the right to charge and collect its own capital charges as precondition to providing service, giving due credit for connection fee amounts previously paid.

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

SECTION 20. NOTICES; PROPER FORM. Any notices required or allowed to be delivered hereunder shall be in writing and may either be (1) hand delivered, (2) sent by recognized overnight courier (such as Federal Express) or (3) mailed by certified or registered mail, return receipt requested, in a postage prepaid envelope, and addressed to a party at the address set forth opposite the party's name below, or at such other address as the party shall have specified by written notice to the other party delivered in accordance herewith:

COUNTY: Marion County
601 S.E. 25th Avenue
Ocala, FL 34471-2690
Attention: County Administrator

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

SELLER: Pine Run Utilities, Inc.
8865 Southwest 104th Lane
Ocala, Florida 32676
Attention: Kulbir Ghumman,
President and Chief Executive Officer

With a copy to: Martin S. Friedman, Esquire
2548 Blirstone Pines Drive
Post Office Box 1567
Tallahassee, FL 32302-1567

Notices personally delivered by hand or sent by overnight courier shall be deemed given on the date of delivery and notices mailed in accordance with the foregoing shall be deemed given three (30 days after deposit in the U.S. mail.

SECTION 21. ENTIRE AGREEMENT. This instrument constitutes the entire Agreement between the parties and supersedes all previous discussions, understandings, and agreements between the parties relating to the subject matter of this Agreement. This Agreement may not be changed, altered or modified except by an instrument in writing signed by the party against whom enforcement of such change would be sought.

SECTION 22. AMENDMENT. Amendments to and waivers to the provisions of this Agreement shall be made by the parties only in writing by formal amendment.

SECTION 23. DISCLAIMER OF THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of the formal parties herein, and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any third party not a formal party hereto.

SECTION 24. BINDING EFFECT. All of the provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the legal representatives, successors and nominees of the COUNTY and the SELLER.

SECTION 25. TIME OF THE ESSENCE. Time is hereby declared of the essence in the performance of each and every provision of this Agreement.

SECTION 26. APPLICABLE LAW. This Agreement shall be construed, controlled, and interpreted according to the laws of the State of Florida.

SECTION 27. CORROBORATION OF PAYMENTS AFTER CLOSING. In each instance in which either the SELLER or the COUNTY is to receive money from another party after the Closing Date pursuant to the provisions of this Agreement, the party who is entitled to receive the money under the terms of this Agreement shall have the right to inspect, at its own expense, those books and records of the other party as may be necessary to corroborate the accuracy of the amount of money received by the party, within thirty (30) days of receipt of payment. In the event the party making the inspection discovers an error in payment, the party making the payment shall promptly transfer the difference in payment to the party who is entitled to payment; provided, however, that to the extent that the error in payment is ten percent (10%) or more, then the party making payment shall, in addition to paying the shortfall, reimburse to the party making the inspection the reasonable costs of the inspection.

SECTION 28. RADON GAS. RADON IS A NATURALLY OCCURRING RADIOACTIVE GAS THAT, WHEN IT HAS ACCUMULATED IN A BUILDING IN SUFFICIENT QUANTITIES, MAY PRESENT HEALTH RISKS TO PERSONS WHO ARE EXPOSED TO IT OVER TIME. LEVELS OF RADON THAT EXCEED FEDERAL AND STATE GUIDELINES HAVE BEEN FOUND IN BUILDINGS IN FLORIDA. ADDITIONAL INFORMATION REGARDING RADON AND RADON TESTING MAY BE OBTAINED FROM YOUR COUNTY PUBLIC HEALTH UNIT.

SECTION 29. DEFENSE OF ACTIONS OR CLAIMS

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

29.2 Upon receipt of such prompt notification of such claim or action, the Indemnitor shall be entitled, in its absolute discretion, to select legal counsel; to assume at its expense the defense of any such action or claim, including the prosecution of any applicable cross-claims or counter claims; to direct the manner in which such defense shall

be conducted; and to determine the terms of settlement of, any such suit or claim against Indemnitee, provided that no such resolution awarding relief other than money damages against the Indemnitee may be agreed to without the consent of the Indemnitee, which consent shall not be unreasonably withheld, delayed or conditioned by Indemnitee. Indemnitee shall provide its full cooperation and assistance to Indemnitor with regard to the defense of such claim or action against Indemnitee, as afore-described, as reasonably requested by Indemnitor.

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

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

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

SECTION 30. MISCELLANEOUS.

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

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

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

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

30.5 With regard to the SWFWMD Enforcement Action, the SELLER agrees to pay the money in lieu of penalties into an escrow account with an escrow agent of the COUNTY's choosing as contemplated by the Consent Order with SWFWMD. The COUNTY agrees to assume responsibility for implementing the Consent Order pursuant to that Assignment and Assumption Agreement (to be executed by DECCA) attached to and incorporated in this Agreement as Exhibit "7."

SECTION 31. ADDITIONAL SELLER RESPONSIBILITIES. SELLER at its expense shall provide COUNTY with six (6) months of billing services which include rendering the bills, mailing the bills, collecting the money and turning the money collected over to and paying the COUNTY, (COUNTY, however, shall be responsible for reading the meters and turning over data and for collection of nonpayment of bills), and up to five hundred (500) hours of consultation by James Bell (so long as James Bell is alive, well, and employed in some capacity by SELLER) during the six (6) months following the Closing Date. The COUNTY agrees to replace at its expense any operations employees of SELLER that quit or resign after the Closing Date. All SELLER employees shall have the right to apply to work for the COUNTY subject to normal employment requirements, rules, and policies.

SECTION 32. FINAL CONTINGENCY. The parties have entered into a similar agreement this same date related to the sale of the Oak Run Water and Wastewater Systems. Closing and transferring title to the Utility System is contingent upon closing and transferring title to the Oak Run Water and Wastewater Systems.

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

SIGNED, SEALED, AND DELIVERED
IN THE PRESENCE OF:

PINE RUN UTILITIES, INC.

x. [Signature]
Name: JAMES A. BELL

BY: [Signature]
Kulbir Ghumman, President and
Chief Executive Officer

[Signature]
Name: Melodye Marvin

DATE: 2/2/01

[CORPORATE SEAL]

STATE OF FLORIDA
COUNTY OF MARION

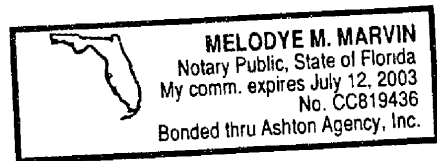
The foregoing instrument was acknowledged before me this 2 day of February, 2001, by Kulbir Ghumman, as President and Chief Executive Officer, of PINE RUN UTILITIES, INC., a Florida corporation, on behalf of the corporation.

[Signature]
Signature of Notary Public

AFFIX NOTARY STAMP

(Print Notary Name
My Commission Expires: _____
Commission No.: _____

Personally known, or
 Produced Identification
Type of Identification Produced _____



ATTEST:

John Yarn DC
David R. Ellspermann, Clerk

BOARD OF COUNTY COMMISSIONERS
OF MARION COUNTY, FLORIDA

BY: Randy Harris
Larry Gretul, Chairman
Vice

Date: 1/31/01

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

February 2, 2001
[Signature]
Thomas A. Cloud, Esquire
Special Utility Counsel

STATE OF FLORIDA
COUNTY OF MARION

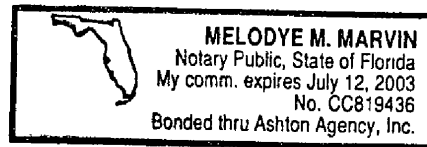
The foregoing instrument was acknowledged before me this 2 day of February, 2001, by Randy Harris, Vice ~~Larry Gretul~~, Chairman of the Board of County Commissioners, known to me to be the person described in and who executed the foregoing.

[Signature]
Signature of Notary Public

(Print Notary Name
My Commission Expires: _____
Commission No.: _____

AFFIX NOTARY STAMP

Personally known, or
 Produced Identification
Type of Identification Produced _____



Pine Run Utilities, Inc.

Exhibit 1:
The Real Property

**LEGAL DESCRIPTION
EXHIBIT "1"**

PINE RUN

Parcel A:

A portion of Tract "A", Block "K" of Pine Run Estates, as recorded in Plat Book "U", Pages 5-7 of the Public Records of Marion County, Florida, being more particularly described as follows:

Commence at the southwest corner of said Tract "A"; thence $N00^{\circ}41'13''E$, along the west line of said Tract "A", 88.61 feet, to the point of beginning; thence continue $N00^{\circ}41'13''E$, along said west line, 62.83 feet, to the point of curvature of a circular curve, concave southeasterly and having a radius of 25.00 feet; thence continue along said west line and curve northeasterly, 38.93 feet, through a central angle of $89^{\circ}13'10''$ and a chord bearing and distance of $N45^{\circ}17'48''E$, 35.11 feet, to the point of tangency thereof; thence $N89^{\circ}54'23''E$, along the north line of said tract "A", 15.34 feet; thence $S00^{\circ}41'13''W$, 87.49 feet; thence $S89^{\circ}54'23''W$, 40.00 feet, to the point of beginning.

Parcel B:

Tract A, Block D of Pine Run Estates Unit III, as recorded in Plat Book W, Pages 1-2, of the Public Records of Marion County, Florida.

Parcel C:

Tract A, Block U of Pine Run Estates Unit IV, as recorded in Plat Book W., Pages 94-95, of the Public Records of Marion County, Florida.

LEGEND:

- | | |
|---|---------------------------|
| △ = DESCRIPTIVE POINT | Δ = DELTA / CENTRAL ANGLE |
| R/W = RIGHT-OF-WAY | R = RADIUS / RADIAL |
| CL = CENTERLINE | L = ARC LENGTH |
| FB/PG = FIELD BOOK / PAGE | CB = CHORD BEARING |
| P.S.M. = PROFESSIONAL SURVEYOR AND MAPPER | CH = CHORD LENGTH |
| LB = LICENSED BUSINESS | PC = POINT OF CURVATURE |
| ⊙ = WELL | PI = POINT OF TANGENCY |
| | R/V = GATE VALVE |
- CIRCLE SQUARE WOODS**
(PLAT BOOK "P", PAGES 30-130)
TRACI 9

NOTES:

1. BEARINGS ARE BASED ON THE RECORD PLAT THEREOF WITH THE NORTH LINE OF TRACT "A", BLOCK "K", BEARING N 89°54'23" E.
2. THIS DRAWING REPRESENTS A SKETCH OF DESCRIPTION AND DOES NOT REPRESENT A CURRENT OR COMPLETE BOUNDARY SURVEY BY THIS FIRM.
3. THIS SKETCH HAS BEEN PREPARED WITHOUT THE BENEFIT OF A CURRENT TITLE REPORT OR ABSTRACT AND MAY NOT INDICATE CURRENT OWNERSHIP, ENCUMBRANCES, OR OTHER MATTERS OF RECORD.
4. COPIES OF THIS SKETCH ARE NOT VALID WITHOUT THE ORIGINAL SIGNATURE AND RAISED SEAL OF THE FLORIDA LICENSED PROFESSIONAL SURVEYOR AND MAPPER LISTED HEREON

DESCRIPTION:

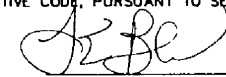
A PORTION OF TRACT "A", BLOCK "K" OF PINE RUN ESTATES, AS RECORDED IN PLAT BOOK "U", PAGES 5 - 7 OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF SAID TRACT "A"; THENCE N00°41'13"E, ALONG THE WEST LINE OF SAID TRACT "A", 88.61 FEET, TO THE POINT OF BEGINNING; THENCE CONTINUE N00°41'13"E, ALONG SAID WEST LINE, 62.83 FEET, TO THE POINT OF CURVATURE OF A CIRCULAR CURVE, CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 25.00 FEET; THENCE CONTINUE ALONG SAID WEST LINE AND CURVE NORTHEASTERLY, 38.93 FEET, THROUGH A CENTRAL ANGLE OF 89°13'10" AND A CHORD BEARING AND DISTANCE OF N45°17'48"E, 35.11 FEET, TO THE POINT OF TANGENCY THEREOF; THENCE N89°54'23"E, ALONG THE NORTH LINE OF SAID TRACT "A", 15.34 FEET, THENCE S00°41'13"W, 87.49 FEET; THENCE S89°54'23"W, 40.00 FEET, TO THE POINT OF BEGINNING.

CONTAINING 0.08 ACRES, MORE OR LESS

SURVEYOR'S CERTIFICATE:

I HEREBY CERTIFY THAT THIS SKETCH OF DESCRIPTION IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF AND THAT IT CONFORMS WITH THE MINIMUM TECHNICAL STANDARDS AS SET FORTH BY THE FLORIDA BOARD OF PROFESSIONAL SURVEYORS AND MAPPERS IN CHAPTER 61G17-6, FLORIDA ADMINISTRATIVE CODE, PURSUANT TO SECTION 472.027, FLORIDA STATUTES



LAWRENCE E. BLAND
P.S.M. NO. 4834
STATE OF FLORIDA

DATE SIGNED: 1-29-01

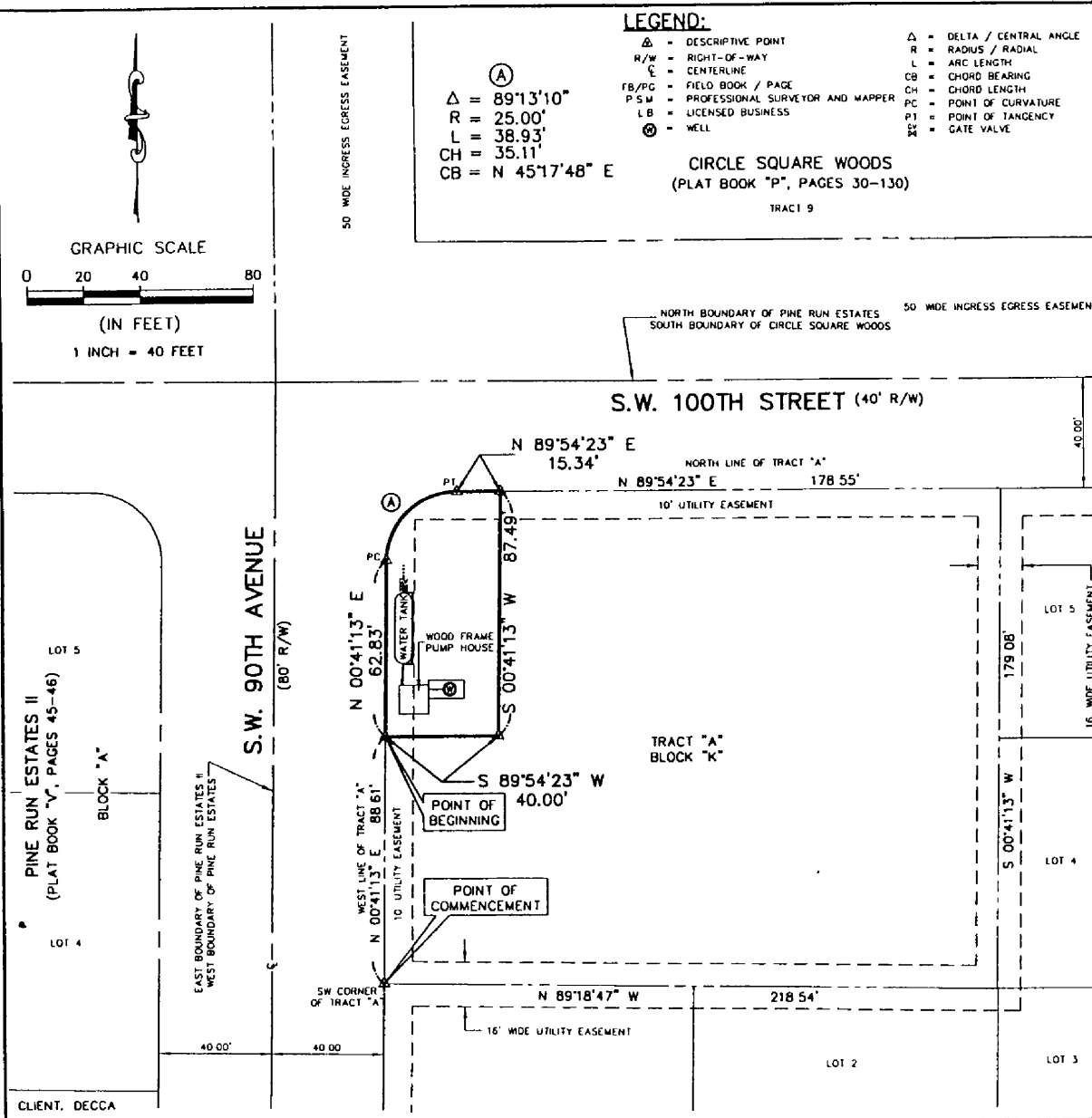
**SKETCH OF DESCRIPTION
FOR
DECCA**



(LB # 6895)
1414 S.W. MARTIN LUTHER KING AVE.
OCALA, FLORIDA 34474-3129 (352) 368-5055

SECTION 25, TOWNSHIP 16 SOUTH, RANGE 20 EAST, MARION COUNTY, FLORIDA

DRAWN BY: CMM	DATE OF SKETCH: 01-29-2001	SCALE: 1" = 40'
CHECKED BY: LEB	REVISIONS:	F B / PG: M68A2/1
COGO DISK/FILE MB20Y/PRI1ABK		JOB No.: 44482 00
DRAWING DISK/FILE MB20Y/PRI1AKS00		FILE No.: 3M/1197



GRAPHIC SCALE

0 20 40 80

(IN FEET)

1 INCH = 40 FEET

50' WIDE INGRESS EGRESS EASEMENT

NORTH BOUNDARY OF PINE RUN ESTATES
SOUTH BOUNDARY OF CIRCLE SQUARE WOODS

50' WIDE INGRESS EGRESS EASEMENT

S.W. 100TH STREET (40' R/W)

S.W. 90TH AVENUE
(80' R/W)

TRACT "A"
BLOCK "K"

16' WIDE UTILITY EASEMENT

LOT 5

LOT 4

LOT 2

LOT 3

LOT 5

LOT 4

CLIENT: DECCA

Pine Run Utilities, Inc.

Exhibit 2:
Easements and Other Rights

record and return to:

Phillip K. Rincin, Esquire
Gray, Harris & Robinson, P.A.
301 E. Pine St., Suite 1400
Orlando, FL 32801

THIS INSTRUMENT PREPARED BY:
MARTIN S. FRIEDMAN, ESQUIRE
ROSE, SUNDSTROM & BENTLEY, LLP
2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

ASSIGNMENT OF EASEMENTS

KNOW ALL MEN BY THESE PRESENTS that PINE RUN UTILITIES, INC., a Florida corporation, and DEVELOPMENT & CONSTRUCTION CORPORATION OF AMERICA, a Florida corporation, whose address is 11637 S.W. 90th Terrace, Ocala, Florida 34481, hereinafter called the "Assignor" for and in consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable considerations paid by MARION COUNTY, FLORIDA, a political subdivision of the State of Florida, whose address is 601 S.E. 25th Avenue, Ocala, Florida 34471, hereinafter referred to as "Assignee", has granted, bargained, sold, transferred, assigned and delivered, and by these presents does grant, bargain, sell, transfer, assign and deliver unto the Assignee, its successors and assigns, all of Assignor's right, title, and interest in and to all easements, recorded and unrecorded, rights of access, ingress and egress, permits, licenses, and rights-of-way owned or used by Assignor, whether in public or private property located in Marion County which relate to the operation or provision of water service, including, but not limited to, easements identified in platted, dedicated rights-of-way and utility easements.

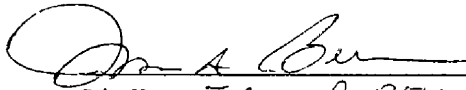
Assignor, its successors and assigns, hereby covenant that it has the lawful right to assign the above interests, that it has satisfied all requirements in the easements to continue them in full force and effect and to avoid any abandonment or reverter provisions set forth therein, and does hereby assign the same to the Assignee, and that it will warrant and defend the same against the lawful claims and demands of all persons whomsoever.

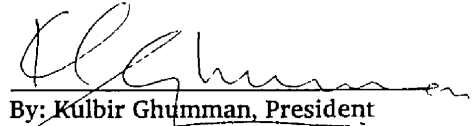
TO HAVE AND TO HOLD the same unto the Assignee, its successors and assigns forever.

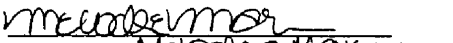
IN WITNESS WHEREOF, the Assignor has hereunto set its hand and seal this 2nd day of February, 2001.

ATTEST:

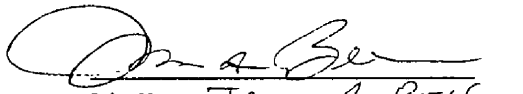
DEVELOPMENT & CONSTRUCTION CORPORATION OF AMERICA

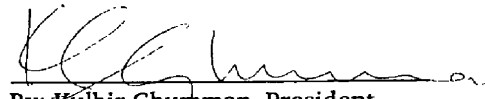

Print Name: JAMES A. BELL

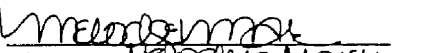

By: Kulbir Ghumman, President


Print Name: NICOLE MARX

PINE RUN UTILITIES, INC.


Print Name: JAMES A. BELL


By: Kulbir Ghumman, President


Print Name: NICOLE MARX

STATE OF FLORIDA)
COUNTY OF MARION)

The foregoing instrument was acknowledged before me this 2 day of February, 2001, by Kulbir Ghumman, President of Development & Construction Corporation of America, a Florida corporation, on behalf of the corporation. He is personally known to me or has produced _____ as identification.

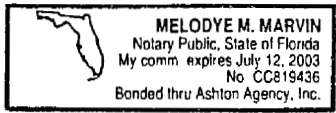
Melody M. Marvin
Notary Public
My Commission Expires



STATE OF FLORIDA)
COUNTY OF MARION)

The foregoing instrument was acknowledged before me this 2 day of February, 2001, by Kulbir Ghumman, President of ~~Pine Run Utilities, Inc.~~, a Florida corporation, on behalf of the corporation. He is personally known to me or has produced _____ as identification.

Melody M. Marvin
Notary Public
My Commission Expires



decca\pinerun.aoeas

Pine Run Utilities, Inc.

Exhibit 3:
Plant and Other Facilities Assets

DESCRIPTIONS

QUANTITY

Water Mains

1.5" PVC	ft
2" PVC	44640 ft
3" PVC	2600 ft
4" PVC	26070 ft
6" PVC	140 ft
8" PVC	ft
10" PVC	ft
12" PVC	ft
16" PVC	ft
Hydrants	0 ea

Meters & Services

1/2"	0 ea
5/8"	0 ea
3/4"	0 ea
1"	0 ea
2"	0 ea
3"	0 ea
4"	0 ea
6"	0 ea

Wells

Well #1 (8" Dia. @ 175'), Phase I	1 ea
Well #2 (8" Dia. @ 180'), Phase II	1 ea
Well #3 (8" Dia. @ 160'), Phase III	1 ea
Well #4 (8" Dia. @ 190'), Phase IV	1 ea

DESCRIPTIONS

QUANTITY

Water Treatment Plant #1 (Well #1)

5,000 Gal Hydro Tank	1 ea
Well	1 ea
Control Building	1 ea
Chlorinator	1 ea
Electrical & Controls	1 ls
Generator	0 ea
Yard Piping	1 ls

Water Treatment Plant # 2 (Well #2)

5,000 Gal Hydro Tank	1 ea
Well	1 ea
Control Building	1 ea
Chlorinator	1 ea
Electrical & Controls	1 ls
Generator	0 ea
Yard Piping	1 ls

Water Treatment Plant #3 (Wells #3 & 4)

5,000 Gal Hydro Tank	2 ea
Well	2 ea
Control Building	1 ea
Chlorinator	1 ea
Electrical & Controls	1 ls
Generator	0 ea
Yard Piping	1 ls

Pine Run Utilities, Inc.

Exhibit 4:
Engineering Plans

**Pine Run Utilities Inc.
List of Drawings**

	<u>Development Name</u>	<u>Drawing Title</u>
1	Pine Run Estates Overall	Water Distribution System
2	Pine Run Estates II Overall	Water Distribution System
3	Pine Run Estates III Overall	Water Distribution System
4	Pine Run Estates IV Overall	Water Distribution System

Pine Run Utilities, Inc.

Exhibit 5:
All Permits, Certifications,
Authorizations, and Approvals

Regulatory Permits

Pine Run Utilities, Inc.

Agency	Item	Document #	Permit Issuance Date	Permit Expiration Date
FDEP	Potable Water System	PWS # - 6423088	NA	NA
SWFWMD	Water use permit	WUP # - 206151.05	3/16/1993	3/16/2016
FPSC	Water Certificate number	409-W	NA	NA

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
2379 BROAD STREET (U.S. 41 SOUTH) BROOKSVILLE, FLORIDA 34609-6899
(352)796-7211 OR 1-800-423-1476 (FLORIDA ONLY) (SUNCOM 628-4150)

PLEASE ATTACH TO THE FACE OF YOUR PERMIT

07/28/98

DECCA UTILITIES/PINE RUN

8865 SW 104TH LANE
OCALA, FL 34481-

SUBJECT: EXTENSION - WATER USE PERMIT NO. 6151.06

DEAR PERMITTEE:

WE ARE PLEASED TO INFORM YOU THAT THE EXPIRATION DATE OF YOUR ABOVE REFERENCED WATER USE PERMIT HAS BEEN EXTENDED TO 03/16/16. THROUGH A PROCESS OF RANDOM SELECTIONS BY COMPUTER, THE DISTRICT HAS EXTENDED THE EXPIRATION DATE OF CERTAIN PERMITS WITH ANNUAL AVERAGE DAILY WITHDRAWALS OF LESS THAN 500,000 GALLONS. THIS PROCESS WILL ENSURE THAT THE NUMBER OF RENEWAL APPLICATIONS RECEIVED IN ANY ONE YEAR DOES NOT EXCEED OUR CAPACITY TO EVALUATE AND PROCESS THE APPLICATIONS.

THIS EXTENSION OF PERMIT DURATION DOES NOT REQUIRE ANY ACTION ON YOUR PART AND IS AT NO COST TO YOU. HOWEVER, YOU WILL NEED TO UPDATE YOUR RECORDS SO THAT YOU WILL FILE AN APPLICATION FOR RENEWAL DURING THE YEAR PRIOR TO THE NEW EXPIRATION DATE.

ALTHOUGH THE EXPIRATION DATE OF YOUR PERMIT HAS BEEN EXTENDED, YOU ARE STILL REQUIRED TO COMPLY WITH ALL THE TERMS AND CONDITIONS OF YOUR PERMIT. FOR EXAMPLE, IF YOUR PERMIT WAS ISSUED WITH CONDITIONS REQUIRING DATA, REPORTS, ETC. TO BE SUBMITTED, YOU MUST CONTINUE TO SUBMIT ALL SUCH REQUIRED INFORMATION AT THE REGULAR INTERVALS SPECIFIED IN THE CONDITIONS OF YOUR PERMIT. FOR ANY PERMIT CONDITION THAT HAS THE EXPIRATION DATE AS THE DATE BY WHICH ACTION, REPORT SUBMISSION OR OTHER COMPLIANCE IS REQUIRED, THE PREVIOUS EXPIRATION DATE APPLIES, NOT THE NEWLY EXTENDED EXPIRATION DATE.

AS A FURTHER REMINDER, YOUR EXTENDED PERMIT IS STILL SUBJECT TO AND MUST COMPLY WITH ALL APPLICABLE DISTRICT RULES, INCLUDING THOSE RELATING TO:

- THE CONDITIONS OF ISSUANCE FOR WATER USE PERMITS, AND
 - RELEVANT ESTABLISHED MINIMUM FLOWS AND LEVELS AND ASSOCIATED PREVENTION AND RECOVERY STRATEGIES,
- AND CAN BE MODIFIED OR REVOKED FOR NONCOMPLIANCE WITH THE PERMIT, DISTRICT RULES, AND CHAPTER 373, FLORIDA STATUTES.

PAGE 2

IF THE WITHDRAWALS ON THE REFERENCED PERMIT ARE NO LONGER IN USE OR IF YOU HAVE SOLD THE PROPERTY, PLEASE INFORM US BY RETURN LETTER. ALSO, PLEASE PROVIDE THE NAME AND MAILING ADDRESS OF THE NEW OWNER.

IF YOU HAVE ANY QUESTIONS ABOUT THIS ONE-TIME EXTENSION OF YOUR PERMIT DURATION, PLEASE CONTACT STEVE DESMITH IN OUR BROOKSVILLE REGULATION DEPARTMENT AT (352)796-7211 OR 1-800-423-1476 (FLORIDA ONLY).

PLEASE KEEP THIS LETTER ATTACHED TO THE FACE OF YOUR PERMIT AT ALL TIMES, INDICATING THAT YOUR PERMIT EXPIRATION DATE IS NOW 03/16/16. WE APPRECIATE YOUR ASSISTANCE IN THIS MATTER AND IT WILL HELP US TO SERVE YOU BETTER IN THE FUTURE WHEN YOU SUBMIT YOUR RENEWAL APPLICATION.

SINCERELY,

(SIGNED)
BJ JARVIS, DIRECTOR
RECORDS AND DATA DEPARTMENT

BJJ/

CC: FILE OF RECORD - WATER USE PERMIT NO. 6151.06

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
WATER USE
GENERAL
PERMIT NO. 206151.05

PERMIT ISSUE DATE: March 16, 1993
EXPIRATION DATE: March 16, 2003

IT IS THE PERMITTEE'S RESPONSIBILITY TO RENEW THIS PERMIT BEFORE THE EXPIRATION DATE, WHETHER OR NOT THE PERMITTEE RECEIVES PRIOR NOTIFICATION BY MAIL.

This permit, issued under the provisions of Chapter 373, Florida Statutes, and Florida Administrative Code 40D-2 authorizes the Permittee to withdraw the quantities outlined herein, and may require various activities to be performed by the Permittee as outlined by the Special Conditions. This permit, subject to all terms and conditions, meets all District permitting criteria.

GRANTED TO: Pine Run Utilities, Inc.
8865 S.W. 104th Ln.
Ocala, FL 34481

TOTAL QUANTITIES AUTHORIZED UNDER THIS PERMIT (in gpd)
AVERAGE: 440,300 PEAK MONTHLY: 892,000

<u>Use</u>	<u>Average</u>	<u>Peak Monthly</u>
Public Supply:	439,100 gpd	889,600 gpd
Recreation or Aesthetic:	1,200 gpd	2,400 gpd

See Withdrawal Table for quantities permitted for each withdrawal point.

PROPERTY LOCATION: Marion County, approximately 8 miles south of Ocala on S.R. 200.

TYPE OF APPLICATION: Renewal WATER USE CAUTION AREA: N/A

APPLICATION FILED: September 8, 1992 ACRES: 4.73 Owned
310.00 Serviced
314.73 Total

APPLICATION AMENDED: N/A

MICROFILMED

FILED ON 3/17/93 BY ms



SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
(SWFWMD)

CONSUMPTIVE USE PERMIT

PINE RUN

PERMIT GRANTED TO:

Pine Run Utilities, Inc.
8865 S.W. 104th Lane
Ocala, FL 32674
(Legal Name and Address)

PERMIT NO.: 206151
DATE PERMIT GRANTED: September 30, 1986
DATE PERMIT APPLICATION FILED: May 27, 1986
PERMIT EXPIRES ON: September 30, 1992
SOURCE CLASSIFICATION: Groundwater
USE CLASSIFICATION: Public Supply/Irrigation

Section 25, T16S, R20E

TERMS AND CONDITIONS OF THIS PERMIT ARE AS FOLLOWS:

1. That all statements in the application and in supporting data are true and accurate and based upon the best information available, and that all conditions set forth herein will be complied with. If any of the statements in the application and in the supporting data are found to be untrue and inaccurate, or if applicant fails to comply with all of the conditions set forth herein, then this Permit shall automatically become null and void.
2. This Permit is predicated upon the assertion by applicant that the use of water applied for and granted is and continues to be a reasonable beneficial use as defined in Section 373.019(5), Florida Statutes, is and continues to be consistent with the public interest, and will not interfere with any legal use of water existing on the date this Permit is granted.
3. In granting this Permit, SWFWMD has, by regulation, reserved from use by applicant, water in such locations and quantities, for such seasons of the year, as it determines may be required for the protection of fish and wildlife and the public health and safety. Such reservations are subject to periodic review and revision in light of changed conditions.
4. Based upon the application and supporting documents, SWFWMD finds that the applicant's consumptive use of water of -0- gallons per day was in existence before January 1, 1975 at the average annual withdrawal rate of -0- gallons per day.
5. Nothing in this Permit should be construed to limit the authority of Southwest Florida Water Management District to declare water shortages and issue orders pursuant to Section 373.175, Florida Statutes, or to formulate a plan for implementation during periods of water shortage pursuant to Section 373.246, Florida Statutes.
6. This Permit authorizes the applicant named above to make a combined average annual withdrawal of 400,000 gallons of water per day with a maximum combined withdrawal rate not to exceed 813,000 during a single day. Withdrawals are authorized as shown in the table below.

Per #	WITHDRAWAL POINT		GALLONS PER DAY	GALLONS PER DAY
	LATITUDE	LONGITUDE	AVERAGE	MAXIMUM
2.	29 04 37	82 16 10	145,000	296,000
3.	29 04 29	82 16 55	76,000	154,000
4.	29 04 29	82 16 57	116,000	235,000
5.	29 04 35	82 16 06	63,000	128,000

Permit No.: 206151.05
 Permittee: Pine Run Utilities, Inc.
 Page 2 of 5

WATER USE: PUBLIC SUPPLY

SERVICE AREA NAME

Pine Run Estates

<u>USE TYPE</u>	<u>POPULATION SERVED</u>	<u>PER CAPITA RATE</u>
Residential Single Family Unaccounted Use	1,680	250
Total Public Supply Use	1,680	262/Gross Per Capita Rate

<u>USE TYPE</u>	<u>IRRIGATION METHOD(S)</u>	<u>IRRIGATION RATE</u>	<u>ACRES</u>
Lawn and Landscape	Sprinkler (Over Plant)	30"/yr.	5.5

WATER USE: RECREATION OR AESTHETIC

<u>FACILITY NAME</u>	<u>USE TYPE</u>
Pine Run Estates	Personal Sanitary Use Water-based Recreation

<u>I.D. NO. PERMITTEE/DISTRICT</u>	<u>LOCATION LAT/LONG</u>	<u>DIAM. (INCHES)</u>	<u>DEPTH TOTAL/CASED</u>	<u>USE</u>	<u>GALLONS PER DAY</u>	
					<u>AVERAGE</u>	<u>PEAK MONTHLY</u>
2 / 2	290425/821623	8	205/ 77	PS	57,300	92,000
3 / 3	290425/821623	8	160/100	PS	165,000	300,000
4 / 4	290424/821658	8	160/ 80	PS	110,000	180,000
1 / 5	290435/821606	8	126/ 82	PS	108,000	320,000

PS-Public Supply

<u>DISTRICT I.D. NO.</u>	<u>SECTION/TOWNSHIP/RANGE</u>
2, 3 and 4	26/16/20
5	25/16/20

SPECIAL CONDITIONS:

All conditions referring to approval by the Permitting Department Director, Resource Regulation, shall refer to the Brooksville Permitting Department Director, Resource Regulation.

MICROFILMED

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Permit No.: 206131.05
Permittee: Pine Run Utilities, Inc.
Page 3 of 5

- 1. All reports required by the permit shall be submitted to the District on or before the tenth day of the month following data collection and shall be addressed to:

Permits Data Section, Resource Regulation
Southwest Florida Water Management District
2379 Broad Street
Brooksville, Florida 34609-6899

Unless otherwise indicated, three copies of each plan or report, with the exception of pumpage, rainfall, evapotranspiration, water level or water quality data which require one copy, are required by the permit.

- 2. The Permittee shall continue to maintain and operate the existing non-rasettable, totalizing flow meter(s), or other flow measuring device(s) as approved by the Permitting Department Director, Resource Regulation, for District ID Nos. 2, 3, 4 and 5, Permittee ID Nos. 2, 3, 4 and 1. Such device(s) shall maintain an accuracy within five percent of the actual flow as installed. Total withdrawal and meter readings from each metered withdrawal shall be recorded on a monthly basis and reported to the Permits Data Section (using District forms) on or before the tenth day of the following month. If a metered withdrawal is not utilized during a given month, a report shall be submitted to the Permits Data Section indicating zero gallons.
- 3. Water quality samples shall be collected and analyzed, for parameter(s), and frequency(ies) specified below. Water quality samples from production wells shall be collected whether or not the well is being used, unless infeasible. If sampling is infeasible the Permittee shall indicate the reason for not sampling on the water quality data form. Water quality samples shall be analyzed by a Department of Health and Rehabilitative Services (DHRS) certified laboratory under Environmental Laboratory Certification General Category "1". At a minimum, water quality samples shall be collected after pumping the well at its normal rate for a pumping time specified in the table below, or to a constant temperature, pH, and conductivity. In addition, the Permittee's sampling procedure shall follow the handling and chain of custody procedures designated by the certified laboratory which will undertake the analysis. Any variance in sampling and/or analytical methods shall have prior approval of the Permitting Department Director, Resource Regulation. Reports of the analyses shall be submitted to the Permits Data Section (using District forms) on or before the tenth day of the following month, and shall include the signature of an authorized representative and certification number of the certified laboratory which undertook the analysis. The parameters and frequency of sampling and analysis may be modified by the Permitting Department Director, Resource Regulation, as necessary to ensure the protection of the resource.

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Permit No.: 206151.05
Permittee: Pine Run Utilities, Inc.
Page 4 of 5

<u>District ID No.</u>	<u>Permittee ID No.</u>	<u>Minimum Pumping Time</u>	<u>Parameter</u>	<u>Sampling Frequency</u>
2	2	4 hours	Chloride, Sulfate, Total Dissolved Solids	Quarterly (Feb., June, Sept., Dec.)
3	3	4 hours	Chloride Sulfate, Total Dissolved Solids	Quarterly (Feb., June, Sept., Dec.)

Water quality samples shall be collected based on the following timetable:

Weekly	Same day of each week
Monthly	Same week of each month
Quarterly	Same week of months specified
Semi-annually	Same week of months specified

Analyses shall be performed according to procedures outlined in the current edition of Standard Methods for the Examination of Water and Wastewater by the American Public Health Association-American Water Works Association-Water Pollution Control Federation (APHA-AWWA-WPCF) or Methods for Chemical Analyses of Water and Wastes by the U.S. Environmental Protection Agency (EPA).

4. The Permittee shall:
 - a. Incorporate best water management practices, specifically including but not limited to irrigation practices, as recommended for the permitted activities in reports and publications by the IFAS and/or the United States Soil Conservation Service (SCS).
 - b. Limit daytime irrigation to the greatest extent practicable to reduce losses from evaporation. Daytime irrigation for purposes of system maintenance, control of heat stress, crop protection, plant establishment, or for other reasons which require daytime irrigation are permissible; but should be limited to the minimum amount necessary as indicated by best management practices.
 - c. Implement a leak detection and repair program as an element of an ongoing system maintenance program. This program shall include a system-wide inspection at least once per year.
 - d. Evaluate the feasibility of improving the efficiency of the current irrigation system or converting to a more efficient system. This condition includes implementation of the improvement(s) or conversion when determined to be operationally and economically feasible.

5. The Permittee shall begin carrying out the provisions of its District approved conservation plan dated December 15, 1992, upon receipt of this permit. The Permittee shall submit progress reports to the Permits Data Section concerning implementation of the plan on March 1st of each year of the permit duration beginning in 1994.

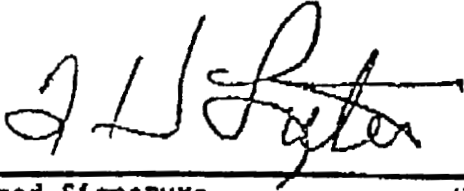
MICROFILMED

8

Permit No.: 206151.05
Permittee: Pine Run Utilities, Inc.
Page 5 of 5

STANDARD CONDITIONS:

1. The Permittee shall comply with the Standard Conditions attached hereto, incorporated herein by reference as Exhibit "A" and made a part hereof.



Authorized Signature
SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

MICROFILMED

D



An Equal Opportunity Employer

Southwest Florida Water Management District

2379 Broad Street • Brooksville, Florida 34609-6899 • 1-800-423-1476 (Florida Only) or (904) 796-7211 • SUNCOM 628-4150 • T.D.D. Number Only (Florida Only): 1-800-231-6103

7601 Highway 301 North
Tampa, Florida 33637-6759
1-800-836-0797 or (813) 985-7481
SUNCOM 578-2070

170 Century Boulevard
Bartow, Florida 33830-7700
1-800-492-7862 or (941) 534-1448
SUNCOM 572-6200

111 Corporation Way
Venice, Florida 34292-3524
1-800-320-3503 or (941) 483-5970
SUNCOM 549-5970

2303 Highway 44 West
Inverness, Florida 34453-3809
(904) 637-1360

November 17, 1995

- Joe L. Davis, Jr.
Chairman, Wauchula
- Roy G. Harrell, Jr.
Vice Chairman, St. Petersburg
- Sally Thompson
Secretary, Tampa
- James E. Marlin
Treasurer, St. Petersburg
- James L. Allen
Bushnell
- Ramon F. Campo
Brandon
- James L. Cox
Lakeland
- Rebecca M. Eger
Sarasota
- John T. Hamner
Bradenton
- Curtis L. Law
Land O' Lakes
- Virginia S. Roo
Tampa

- Peter G. Hubbell
Executive Director
- Mark D. Farrell
Assistant Executive Director
- Edward B. Helvenston
General Counsel

Tony Bouvier, Operations Supervisor
DECCA Utilities - Pine Run
8865 Southwest 104th Lane
Ocala, FL 34481

Subject: **PERMIT MODIFICATION BY LETTER**
WATER USE PERMIT NO. 206151.06
Permittee Name: DECCA Utilities - Pine Run
County: Marion

Reference: Chapter 40D-2, Florida Administrative Code (F.A.C.)
Section 40D-2.331(2)(b), F.A.C.

Dear Mr. Bouvier:

The request for letter modification is provided on the attached letter modification document. Please attach Letter Modification No. 206151.06 to your copy of Water Use Permit No. 206151.05. Compliance with all of the terms and conditions of Water Use Permit No. 206151.05 shall continue, except as changed by Letter Modification No. 206151.06.

This letter constitutes final agency action on the request for letter modification. The authorized changes to the permit are summarized and stated in detail in the attached letter modification document. Please read it carefully.

Any person who is substantially affected by the District's Final Agency action concerning a permit may challenge this action by requesting an Administrative Hearing in accordance with Section 120.57, Florida Statutes (F.S.) and Part V of Chapter 40D-1 F.A.C. A request for hearing must be filed with (received by) the Agency Clerk of the District at the address above within 14 days after the date of receipt of this notice of Final Agency Action. When actual receipt cannot be determined, receipt is deemed to be the fifth day after the date on which this notice is deposited in the United States mail. Failure to file a request for hearing within this time period shall constitute a waiver of said right such person may have to request a hearing under Section 120.57, F.S.

*Excellence
Through
Quality
Service*

Tony Bouvier
Page 2
November 17, 1995

If you need assistance or have questions regarding this matter, please contact either Vivian J. Bielski, Staff Hydrologist, extension 4328, or John W. Parker, P.G., Water Use Regulation Manager, extension 4332, at (904) 796-7211.

Sincerely,



A. Paul Desmarais, P.E.
Director
Brooksville Regulation Department

APD:VJB:mjs2778

Attachment: Letter Modification No. 206151.06

cc: File of Record WUP No. 206151.06
John W. Parker, P.G., Water Use Regulation Manager
Vivian J. Bielski, Staff Hydrologist
Adeline Wood, Supervisor, Processing and Records
Deanna Naugler, Permit Data Supervisor

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
LETTER MODIFICATION NO. 206151.06
THIS DOCUMENT IS AN ATTACHMENT TO WATER USE PERMIT NO. 206151.05
Permittee: DECCA Utilities - Pine Run

LETTER MODIFICATION DATE: November 14, 1995

EXPIRATION DATE
is unchanged:
March 16, 2003

This permit modification by letter is issued under the provisions of Chapter 40D-2.331(2)(b). This document authorizes modifications to the Water Use Permit, and it may require various activities to be performed by the Permittee. Compliance with all of the terms and conditions of Water Use Permit No. 206151.05 shall continue, except as modified by this Letter Modification No. 206151.06.

SUMMARY: This is a modification with no increase in total withdrawal quantities, to change the water quality sampling months, as indicated in Special Condition 3, for District ID Nos. 2 and 3, Permittee ID Nos. 2 and 3, to February, May, August and November.

TOTAL QUANTITIES AUTHORIZED UNDER THE PERMIT ARE NOT CHANGED: GALLONS PER DAY (gpd)

AVERAGE: 440,300 PEAK MONTHLY: 892,000

CHANGES TO SPECIAL CONDITIONS OF WATER USE PERMIT NO. 206151.05

MODIFIED SPECIAL CONDITION 3: To change the sampling months for District ID Nos. 2 and 3.

3. Water quality shall be collected and analyzed, for parameters and frequencies specified below. Water quality samples from production wells shall be collected whether or not the well is being used, unless infeasible. If sampling is infeasible the Permittee shall indicate the reason for not sampling on the water quality data form. Water quality samples shall be analyzed by a Department of Health and Rehabilitative Services (DHRS) certified laboratory under Environmental Laboratory Certification General Category "1". At a minimum, water quality samples shall be collected after pumping the well at its normal rate for a pumping time specified in the table below, or to a constant temperature, pH, and conductivity. In addition, the Permittee's sampling procedure shall follow the handling and chain of custody procedures designated by the certified laboratory which will undertake the analysis. Any variance in sampling and/or analytical methods shall have prior approval of the Regulation Department Director, Resource Regulation. Reports of the analyses shall be submitted to the Permit Data Section (using District

forms) on or before the tenth day of the following month, and shall include the signature of an authorized representative and certification number of the certified laboratory which undertook the analysis. Parameters and frequency of sampling and analysis may be modified by the Regulation Department Director, Resource Regulation, as necessary to ensure protection of the resource.

<u>District ID No.</u>	<u>Permittee ID No.</u>	<u>Minimum Pumping Time</u>	<u>Parameter</u>	<u>Frequency</u>
2	2	4 hours	Chloride, Sulfate, Total Dissolved Solids	Quarterly (Feb., May, Aug., Nov.)
3	3	4 hours	Chloride, Sulfate, Total Dissolved Solids	Quarterly (Feb., May, Aug., Nov.)

Water quality samples shall be collected based on the following timetable:

Weekly	Same day of each week
Monthly	Same week of each month
Quarterly	Same week of months specified
Semi-Annually	Same week of months specified

Analyses shall be performed according to procedures outlined in the current edition of Standard Methods for the Examination of Water and Wastewater by the American Public Health Association - American Water Works Association - Water Pollution Control Federation (APHA-AWWA-WPCF) or Methods for Chemical Analyses of Water and Wastes by the U.S. Environmental Protection Agency (EPA).

Pine Run Utilities, Inc.

Exhibit 6:
FPSC Service Area Maps

Water System Service Area



1000 0 1000 Feet



SOURCE: USGS DOQQ Dunnellon SE, FL and Shady, FL 1995



HARTMAN & ASSOCIATES, INC.
engineers, hydrogeologists, surveyors & management consultants
201 EAST PINE STREET - SUITE 1000 - ORLANDO, FL 32801
TELEPHONE (407) 839-3955 - FAX (407) 839-3790

PINE RUN UTILITIES, INC.
WATER SYSTEM SERVICE AREA
MARION COUNTY, FLORIDA

FIGURE
2-1

PINE RUN UTILITIES, INC.

Exhibit 7:
Assignment and Assumption
of Consent Order

ASSIGNMENT AND ASSUMPTION OF CONSENT ORDER

This Agreement is made and entered into this 2nd day of February, 2001, by and between DEVELOPMENT AND CONSTRUCTION CORPORATION OF AMERICA, a Florida corporation (hereafter "DECCA"), the SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT, a public corporation (hereafter "SWFWMD"), and MARION COUNTY, a political subdivision of the State of Florida (hereafter "COUNTY").

RECITALS

1. SWFWMD brought an enforcement action against DECCA alleging DECCA had violated state law, SWFWMD rules, and the terms and conditions of two SWFWMD Water Use Permits.
2. DECCA and the COUNTY have negotiated for the sale of the Oak Run Water System and the Pine Run Water System from DECCA to the COUNTY.
3. SWFWMD and DECCA have conditionally agreed to settle the enforcement action through execution of a Consent Order attached to and incorporated into this Agreement as Exhibit "A."
4. The Consent Order shall not take effect unless the COUNTY purchases the Oak Run Water System and the Pine Run Water System from DECCA.
5. The parties anticipate the close and consummation of the sale of the Oak Run Water System and the Pine Run Water System from DECCA to the COUNTY shall occur on February 2, 2001.

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

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

SECTION 2. ASSIGNMENT AND ASSUMPTION OF CONSENT ORDER. DECCA hereby assigns all its rights, duties, and responsibilities under the Consent Order to the COUNTY, and the COUNTY hereby expressly assumes all said rights, duties, and responsibilities thereunder.

SECTION 3. PAYMENT OF WATER AUDIT COSTS. As a condition of SWFWMD's agreement to the Consent Order and this Agreement, DECCA hereby agrees to deposit with the COUNTY's designated escrow agent, GRAY, HARRIS & ROBINSON, P.A., the sum of Nineteen Thousand Seven Hundred Twenty-Two and 20/100s Dollars (\$19,722.20) in an interest bearing escrow account set up pursuant to an escrow agreement. The COUNTY may draw on this escrow account and use said funds exclusively for the performance of water audits at the Oak Run Water System or the Pine Run Water System, or for improvements in either of those Systems that increase, facilitate, or enhance water conservation as specified in the Consent Order. The COUNTY agrees to cause its escrow agent to notify the SWFWMD of any expenditures from the escrow account. The COUNTY shall be solely responsible to SWFWMD for compliance with the Consent Order and the terms and conditions related to the escrow account.

SECTION 4. FUTURE PERMITTING. The COUNTY agrees to submit to SWFWMD the necessary application to transfer the water allocations authorized by water use permit numbers 2006151.006 and 2007178.004 to the COUNTY as a modification of the COUNTY's water use permit number 209986.02

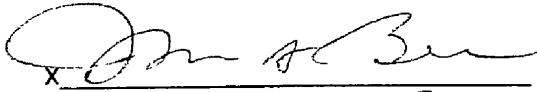
SECTION 5. CONSENT. SWFWMD hereby consents to the assignment of the

Consent Order to the COUNTY and the other terms and conditions of this Agreement.

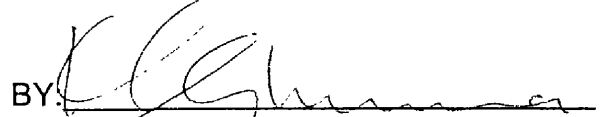
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and sealed as of the day and year first above written.

SIGNED, SEALED, AND DELIVERED
IN THE PRESENCE OF:

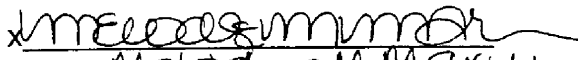
DEVELOPMENT & CONSTRUCTION
CORPORATION OF AMERICA



Name: James A. Bell

BY: 

Kulbir Ghumman, President and
Chief Executive Officer



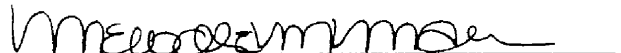
Name: Melodye M. Marvin

DATE: 2/2/01

[CORPORATE SEAL]

STATE OF FLORIDA
COUNTY OF MARION

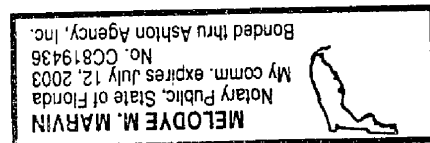
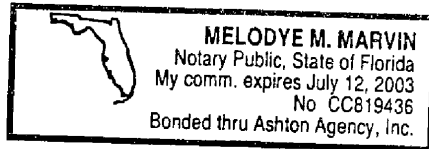
The foregoing instrument was acknowledged before me this 2 day of February, 2001, by Kulbir Ghumman, as President and Chief Executive Officer, of DEVELOPMENT & CONSTRUCTION CORPORATION OF AMERICA, a Florida corporation, on behalf of the corporation.


Signature of Notary Public

(Print Notary Name)
My Commission Expires: _____
Commission No.: _____

AFFIX NOTARY STAMP

Personally known, or
 Produced Identification
Type of Identification Produced _____



ATTEST:

John Barn DC
David R. Ellspermann, Clerk

BOARD OF COUNTY COMMISSIONERS
OF MARION COUNTY, FLORIDA

BY: Randy Harris
Larry Cretul, Chairman
Randy Harris, Vice

Date: 1/31/01

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

February 2, 2001
[Signature]
Thomas A. Cloud, Esquire
Special Utility Counsel

STATE OF FLORIDA
COUNTY OF MARION

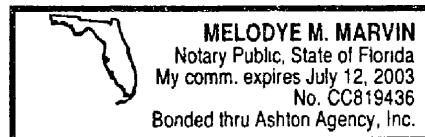
The foregoing instrument was acknowledged before me this 2 day of February, 2001, by Randy Harris, Vice Larry Cretul, Chairman of the Board of County Commissioners, known to me to be the person described in and who executed the foregoing.

[Signature]
Signature of Notary Public

(Print Notary Name
My Commission Expires: _____
Commission No.: _____

AFFIX NOTARY STAMP

Personally known, or
 Produced Identification
Type of Identification Produced

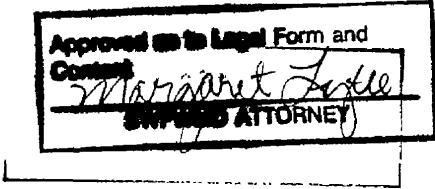


SOUTHWEST FLORIDA WATER
MANAGEMENT DISTRICT

By: *E. Vergara*
E.D. Vergara
Executive Director

1-30-01
Date

Witness



STATE OF FLORIDA
COUNTY OF HERNANDO

The foregoing instrument was acknowledged before me this 30th day of JANUARY, 2001, by E.D. Vergara, Executive Director, Southwest Florida Water Management District, known to me to be the person described in and who executed the foregoing.

Dianna M Brass
Signature of Notary Public
DIANNA M BRASS
(Print Notary Name)

My Commission Expires: 2-7-01
Commission No.: CC610696

Personally known, or
 Produced Identification
Type of Identification Produced

AFFIX NOTARY STAMP

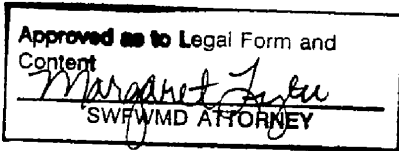


Dianna M Brass
My Commission CC610696
Expires February 7, 2001

Approved as to legal form and content

Attorney

Approved by the Governing Board of the Southwest Florida Water Management District this 30th day of JANUARY, 2001, in Brooksville, Hernando County, Florida.



By: [Signature] FOR
Ronald C. Johnson, Chair

Attest: [Signature]
Sally Thompson, Secretary
(Seal)

STATE OF FLORIDA
COUNTY OF HERNANDO

MONROE A Coogler

The foregoing instrument was acknowledged before me this 30th day of JANUARY, 2001, by Ronald C. Johnson, Chair, Southwest Florida Water Management District, known to me to be the person described in and who executed the foregoing.

[Signature]
Signature of Notary Public
DIANNA M BRASS
(Print Notary Name
My Commission Expires: 2-7-01
Commission No.: CC610696
 Personally known, or
 Produced Identification
Type of Identification Produced

AFFIX NOTARY STAMP



Dianna M Brass
My Commission CC610696
Expires February 7, 2001

BEFORE THE SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

ORDER NO. SWF 01-3

IN RE: DEVELOPMENT AND CONSTRUCTION CORPORATION OF AMERICA
WUP Nos. 2006151.006 & 2007178.004/CT Nos. 72904 & 72910
MARION COUNTY, FLORIDA

CONSENT ORDER

Pursuant to Sections 120.57(4) and 373.083, Florida Statutes (F.S.), this Consent Order is entered into between the Southwest Florida Water Management District, hereinafter referred to as the "District", and Development and Construction Corporation of America, hereinafter referred to as the "Permittee", to settle certain matters at issue between the parties. The parties hereby voluntarily agree to the following findings of fact, conclusions of law and corrective actions.

FINDINGS OF FACT

1. The District is the administrative agency charged with the responsibility to conserve, protect, manage and control water resources within its boundaries and to administer and enforce Chapter 373, F.S., and the rules promulgated thereunder as Chapter 40D, Florida Administrative Code (F.A.C.).

2. The Permittee's mailing address is 11637 S.W. 90th Terrace, Ocala, Florida 34481. The Permittee is the developer and owner of two residential projects, known as Pine Run and Oak Run, which are located in southwestern Marion County, Florida.

3. On March 16, 1993, the District issued Water Use Permit No. 2006151.005 to the Permittee authorizing water withdrawals for residential use, lawn and landscape irrigation, and recreational or aesthetic uses at the Pine Run subdivision.

This permit was modified on November 14, 1995, to change two monitoring conditions. The modification was issued as WUP No. 2006151.006, and is hereinafter referred to as the "Pine Run Permit".

4. The Pine Run Permit authorizes the Permittee to make annual average withdrawals of 440,300 gallons per day (gpd).

5. Between November 1998 and the date of preparation of this Consent Order, Permittee has consistently exceeded the annual average withdrawals authorized under the Pine Run Permit, as follows:

<u>MONTH/YEAR</u>	<u>ANNUAL AVERAGE DAILY PUMPAGE</u>	<u>PERCENTAGE OVERPUMPED</u>
November 1998	472347	7.3%
December 1998	482404	9.6%
January 1999	485851	10.3%
February 1999	496825	12.8%
March 1999	507689	15.3%
April 1999	518273	17.7%
May 1999	509209	15.7%
June 1999	496859	12.8%
July 1999	505425	14.8%
August 1999	515966	17.2%
September 1999	528899	20.1%
October 1999	528089	19.9%
November 1999	528432	20.0%
December 1999	529645	20.3%
January 2000	538253	22.2%
February 2000	543882	23.5%
March 2000	554793	26.0%
April 2000	552091	25.4%
May 2000	548635	24.6%
June 2000	542765	23.3%
July 2000	534098	21.3%
August 2000	519219	17.9%
September 2000	492412	11.8%
October 2000	475693	8.0%
November 2000	470301	6.8%

6. In a Compliance Notice dated May 11, 2000, District staff informed Permittee that it was exceeding its permitted withdrawals under the Pine Run Permit, and advised Permittee to take action to come into compliance with the permitted withdrawal quantities. However, as reflected in paragraph 5 herein, Permittee continued to violate the Pine Run Permit.

7. On November 22, 2000, the District issued Permittee a Notice of Violation, again informing Permittee that it was exceeding its permitted withdrawals under the Pine Run Permit. The Notice of Violation advised Permittee to bring its water withdrawals into compliance with the Pine Run Permit within 30 days of the notice. As of the date of preparation of this Consent Order, Permittee remains in violation of the Pine Run Permit.

8. On July 30, 1996, the District issued Water Use Permit No. 2007178.004, hereinafter the "Oak Run Permit", to the Permittee authorizing water withdrawals for public supply, lawn and landscape irrigation, and recreational or aesthetic uses at the Oak Run subdivision.

9. The Oak Run Permit authorizes the Permittee to make annual average withdrawals of 2,310,000 gallons per day (gpd).

10. Between December 1998 and the date of preparation of this Consent Order, Permittee has consistently exceeded the annual average withdrawals authorized under the Oak Run Permit, as follows:

<u>MONTH/YEAR</u>	<u>ANNUAL AVERAGE DAILY PUMPAGE</u>	<u>PERCENTAGE OVERPUMPED</u>
December 1998	2397461	3.8%
January 1999	2445312	5.9%
February 1999	2537085	9.8%
March 1999	2610842	13.0%
April 1999	2646719	14.6%
May 1999	2596996	12.4%
June 1999	2514064	8.8%
July 1999	2566102	11.1%
August 1999	2603622	12.7%
September 1999	2675862	15.8%
October 1999	2652670	14.8%
November 1999	2647871	14.6%
December 1999	2628752	13.8%
January 2000	2661451	15.2%
February 2000	2655189	14.9%
March 2000	2672410	15.7%
April 2000	2646511	14.6%
May 2000	2685357	16.2%
June 2000	2708044	17.2%
July 2000	2675530	15.83%
August 2000	2665839	15.4%
September 2000	2636890	14.2%
October 2000	2654779	14.9%
November 2000	2648707	14.7%

11. In a Compliance Notice dated May 15, 2000, District staff informed Permittee that it was exceeding its permitted withdrawals under the Oak Run Permit, and advised Permittee to take action to come into compliance with the permitted withdrawal quantities. However, as reflected in paragraph 10 herein, Permittee continued to violate the Oak Run Permit.

12. On November 22, 2000, the District issued Permittee a Notice of Violation, again informing Permittee that it was exceeding its permitted withdrawals under the Oak Run Permit. The Notice of Violation advised Permittee to bring its water withdrawals into compliance with the Oak Run Permit within 30 days of the notice. As of the date of

preparation of this Consent Order, Permittee remains in violation of the Oak Run Permit.

13. As reflected in paragraphs 4, 5, 6, 7, 9, 10, 11 and 12 herein, Permittee has failed to take any significant steps to address its violations of the Pine Run and Oak Run Permits. Permittee has therefore demonstrated a significant lack of cooperation with the District's efforts to enforce compliance with the terms and conditions of the permits.

14. Following issuance of the initial draft of this Consent Order, the District was notified that Permittee was negotiating the sale of the Oak Run Water System and the Pine Run Water System to Marion County, a political subdivision of the State of Florida.

15. As potential purchaser and new operator of the Oak Run Water System and the Pine Run Water System, Marion County has expressed its intent to the District to take every reasonable action to cooperate with the District in achieving compliance with District permits and rules.

16. But for Marion County's willingness to assume responsibility by way of a separate document for performance of the future terms of this Consent Order, neither the District nor the Permittee would enter into the terms of this Consent Order.

17. The parties herein have discussed this matter and resolved all disputed issues regarding the violations set forth above.

CONCLUSIONS OF LAW

18. The District has jurisdiction over the Permittee pursuant to Sections 373.069(2)(d), 373.103(1), 373.216 and 373.219(1), F.S., and Rule 40D-2.041, F.A.C.

19. Making withdrawals in excess of the quantity of water authorized by the Pine Run Permit, as described in paragraphs 4 and 5, constitutes a violation of Section 373.219(1), F.S., Rule 40D-2.381, F.A.C., and the terms of the Pine Run Permit.

20. Making withdrawals in excess of the quantity of water authorized by the Oak Run Permit, as described in paragraphs 9 and 10, constitutes a violation of Section 373.219(1), F.S., Rule 40D-2.381, F.A.C., and the terms of the Oak Run Permit.

CORRECTIVE ACTIONS

21. The Permittee or its assign shall perform the following corrective actions within the time periods specified to bring the above-referenced violations into compliance with state law, District rules, and the terms of the Permit:

- a. Permittee and its assign have represented to the District that individual water meters are installed within the Oak Run Water System such that Permittee or its assign can bill for water usage based upon actual water consumed. Within four (4) months of approval of this Consent Order by the District's Governing Board, the Permittee or its assign shall perform and report to the District the results of a water audit on the Oak Run Water System to determine the contributing factors that cause non-compliance. Permittee or its assign will submit an acceptable written plan to the District demonstrating how and when it will address each factor identified in the audit within thirty (30) days after completion of the audit.
- b. Within eighteen (18) months of approval of this Consent Order by the District's Governing Board, the Permittee or its assign shall install individual water meters within the Pine Run Water System such that

Permittee or its assign can bill for water usage based upon actual water consumed. Permittee or its assign shall send written notice to the District certifying its compliance with this condition.

- c. Within four (4) months of the installation of the meters as described in paragraph 21(b) herein, the Permittee or its assign shall perform and report to the District the results of a water audit on the Pine Run Water System to determine the contributing factors that cause non-compliance. Permittee or its assign will submit an acceptable written plan to the District demonstrating how and when it will address each factor identified in the audit within thirty (30) days after completion of the audit.
- d. Within two (2) years of approval of this Consent Order by the District's Governing Board the Permittee or its assign shall implement an inverted block rate or conservation rate for all customers of the Oak Run Water System and Pine Run Water System that provides an increased cost per unit of consumption as consumption increases. Permittee or its assign shall send written notice to the District certifying implementation of its compliance with this condition.
- e. The written plans described in paragraphs 21(a) and (c) herein shall include reductions in withdrawals, water conservation measures, and development and utilization of alternative sources. The plans shall establish deadlines for implementation and completion of the included corrective actions. The plans are subject to the approval of the District. The Permittee or its assign will use its best efforts to respond to the

District's questions or comments concerning the plans to expeditiously secure the District's approval. The approved plans shall be complied with by the Permittee or its assign. Any failure of Permittee or its assign to comply with any provision of the plans shall constitute a violation of this Consent Order.

22. For each day of delay beyond any due date specified in this Consent Order or an approved plan, the Permittee or its assign shall pay to the District an additional One Hundred Dollars and No Cents (\$100.00) per day. This additional sum shall be paid by the Permittee or its assign upon the District's mailing to the Permittee or its assign of a demand letter for payment. This provision shall not be construed to preclude the District's right to undertake other administrative, civil or criminal action as appropriate in the event any due date is not met.

23. The Permittee or its assign further agrees to henceforth fully comply with all of the terms and conditions of the Permits. The Permittee or its assign acknowledges by the execution of this Consent Order that any future violation of Chapter 373, F.S., District rules, or the terms of the Permits may subject it to any or all of the following: criminal prosecution, administrative action, or civil suit in which civil penalties of up to Ten Thousand Dollars and No Cents (\$10,000.00) per day per offense may be imposed.

24. The Permittee or its assign hereby waives any right to an administrative hearing or judicial review of the terms of this Consent Order or any permit issued hereunder.

25. This Consent Order shall not relieve the Permittee or its assign of the need to comply with all other applicable federal, state and local laws, regulations, or ordinances.

26. The terms and conditions set forth in this Consent Order may be enforced in a court of competent jurisdiction pursuant to Sections 120.69, 373.083(1) and 373.129, F.S.

27. The District expressly reserves and retains the right to initiate appropriate legal action against the Permittee or its assign to prevent or prohibit the future violation of any applicable statutes, rules, orders, or permit conditions, except as specifically addressed in this Consent Order.

28. For and in consideration of the complete and timely performance by the Permittee or its assign of its obligations under this Consent Order, the District waives its right to pursue civil or administrative action for any violations described in this Consent Order.


29. The Permittee or its assign shall allow authorized representatives of the District access to the Pine Run and Oak Run subdivisions at all reasonable times without prior consent or notice for the purpose of determining compliance with this Consent Order, Chapter 373, F.S., the rules of the District, and the terms of the Permits.

30. The effectiveness of this Consent Order is subject to review and approval by the District Governing Board. In the event the District Governing Board shall not approve this Consent Order, this Consent Order shall be null, void and of no legal effect. After this Consent Order has been executed by the Permittee or its assign and the Executive Director of the District, the Permittee or its assign may not withdraw its

approval or terminate this Consent Order under any circumstances unless the District Governing Board fails to approve this Consent Order.

31. Concurrently with the negotiation of this Consent Order, the Permittee has been negotiating the sale of the Oak Run Water System and Pine Run Water System to Marion County. The District hereby consents to the transfer and assignment of the Permittee's rights, duties, and obligations under this Consent Order to Marion County only. It is anticipated that the closing of that sale shall occur within ten (10) days of approval of this Consent Order by the District Governing Board. If the sale to Marion County of these two Systems by Permittee is not consummated within said ten (10) day period, then this Consent Order shall be null and void and not admissible by either party in any judicial or administrative proceedings, and the District maintains all of its rights under the law to enforce compliance with the terms and conditions of the Pine Run and Oak Run Water Use Permits.

DEVELOPMENT AND CONSTRUCTION
CORPORATION OF AMERICA


Witness

By: 
Kulbir Ghumman, President

1-29-01

Date

SOUTHWEST FLORIDA WATER
MANAGEMENT DISTRICT

Diana M. Brass
Witness

By: E. D. Vergara
E. D. Vergara
Executive Director

Approved as to legal form and
content
Margaret M. Lytle
Attorney

Date 1-29-01

Approved by the Governing Board of the Southwest Florida Water Management
District this 31st day of JANUARY 2001, in Brooksville, Hernando County,
Florida.

By: Monroe A. Coogler
Monroe A. Coogler, Vice Chair

Attest: Sally Thompson
Sally Thompson, Secretary

(Seal)

Filed this 31st day of
JANUARY 2001.
W. Warren M. Lee
Deputy Agency Clerk

DEVELOPMENT AND CONSTRUCTION CORPORATION OF AMERICA
WUP Nos. 2006151.006 & 2007178.004/CT Nos. 72904 & 72910
MARION COUNTY, FLORIDA