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ORIGINAL

March 15, 2001

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RECORDS AND
REPORTING

Via Hand Delivery

Blanca S. Bayo, Director
Division of Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Building, Room 110
Tallahassee, FL 32399-0850

Re: Docket No. 000545-WS
Application for original certificate to operate a water and wastewater utility in
Pasco County by Labrador Services, Inc.

Dear Ms. Bayo:

Enclosed for filing, on behalf of Forest Lake Estates Co-op, Inc., are an original and
fifteen copies of a Complaint.

Please acknowledge receipt of the foregoing by stamping the enclosed extra copy of this
letter and returning same to my attention. Thank you for your assistance.

Please contact me if you have any questions.

Sincerely,

RUDEN, McCLOSKEY, SMITH,
SCHUSTER & RUSSELL, P.A.

Kathryn G. W. Cowdery
Kathryn G. W. Cowdery
Attorney

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KGC/l dv
Enclosures

cc: Pat Brady (via hand delivery)
Jennifer Brubaker (via hand delivery)
Richard Webb (via U.S. Mail)

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DOCUMENT NUMBER-DATE

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FORT LAUDERDALE ■ MIAMI ■ NAPLES ■ PORT ST. LUCIE ■ SARASOTA ■ ST. PETERSBURG ■ TALLAHASSEE ■ TAMPA ■ WEST PALM BEACH



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Forest Lake Estates Co-op Inc.,
a Florida not-for-profit
corporation,

Complainant,

vs.

Labrador Services, Inc.,
a Florida corporation,

Respondent.

COMPLAINT

Forest Lake Estates Co-op Inc., ("The Co-op") hereby files this its Complaint, pursuant to Fla. Admin. Code Sec. 25-22.032, and Fla. Admin. Code Sec. 25-30.560, against Labrador Services, Inc. ("the Utility"), and states:

1. The name of the complainant and the address of its principal place of business is:

Forest Lake Estates Co-op, Inc.
6429 Forest Lake Drive
Zephyrhills, FL 33540

The Co-op is the owner of real property in Pasco County, Florida operated as Forest Lake Estates Mobile Home Park ("Forest Lake Estates") and Forest Lake Village R.V. Park ("Forest Lake Village"). Approximately 240 of the 850 Forest Lake Estates homeowners are Co-op members.

2. The persons authorized to receive notices, pleadings, orders, and communications with respect to this Complaint are:

Kathryn G.W. Cowdery
Ruden, McClosky, Smith, Schuster
& Russell, P.A.
215 S. Monroe Street, Suite 815
Tallahassee, FL 32301
(850) 681-9027

3. The Respondent's name and address is:

Labrador Services, Inc.
2323 SW 26th Ave.
Ft. Lauderdale, FL 33312

Respondent Utility provides water and wastewater service to the residents of Forest Lake Estates and Forest Lake Village pursuant to the provisions of a Lease Agreement for Water and Wastewater Treatment Facilities, dated June 10, 1999 ("the Agreement"). Copy of Lease Agreement attached hereto as Exhibit "A". The Utility is subject to the jurisdiction of the Florida Public Service Commission and has been since June 10, 1999. Pursuant to the Agreement, the Utility was required to file an application for certification with the PSC no later than 180 days from the date of the Agreement, that is, on or about December 10, 1999. The Utility did not file an application until May 30, 2000, has not yet cured deficiencies in its filing, and is therefore not yet certificated. The application for original certificates to operate a water and wastewater

utility is pending at the Florida Public Service Commission ("PSC") in Docket No. 000545-WS.

4. Fla. Admin. Code R. Sec. 25-30.225, Plant and Facilities, requires in subsections (6) and (7) that the Utility shall operate and maintain all of its facilities in safe, efficient, and proper condition. Notwithstanding the requirements of Fla. Admin. Code R. Sec. 25-30.225, the Utility has subjected its customers to unbearably offensive odors emanating from the wastewater treatment plant ("WWTP").

5. As provided in Fla. Admin. Code Rule Sec. 25-30.560, the Co-op and the residents of Forest Lake Estates and Forest Lake Village have made, in addition to numerous oral demands over the past year and a half, written demand, and hereby renew those demands, that the Utility remedy the odor problems. See Composite Exhibit "B" attached hereto.

6. Fla. Admin. Code R. Sec. 25-30.355 requires a utility to make a full and prompt acknowledgement and investigation of all customer complaints and to respond fully and promptly to all customer requests. The Utility has failed to meet this requirement, and has completely ignored and failed to respond to its customers' oral or written demands to remedy the odor problems.

7. Pursuant to the Agreement between the Co-op and the Utility, the Utility pays the Co-op rent on the real property

upon which the utility facilities are located. The Utility is delinquent in payment, and currently owes the Co-op \$28,371.69 in delinquent rental amounts and taxes for the years 1999 and 2000. The Co-op has made demand for payment of this delinquent amount, but has not been paid. See Exhibit "C" attached hereto.

8. The Co-op has serious concerns about the Utility's financial ability to make necessary modifications or repair to the WWTP in order to eliminate the odor problems, and has serious concerns that the Utility lacks the financial ability to properly operate and maintain the water and wastewater facilities, in light of the Utility's failure to pay its taxes and rent for the real property upon which its facilities are located.

9. The Co-op Board of Directors President was unaware until March 8, 2001, that there is pending at the PSC Docket No. 000545-WS, application for original certificates to operate a water and wastewater utility in Pasco County by Labrador Services. Because the issues raised in this Complaint have a direct bearing on whether or not the PSC should grant the Utility's application for original certificates, the Co-op requests that this Complaint be consolidated into Docket No. 000545-WS, and the issues addressed and resolved therein.

WHEREFORE, the Co-op hereby requests that the PSC:

1. Take jurisdiction of this matter;

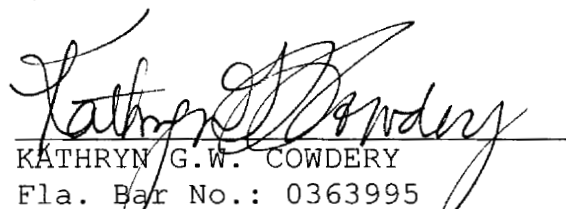
2. Consolidate this Complaint and the issues raised herein into pending certification Docket No. 000545-WS in order to properly resolve any dispute between the parties as provided in Fla. Admin. Code R. Secs. 25-30.560 and 25-22.032;

3. Order the Utility to take immediate, specific and appropriate action as necessary to eliminate the odor problems experienced by the WWTP;

4. Make detailed inquiry as to whether the Utility has the financial ability to operate and maintain the water and wastewater facilities; specifically inquiring as to why the Utility has not paid the Co-op the past due rental amounts and property taxes owed pursuant to the Agreement, and taking any and all action within its jurisdiction to order the Utility to pay these delinquent bills; and

5. Grant such other relief as may be appropriate.

Respectfully submitted this 15th day of March 2001.


KATHRYN G.W. COWDERY
Fla. Bar No.: 0363995
Ruden, McClosky, Smith,
Schuster & Russell, P.A.
215 South Monroe Street,
Suite 815
Tallahassee, FL 32301
Phone: (850) 681-9027

Attorneys for Forest Lake
Estates Co-op Inc.

**LEASE AGREEMENT FOR
WATER AND WASTEWATER TREATMENT FACILITIES**

THIS LEASE AGREEMENT (hereafter, the "Agreement") is made and entered into this 10th day of June, 1999, by and between **FOREST LAKE ESTATES CO-OP., INC.**, a Florida not-for-profit corporation ("Lessor"), and **LABRADOR SERVICES, INC.**, a Florida corporation ("Lessee").

RECITALS

1. Lessor is the owner of the real property in Pasco County, Florida operated as Forest Lake Estates Mobile Home Park and Forest Lake Village R.V. Park located at 6429 Forest Lake Drive, Zephyrhills, Florida 33540 (collectively the "Parks").
2. Lessee is the owner of a water production, storage, treatment, transmission, and distribution system (the "Water Plant"), and a wastewater collection, transmission, treatment and disposal system (the "Wastewater Treatment Plant") (the Water Plant and the Wastewater Treatment Plant are sometimes hereafter collectively referred to as the "Systems"). The Systems are located within the boundaries of and service, the Parks.
3. Lessor is the owner of lands in Pasco County, Florida lying under the Systems, said lands being more particularly described in Exhibit "A" attached hereto, with parcel one therein being the site of the Water Plant, parcel two therein being the site of the Wastewater Treatment Plant, and parcel three being the site of the waste water irrigation site, a component of the Waste Water Treatment Plant, said lands being hereinafter collectively referred to as the "Leased Premises".
4. Lessor has agreed to lease the Leased Premises to Lessee pursuant to the Modification to Purchase Agreement dated as of the date of this Agreement, the terms of which grant Lessee the right to lease the Leased Premises from Lessor; to grant a separate non-exclusive perpetual easement and rights of way through, under, over, on and across the Parks to patrol, inspect, alter, improve, repair, rebuild, remove, replace, construct, reconstruct, operate and maintain Systems and other attachments, fixtures, equipment, and accessories desirable in connection therewith over, under, through, upon, and across the Parks at such places, streets, parcels and lots as may be necessary for efficient delivery of utility services to all occupants in the Parks, and to assign such existing easements to Lessee as may be necessary for the foregoing purposes.
5. Lessor desires that Lessee act as the sole and exclusive provider of water and wastewater utility service to the Parks and Lessee agrees to provide such utility services to the residents

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and the common areas of the Parks under the terms and conditions set forth in this Agreement.

6. Lessor and Lessee desire to set forth herein the terms and conditions under which the Lessee shall be granted the sole and exclusive right to use the Leased Premises to operate and maintain the Systems and shall be granted the sole and exclusive right to provide water and wastewater utility services to the residents of the Parks.
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, for and in consideration of the sum of Ten (\$10.00) Dollars, 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. AGREEMENT TO LEASE. Subject to the terms and conditions hereinafter set forth, Lessor hereby demises and leases the Leased Premises exclusively to Lessor and Lessee does hereby hire and take the Leased Premises from Lessor.

SECTION 2. TERM. To have and to hold for a term of ninety-nine (99) years for parcels one and two and for a term of thirty (30) years for parcel three, unless sooner terminated, as provided hereinbelow. The term of this lease shall commence on the date on which the last of the parties executes the Agreement below ("Effective Date") and shall expire ninety-nine (99) years from that date for parcels one and two and thirty (30) years from that date for parcel three.

SECTION 3. RENTAL. The rent reserved under this Agreement shall be as follows:

1. Annual rental of \$12,000 per year for parcels 1 and 2, payable in equal monthly installments of \$1,000 per month, payable the first day of each month.
2. Annual Rental from parcel 3 shall be \$30,000 per year payable in 12 equal monthly installments of \$2,500 per month, payable on the first day of each month.
3. The annual rental amounts in subparagraphs 1. and 2. above shall increase based upon the Consumer Price Index (as hereinafter defined) commencing on the seventy-third (73rd) month from the date of this Agreement. Every six (6) years thereafter, rental amounts shall be increased to an amount equal to the increase in the Consumer Price Index which shall be determined every six (6) years and paid at the new rental rate adjusted by the cumulative increase over the prior six (6) years. "Consumer Price Index" shall mean the Consumer Price Index which is presently designated as the United States City Average for All Urban

Consumers, All Items, with a base period equaling 100 in 1982-1984. In the event the statistics are not available or in the event that publication of the Consumer Price Index is modified or discontinued in its entirety, the adjustment provided for herein shall be made on the basis of an index chosen by Lessor as a comparable and recognized index of the purchasing power of the United States consumer dollar published by the United States Department of Labor or other governmental agency.

4. Real estate taxes (both ad valorem taxes and non ad valorem taxes) and special assessments, if any, for parcels one and two shall be paid by Lessee.
5. Real estate taxes (both ad valorem taxes and non ad valorem taxes) and special assessments, if any, for parcel three shall be paid by Lessor.
6. Personal property taxes on the Systems, and necessary license and occupational fees, insurance, repair, maintenance and compliance costs for the Systems shall be paid by Lessee.

SECTION 4. USE OF LEASED PREMISES: LESSEE EXCLUSIVE PROVIDER OF UTILITY SERVICES. Lessee agrees that, throughout the term of this Agreement, it shall utilize the Leased Premises for water production, storage, treatment, transmission, distribution, and for wastewater collection, transmission, treatment and disposal, and for no other purpose, except upon the express written consent of the Lessor. Lessee further agrees that it shall maintain, operate and administer the Leased Premises and Systems in a manner consistent with customary standards. Lessor agrees that, throughout the term of this Agreement, Lessee shall be the sole and exclusive provider of water and wastewater utility services for the residents of the Parks.

SECTION 5. SERVICE TO THE PARKS. Lessee shall provide water and wastewater services to each occupied homesite and the common areas within the Parks.

SECTION 6. CUSTOMER RATES. Lessee shall charge each lot occupied by a mobile home (the "Occupied Homesite") of Forest Lake Estates Mobile Home Park an all inclusive fee of \$15 per month per serviced lot for both water and sewer services and each RV lot of Forest Lake Village R.V. Park, regardless of occupancy, an all inclusive fee of \$10 per month per serviced lot for both water and sewer services, which charge shall be due on the first day of each month. Lessor acknowledges that the \$15 fee for each Occupied Homesite and the \$10 fee for each RV lot shall be paid regardless of consumption. The foregoing rates and changes shall remain unchanged until Lessee obtains a certificate from the Florida Public Service Commission ("PSC") for the Systems or until the Systems are sold to a PSC licensed utility who will assess rates in accordance with applicable law. Lessee may pursue collection of delinquent accounts, including the filing of legal actions and termination of service to customers consistent with the practice of independent utility providers in the Pasco and Hillsborough County area. Until such time as the Systems are sold or Lessee obtains a certificate from PSC for the Systems, Lessee shall provide a monthly accounting

to Lessor and shall remit any profits from the operation of the Systems to Lessor. For one hundred eighty (180) days from the date of this Agreement, Lessor shall collect and remit to Lessee on a monthly basis the monies collected for water and sewer services for each occupied homesite during which time Lessee shall file an application with the PSC. After said one hundred eighty (180) days, Lessee shall collect its charges for water and sewer services from each occupied homesite. Lessor shall have no obligation or liability to Lessee for any uncollected charges for water and sewer services.

SECTION 7. LIMITED OPTION TO PURCHASE SYSTEMS. Lessee, subject to the limitations hereinafter set forth, grants to the Lessor, a limited option to purchase all of Seller's right, title, and interest in and to the Systems and its leasehold interest in the Leased Premises together with all easements, rights of way, licenses, privileges, hereditaments, and appurtenances, if any, inuring to the benefit of the Systems, all improvements and fixtures situated on the Leased Premises and all intangible personal property owned by Lessee and used in the ownership, operation and maintenance of the Systems and Leased Premises, including without limitation, all contract rights, instruments, documents of title, general intangibles, transferable licenses and good will pertaining to the ownership, operation and maintenance of the Systems.

- A. **Term.** The option hereby granted must be exercised by the Lessor no later than December 31, 1999. This option shall expire without notice and be of no further effect upon the earlier of December 31, 1999 or notification from Lessee of a bona fide offer to purchase Lessor's interest in the Systems and the Leased Premises pursuant to Lessor's right of first refusal to acquire the Systems more fully described below. Upon such notification of a bona fide offer and purchase the Systems pursuant to its right of first refusal set forth in subsection 7(K) below, Lessor's sole and exclusive right with respect to acquiring the Systems, shall be its right of first refusal set forth in subsection 7(K) below.
- B. **Exercise of option.** The option granted may be exercised by written notice delivered by the Lessor to the Lessee at the address stated in Section 11 of this Agreement.
- C. **Purchase Price.** Subject to the adjustments and proration hereinafter described, the purchase price to be paid by the Lessor to the Lessee for the purchase of the Systems and Lessee's leasehold interest in the Leased Premises shall be the "fair market value" of the Systems and the leasehold interest in the Leased Premises and easements benefitting same as of the date the option to purchase is exercised. "Fair market value" shall be determined by an appraiser experienced in appraising utility systems of the type and nature of the Systems. In the event the parties cannot agree upon an appraiser, then each party shall select an appraiser, with both appraisers having significant experience in evaluation of the utility systems comparable to the Systems, and these two appraisers shall pick a third appraiser, who shall also have significant experience in appraising utility systems comparable to the Systems. The third appraiser so selected shall value the Systems together with the leasehold

interest in the Leased Premises and easements benefitting same. The valuation by this third appraiser shall be binding upon the parties. The purchase price for the Systems, as determined by the foregoing appraisal, shall be payable, in cash, at closing.

- D. Physical Condition of Systems. Lessor acknowledges that upon the exercise of its option to purchase the Systems or upon its exercise of its right of first refusal described below, the Systems will be acquired by Lessor AS IS, WITH ALL FAULTS, AND WITHOUT EXPRESSED OR IMPLIED WARRANTY AS TO THE FITNESS FOR ANY PARTICULAR PURPOSE.
- E. Adjustments: Prorations. All receipts and disbursements relating to the Systems will be prorated on the Closing Date with the Closing Date being the Seller's date for purposes of the prorations. The purchase price will be adjusted on the following basis:
1. Receipts - Any revenues received with respect to the Systems earned and attributable to the period through the Closing Date will be paid to the Lessee to the extent that such sums have been collected on or before the Closing Date; amounts earned and attributable to the period beginning the day after the Closing Date, and thereafter, will be paid to the Lessor. On receipt, after the Closing Date by the Lessor of accounts receivable with respect to the revenues earned through the Closing Date, the same will be promptly paid to Lessee; provided that Lessor will have no obligation to enforce the collection of said sums, such right being reserved to the Lessee.
 2. Disbursements - All sums due for accounts payable which were owing or incurred in connection with the Systems through the Closing Date will be paid by the Lessee. The Lessor will promptly furnish to the Lessee any bills for such period received after the Closing Date for payment and Lessor will have no further obligation with respect thereto.
 3. Property Taxes; Licenses - Personal property taxes, real property ad valorem taxes, non ad valorem taxes, special assessments, license and occupational fees for the calendar year in which the Closing Date occurs will be prorated through the Closing Date, based upon the latest available tax rate and assessed valuation.
 4. Insurance - Lessee will terminate all existing insurance policies on the Closing Date and the Lessor will be responsible for placing all insurance coverage desired by the Lessor. Any prepaid insurance premiums will be retained by the Lessee.
- F. Default; Remedy - In the event that either party fails to perform such party's obligations hereunder (except as excused by the other party's default), the party claiming default will make written demand for performance. If either party fails to comply with such written

demand within 45 days after receipt thereof, the non-defaulting party will have the option to waive such default, to demand specific performance or to terminate this Agreement. On termination of this Agreement by reason of default, the parties will be discharged from all further obligations and liabilities hereunder; provided, however, all rights and remedies set forth in Section 37 of this Agreement shall survive termination.

- G. Lessor's Indemnification of Lessee. After the Closing of purchase of Lessor's rights in the Systems and Leased Premises ("Closing"), the Lessor agrees to defend, indemnify, and hold the Lessee harmless from all damages, liabilities, costs and expenses (including attorneys fees and other litigation expenses) arising from the ownership, use, and operation of the Systems incurred or accrued after the Closing or which are specifically assumed by the Lessor. The indemnification procedures to be followed will be those set forth in Section 10 of this Agreement.
- H. Assignability. This option is personal to Lessor and may not be assigned. Any attempt to assign this option shall be null and void.
- I. Deposit. At the time of the exercise of the option of right of refusal described below, Lessor shall make a \$25,000 earnest money deposit to be credited to Lessor at Closing, which deposit will be held by a mutually agreeable escrow agent.
- J. Closing. Closing on the option to purchase the Systems or under Lessor's exercise of its right of first refusal shall occur on or before 45 calendar days from Lessor's exercise of the option or right of first refusal, as the case may be.
- K. Lessor's Right of First Refusal. In addition to the option granted in this Section 7, Lessor shall have the right to purchase the Systems by meeting the exact terms and conditions of any bona fide offer to purchase the Systems that Lessee receives. Lessee shall have 20 days from notification of the bona fide offer to accept and exercise its right of first refusal, which acceptance must be in writing and delivered to Lessee as provided in the Notice provision in Section 11 of this Agreement. This right of first refusal is personal to Lessee's sale of its interest in the Systems and the Leased Premises and in the event that Lessee sells the property to a third party and Lessor fails to exercise its right of first refusal, then Lessor's right of first refusal shall expire without notice and be of no further effect. This right of first refusal is not assignable. Any attempt to assign this right of first refusal shall be void.

SECTION 8. TERMINATION OF LEASE. Lessor and Lessee agree that this Agreement may be terminated during the ninety-nine (99) year term as follows:

This Agreement may be terminated by Lessee as to either parcel one, two, or three, or all of them, solely, at Lessee's discretion, with termination to be effective 180 days after written notice to Lessor

(the "Termination Date"). Upon the Termination Date, Lessee and Lessor shall prorate revenues and expenses for the Systems as set forth in subsection 7(E) of this Agreement through the Termination Date, with Lessee retaining its rights to collect revenues earned prior to the Termination Date and Lessee and Lessor shall be released and discharged from their respective obligations under this Agreement; provided, however, Lessee shall continue to make the rental payments due to Lessor for parcel three pursuant to Section 3 of this Agreement through and including the seventy-second (72nd) month of the term of this Agreement.

In the event that this Agreement is terminated, as aforesaid, then Lessee agrees that it shall deliver up possession of the Leased Premises and the Systems to the Lessor as of the Termination Date.

SECTION 9. UTILITIES, REPAIRS, AND OTHER EXPENSES. During the term of this Agreement, the Lessee shall provide potable water service to Lessor for service area of the existing water service to the service area. Such potable water service shall be provided by Lessee at the rates set forth in Section 6 of this Agreement with no additional charges or costs for the common areas of the Parks. The Lessee agrees that it shall pay for the operating costs necessary to operate and maintain the Systems. Lessee shall be responsible for the payment of all maintenance and repairs that may, from time to time, be required in order to keep the Systems in good operating condition and repair.

SECTION 10. LIABILITY OF PARTIES. Lessee shall indemnify and hold Lessor harmless for any claims, actions, expenses or damages, including costs and attorney's fees, at trial and appeal, which Lessor incurs for personal injury or property damage that occurs as a direct result of the negligent act or omission of Lessee, its agents, contractors, representatives and/or employees in the operation or maintenance of the Systems, under the following terms and conditions:

(a) A party seeking indemnification (the "Claimant") shall promptly notify the party from whom indemnification is sought (the "Indemnitor") of any liabilities for which the Indemnitor may be liable hereunder. A Claimant seeking indemnification for any claims brought by third parties shall endeavor to notify the Indemnitor in writing within fifteen (15) days after receipt of written notice of the third party claim (which notice of claim from a third party shall be of a nature which will reasonably advise the recipient of the fact that such a claim is being made). The notice will, to the extent possible, be sufficiently detailed so the Indemnitor is or will be able to reasonably understand the nature of the claim. The right of indemnification under the Agreement shall not be affected by any failure to give or any delay in giving any notice required herein, unless, and then only to the extent that, the rights and remedies of the Indemnitor shall have been prejudiced thereby.

(b) The Indemnitor shall have the right to negotiate with the third party relative to a claim, to control all settlements and to select lead counsel to defend any and all claims. The Claimant may select counsel to participate in any defense at the Claimant's sole cost and expense.

(c) In connection with any claim, all parties shall cooperate with each other and provide each other with access to relevant books and records in their possession or under their control, all at the cost of the Indemnitor.

(d) Lessor shall only be liable hereunder for actual claims, losses, damages, costs and expenses arising from matters covered under this indemnity. In no event shall Indemnatee be liable to Claimant for consequential, special, incidental or punitive damages, which are expressly excluded from this indemnity.

SECTION 11. NOTICES. Any notices which are required or permitted hereunder shall be delivered by United States mail, return receipt requested, postage prepaid or by hand delivery, to the parties at the following addresses:

LESSEE: Labrador Services, Inc.
39 Treasure Circle
Sebastian, Florida 32958

with copy to: Richard S. Webb, IV, Esq.
Lutz, Webb & Bobo, P.A.
2 North Tamiami Trail, Suite 500
Sarasota, Florida 34236

LESSOR: Forest Lake Estates Co-Op, Inc.
6429 Forest Lake Drive
Zephyrhills, Florida 33540

with copy to: David Bernstein, Esq.
Ruden, McClosky, Smith, Schuster & Russell, P.A.
150 Second Avenue North, 17th Floor
P.O. Box 14034 (33733)
St. Petersburg, Florida 33701

Notice of an address change shall be given in writing by the appropriate party to the other prior to the change. All notices shall be deemed delivered three (3) days after deposit in the United States mail, or at the time of hand delivery. Facsimile transmissions shall be treated as originals for purposes of giving notice under this Agreement.

SECTION 12. INSURANCE. Lessee agrees to provide and maintain hazard and liability insurance upon the Systems and Leased Premises throughout the term of this Agreement. Lessor shall be named as an additional insured.

SECTION 13. ASSIGNMENTS AND SUBLEASES. Lessee may assign or sublease all or any part of the Systems and Leased Premises without the prior written consent of the Lessor.

SECTION 14. COVENANTS RUNNING WITH THE LAND; SUCCESSORS AND ASSIGNS. All covenants and agreements herein contained shall run with the lands described in Exhibit "A" and shall be binding on the parties and shall inure to the benefit of the successors and assigns of the parties hereto.

SECTION 15. QUIET ENJOYMENT. Lessee, upon paying the rent reserved hereunder and performing all the other covenants and conditions required to be performed under this Agreement, shall and may peaceably and quietly have, hold and enjoy the Systems and the Leased Premises hereby demised for the term aforesaid, free from disturbance by the Lessor or anyone claiming by, through or under the Lessor.

SECTION 16. ENVIRONMENTAL INDEMNITY. Lessee, subject to the procedures and the limitations set forth in Section 10 of this Agreement, hereby agrees to indemnify, reimburse, defend and hold harmless Lessor, First Union National Bank and Resident Co-op Finance, LLC, and their officers, directors, employees, successors and assigns from and against all demands, claims, civil or criminal actions or causes of action, liens, assessments, civil or criminal penalties or fines, losses, damages, liability, obligations, costs, disbursements, expenses or fees of any kind or of any nature (including, without limitation, cleanup costs, attorneys', paralegals', consultants' or experts' fees and disbursements and costs of litigation) which may at any time be imposed upon, incurred by or asserted or awarded against, Lessor directly or indirectly, related to or resulting from: (a) any acts or omissions of Lessee at, on or about the Leased Premises which contaminate air, soils, surface waters or ground waters over, on or under the Leased Premises; (b) the breach of any representation or warranty under this Agreement; (c) pursuant to or in connection with the application of any Environmental Law, the acts or omissions of Lessee or its affiliates which result in any environmental damage alleged to have been caused, in whole or in part, by the manufacture, processing, distribution, use, handling, transportation, treatment, storage, or disposal of any Hazardous Substance on, in or about the Leased Premises; or (d) the presence, whether past present or future, of any Hazardous Substances introduced by Lessee or its agents, successors, assigns, contractors or employees, on, in or about the Leased Premises.

(a) Lessee's indemnification obligation under this section shall be subject to and limited by the procedures and the limitations set forth in Section 10 of this Agreement and shall continue, survive and remain in full force and effect notwithstanding termination of this Agreement.

(b) Those liabilities, losses, claims, damages and expenses for which a lender is indemnified under this section shall be reimbursable to Lessor at Lessor's option to make payments with respect thereto, without any requirement of waiting for ultimate outcome of any litigation, claim or other proceeding, and Lessee shall pay such liability, losses, claims, damages and expenses to

Lessor as so incurred within thirty (30) days after notice from Lessor itemizing the amounts incurred to the date of such notice.

(c) Lessee waives any acceptance of this indemnity by Lessor. The failure of Lessor to enforce any right or remedy hereunder, or to promptly enforce any such right or remedy, shall not constitute a waiver thereof nor give rise to any estoppel against Lessor, nor excuse Lessee from its obligations hereunder. Any waiver of such right or remedy must be in writing and signed by Lessor. This indemnity is subject to enforcement at law and/or equity, including actions for actual damages and/or specific performance; provided, however, any provision in this Section 16 to the contrary notwithstanding, Lessee shall in no event be liable for consequential, special, incidental or punitive damages.

(d) For purposes of this Agreement, "Environmental Law" shall mean any applicable federal, state, or local statutory or common law, ordinance, rule or regulation, relating to pollution or protection of the environment, including without limitation, any common law of nuisance or trespass, and any law, rule or regulation relating to emissions, discharges, releases or threatened releases of pollutants, contaminants or chemicals, or industrial, toxic or hazardous substances or waste into the environment (including without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or otherwise relating to the manufacture, processing distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants or chemicals or industrial, toxic or hazardous substances or wastes.

(e) For the purposes of this Agreement, the term "Hazardous Substance" means any substance or material (i) identified in Section 101(14) of CERCLA, 42 U.S.C. Statute 9601(14) and as set forth in Title 40, Code of Federal Regulations, part 302, as the same may be amended from time to time, or (ii) determined to be toxic, a pollutant or contaminant, under Federal, state or local statute, law, ordinance, rule, or regulation or judicial or administrative order or decision, as same may be amended from time to time, (iii) asbestos, (iv) radon, (v) polychlorinated biphenyls and (vi) such other materials, substances or waste which are otherwise dangerous, hazardous, harmful or deleterious to human health or the environment.

SECTION 17. SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT.

(a) This Agreement is and shall be subject and subordinate to that certain Mortgage and Security Agreement between Lessor and First Union National Bank and that certain Mortgage and Security Agreement between Resident Co-op Finance, LLC and Lessor (collectively, the "Mortgage") encumbering the Parks and the Leased Premises and to all renewals, modifications, consolidations, replacements and extensions of the Mortgage.

(b) In the event of a foreclosure of the Mortgage or should a mortgagee obtain title by deed in lieu thereof, or otherwise, Lessee may continue its occupancy of the Leased Premises in

accordance with the terms and provisions of this Agreement, so long as Lessee continues to pay rent and otherwise to perform its obligations thereunder.

(c) Lessee agrees to attorn to: (i) said mortgagee when in possession of the Leased Premises; (ii) a receiver appointed in an action or proceeding to foreclose the Mortgage or otherwise; or (iii) to any party acquiring title to the Leased Premises as a result of foreclosure of the Mortgage or deed in lieu thereof. Lessee further covenants and agrees to execute and deliver, upon request of a mortgagee, or its assigns, an appropriate agreement of attornment with any subsequent titleholder of the Leased Premises.

(d) This Section 17 is to be effective and self-operative without the execution of any other instrument.

SECTION 18. 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 19. WAIVER AND AMENDMENT. No provision of this Agreement shall be deemed waived or amended except by a written instrument unambiguously setting forth the matter waived or amended and signed by both parties. Waiver of any matter shall not be deemed a waiver of the same or any other matter on any future occasion. No acceptance by Lessor of an amount less than the annual rent set forth in Section 3 shall be deemed to be other than a payment on account of the earliest such rent or other payments then due or in arrears nor shall any endorsement or statement on any check or letter accompanying any such payment be deemed a waiver of Lessor's right to collect any unpaid amounts or an accord and satisfaction.

SECTION 20. SUCCESSORS BOUND. Except as otherwise specifically provided herein, the terms, covenants and conditions contained in this Agreement shall bind and inure to the benefit of the respective heirs, successors, executors, administrators and assigns of each of the parties hereto.

SECTION 21. NO MERGER. The voluntary or other surrender of this Agreement by Lessee, or a mutual cancellation thereof, shall not result in a merger of Lessor's and Lessee's estates, and shall, at the option of Lessor, either terminate any or all existing subleases or subtenancies, or operate as an assignment to Lessor of any or all of such subleases or subtenancies.

SECTION 22. CAPTIONS. Captions are used throughout this Agreement for convenience of reference only and shall not be considered in any manner in the construction or interpretation hereof.

SECTION 23. SEVERABILITY. The provisions of this Agreement shall be deemed severable. If any part of this Agreement shall be held unenforceable by any court of competent jurisdiction, the remainder shall remain in full force and effect, and such unenforceable provision shall be reformed by such court so as to give maximum legal effect to the intention of the parties as expressed therein.

SECTION 24. CHARACTERIZATION. It is the intent of the parties hereto that the business relationship created by this Agreement and any related documents is solely that of a long-term commercial lease between Lessor and Lessee and has been entered into by both parties in reliance upon the economic and legal bargains contained herein. None of the agreements contained herein are intended, nor shall the same be deemed or construed, to create a partnership between Lessor and Lessee, to make them joint venturers, to make Lessee an agent, legal representative, partner, subsidiary or employee of Lessor, nor to make Lessor in any way responsible for the debts, obligations or losses of Lessee.

SECTION 25. EASEMENTS. During the Lease Term, Lessor shall have the right to grant non-exclusive electric or cable utility easements on, over, under and above the Leased Premises without the prior consent of Lessee, provided that such non-exclusive electric or cable utility easements will not materially interfere with Lessee's long-term use of the Premises.

SECTION 26. FURTHER ASSURANCES. Each of the parties agrees to sign such other and further documents and otherwise cooperate with each other as may be necessary or appropriate to carry out the intentions expressed in this Agreement.

SECTION 27. ENTIRE AGREEMENT. This Agreement, and any other instruments or agreements referred to herein, constitute the entire agreement between the parties with respect to the subject matter hereof, and there are no other representations, warranties or agreements except as herein provided.

SECTION 28. CHOICE OF LAW; VENUE. The creation of this Agreement and the rights and remedies of Lessor with respect to the Premises shall be governed by and construed in accordance with the internal laws of the State of Florida. Venue for the resolution of any dispute between the Lessor and Lessee shall be in Pasco County, Florida and those Florida and federal courts whose jurisdiction includes Pasco County, Florida.

SECTION 29. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all such counterparts shall constitute but one agreement.

SECTION 30. RECORDING OF LEASE. After execution of this Agreement, the parties shall execute and record in Pasco County, Florida, a short form memorandum describing the Land and the stating the Lease Term and other information the parties agree to include. The Memorandum of Lease to be executed and recorded is attached as Exhibit "B".

SECTION 31. NO BROKERAGE. Lessor and Lessee represent and warrant to each other that they have not contracted with any broker for compensation for real estate services in connection with this Agreement. Each of Lessor and Lessee agrees to protect, indemnify, save and keep harmless the other, against and from all liabilities, claims, losses, costs, damages and expenses, including attorneys' fees, arising out of, resulting from or in connection with their breach of the foregoing warranty and representation.

SECTION 32. NO ASSUMPTION OF LIABILITIES BY LESSOR. The parties acknowledge that Lessor shall not incur any liabilities with respect to Lessee. Accordingly, in addition to the other terms and conditions of this Agreement, Lessor shall neither assume nor be liable for any payments and benefits to past and/or present employees of Lessee in connection with the business it conducts on or from the Premises except as otherwise agreed to in writing by Lessor, including, but not limited to, salaries, wages, commission, bonuses, vacation pay, health and welfare contributions, pensions, profit sharing, severance or termination pay, or any other form of compensation or fringe benefit.

SECTION 33. NO JOINT VENTURE. Lessee acknowledges that Lessor shall not be deemed a partner or joint venturer with Lessee or any contractor, agent, representative, management company or broker affiliated with Lessee. Lessee shall indemnify and hold Lessor harmless from and against any and all liabilities, damages, claims of losses, demands, costs or fees (including attorney's fees) incurred based on any such assertion under the procedures and subject to the limitations set forth in Section 10 of this Agreement.

SECTION 34. NO CONSTRUCTION. No construction shall be commenced on any portion of parcel three without the prior written consent of Lessor.

SECTION 35. NO IMPACT FEES. All impact fees relating to the Systems shall be paid by Lessee. In no event shall Lessor or any resident of the Parks be responsible for any impact fees relating to the Systems, including but not limited to hook-up fees for individual mobile homes located in the Parks.

SECTION 36. TIME IS OF THE ESSENCE. Time is of the essence with respect to each and every provision of this Agreement in which time is a factor.

SECTION 37. COMPLIANCE WITH LAWS. The use, operation and occupation of the Leased Premises, and the condition thereof, shall, be at the sole cost and expense of Lessee and Lessee shall fully comply with all applicable statutes, regulations, rules, ordinances, codes, licenses, permits, orders, approvals or any governmental agencies, departments, commissions, bureaus, boards or instrumentalities of the United States, the state in which the Leased Premises are located and all political subdivisions thereof, including, without limitation, all health, building, fire, safety, and other codes, ordinances and requirements.

SECTION 38. DEFAULT. If a monetary default shall occur hereunder which is not cured within fifteen (15) days following receipt of written notice to Lessee from Lessor or if a non-monetary default shall occur hereunder and remains uncured for thirty (30) days or more following receipt of written notice to Lessee from Lessor or the Department of Environmental Protection, unless steps have, in good faith, been commenced promptly by Lessee to rectify the non-monetary default during the thirty (30) day period (or shorter time period if required by applicable law) and Lessee thereafter prosecutes the rectification to completion with diligence and continuity, Lessee shall be deemed in default under this Agreement. In the event that Lessee shall be deemed in default under this Agreement, Lessor shall then be entitled to terminate this Agreement prior to the natural expiration thereof. Upon the exercise of Lessor's right to terminate this Agreement, Lessor or its agents may immediately or any time thereafter, re-enter and resume possession of the Leased Premises and remove all persons and property therefrom, by a suitable action or proceeding at law. In addition to any insurance and indemnity provision contained in this Agreement, upon the default of Lessee under this Agreement, Lessor shall be entitled to recover any and all actual damages incurred by Lessor as a result of Lessee's default, but not consequential, special, incidental or punitive damages. No remedy herein conferred upon or reserved to Lessee or Lessor shall exclude any other remedy herein or by law provided, but each shall be cumulative and in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute and shall survive termination of this Agreement.


SECTION 39. MISCELLANEOUS.

- (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.
- (2) 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.

Signed, sealed and delivered
in the presence of:

LESSOR:
FOREST LAKE ESTATES CO-OP, INC., a Florida
not-for-profit corporation

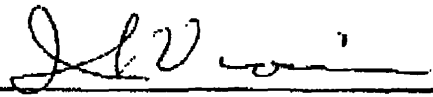
Lynn V. Cravey
Print Name: Lynn V. Cravey

By: 
Edgar C. Irving, as its President

Kelly J. McKinlay
Print Name: Kelly J. McKinlay

LESSEE:
LABRADOR SERVICES, INC.,
a Florida corporation

Lynn V. Cravey
Print Name: Lynn V. Cravey

By: 
Henri Viau, as its President

Kelly J. McKinlay
Print Name: Kelly J. McKinlay

EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL 1
FOREST LAKE ESTATES MOBILE HOME PARK

A tract of land lying in Sections 5 and 8, Township 26 South, Range 22 East, Pasco County, Florida, being more particularly described as follows: Begin at the Southwest corner of said Section 5, also being the Northwest corner of said Section 8; thence N 00°35'43" E, along the West boundary of said Section 5, 1747.18 feet to the platted South right-of-way line of Frontier Acres Drive, as recorded in the plat of Frontier Acres Drive of the public records of Pasco County, Florida; thence run S 89°55'21" E, along said platted South right-of-way line, 50.00 feet to a point on the platted East right-of-way line of Frontier Acres Boulevard; thence run N 00°35'43" E, along said platted East right-of-way line, said line also being 50.00 feet East of and parallel to the West boundary of said Section 5, a distance of 690.21 feet; thence run N 89°54'15" E, 2001.99 feet; thence S 00°00'38" E, 3473.69 feet; thence N 89°55'55"W., 2097.29 feet to a point on the West boundary of said Section 8; thence run N 01°04'30" E, along said West boundary of Section 8, 1030.84 feet to the Point of Beginning.

TOGETHER WITH a non-exclusive easement for ingress, egress and utilities as created by Easement Agreement recorded May 8, 1989, in Official Records Book 1805, page 1725, Public Records of Pasco County, Florida, over the following described land:

A 50.00 foot Right-of-way Easement in Section 5, Township 26 South, Range 22 East, Pasco County, Florida, described as follows: From the West $\frac{1}{4}$ corner of said Section 5, run thence S 00°23'43" W., 210.43 feet along the West boundary of the Southwest $\frac{1}{4}$ of said Section 5; thence N. 89°54'15" E., 777.19 feet to the Point of Beginning; thence from a tangent bearing of N. 00°05'45" W., run Northeasterly, 195.73 feet along the arc of a curve to the right, having a radius of 165.00 feet, a central angle of 67°58'06", and a chord bearing and distance of N. 33°53'18" E., 184.46 feet to a point of tangency; thence N. 67°52'21" E., 47.16 feet to a point of curvature; thence Northeasterly, 237.25 feet along the arc of a curve to the left, having a radius of 200.00 feet, a central angle of 67°58'06"; and a chord bearing and distance of N.33°53'18" E., 223.59 feet to a point of tangency; thence N.00°05'45" W., 205.85 feet to a point of curvature; thence Northwesterly, 74.38 feet along the arc of a curve to the left, having a radius of 200.00 feet, a central angle of 21°18'30", and a chord bearing and distance of N. 10°45'00" W., 73.95 feet, to a point of tangency; thence N. 21°24'15" W., 59.74 feet to the Southerly right-of-way line of State Road No. 54; thence N. 68°35'45" E., 50.00 feet along said Southerly right-of-way line; thence S. 21°24'15" E., 59.74 feet to a point of curvature; thence Southeasterly, 92.98 feet along the arc of a curve to the right, having a radius of 250.00 feet, a central angle of 21°18'30", and a chord bearing and distance of S. 10°45'00" E., 92.44 feet to a point of tangency; thence S 00°05'45" E., 205.85 feet to a point of curvature; thence Southwesterly, 296.37 feet along the arc of a curve to the right, having a radius of 250.00 feet, a central angle of 67°58'06", and a chord bearing and distance of S. 33°53'18" W., 279.48 feet to a point of tangency; thence S. 67°52'21" W., 47.16 feet to a point of curvature; thence Southwesterly, 136.42 feet along the arc of a curve to the left, having a radius of 115.00 feet, a central angle of 67°58'06", and a chord bearing and distance of S.33°35'18"W., 128.56 feet; thence S.89°54'15"W., 50.00 feet to the Point of Beginning.

**PARCEL 2
FOREST LAKE VILLAGE RV PARK**

From the West $\frac{1}{4}$ corner of Section 5, Township 26 South, Range 22 East, Pasco County, Florida, run thence S.00°35'43"W., 210.43 feet along the West boundary of the Southwest $\frac{1}{4}$ of said Section 5; thence N.89°54'15"E., 827.19 feet to the Point of Beginning; thence along a non-tangent curve to the right, having a radius of 115.00 feet, an arc of 136.42 feet, a chord of 128.56 feet, chord bearing N.33°53'18"E., thence N.67°52'21"E., 47.16 feet; thence along a curve to the left, having a radius of 250.00 feet, an arc of 296.57 feet; a chord of 279.48 feet, chord bearing of N.33°53'18"E., thence N.00°05'45"W., 205.85 feet; thence along a curve to the left having a radius of 250.00 feet, an arc of 92.88 feet, a chord of 92.44 feet, chord bearing of N.10°45'00"W., thence N.21°24'15"W., 59.74 feet to the Southerly right-of-way line of State Road No. 54; thence N.68°35'45"E., 1067.00 feet along said Southerly right-of-way line; thence S.00°01'19"W., 1096.12 feet; thence S.89°54'15"W., 1224.80 feet to the Point of Beginning.

TOGETHER WITH TOGETHER WITH a non-exclusive easement for ingress, egress and utilities as created by Easement Agreement recorded May 8, 1989, in Official Records Book 1805, page 1725, Public Records of Pasco County, Florida, over the following described land:

A 50.00 foot Right-of-way Easement in Section 5, Township 26 South, Range 22 East, Pasco County, Florida, described as follows: From the West $\frac{1}{4}$ corner of said Section 5, run thence S 00°23'43" W., 210.43 feet along the West boundary of the Southwest $\frac{1}{4}$ of said Section 5; thence N. 89°54'15" E., 777.19 feet to the Point of Beginning; thence from a tangent bearing of N. 00°05'45" W., run Northeasterly, 195.73 feet along the arc of a curve to the right, having a radius of 165.00 feet, a central angle of 67°58'06", and a chord bearing and distance of N. 33°53'18" E., 184.46 feet to a point of tangency; thence N. 67°52'21" E., 47.16 feet to a point of curvature; thence Northeasterly, 237.25 feet along the arc of a curve to the left, having a radius of 200.00 feet, a central angle of 67°58'06"; and a chord bearing and distance of N.33°53'18" E., 223.59 feet to a point of tangency; thence N.00°05'45" W., 205.85 feet to a point of curvature; thence Northwesterly, 74.38 feet along the arc of a curve to the left, having a radius of 200.00 feet, a central angle of 21°18'30", and a chord bearing and distance of N. 10°45'00" W., 73.95 feet, to a point of tangency; thence N. 21°24'15" W., 59.74 feet to the Southerly right-of-way line of State Road No. 54; thence N. 68°35'45" E., 50.00 feet along said Southerly right-of-way line; thence S. 21°24'15" E., 59.74 feet to a point of curvature; thence Southeasterly, 92.98 feet along the arc of a curve to the right, having a radius of 250.00 feet, a central angle of 21°18'30", and a chord bearing and distance of S. 10°45'00" E., 92.44 feet to a point of tangency; thence S 00°05'45" E., 205.85 feet to a point of curvature; thence Southwesterly, 296.37 feet along the arc of a curve to the right, having a radius of 250.00 feet, a central angle of 67°58'06", and a chord bearing and distance of S. 33°53'18" W., 279.48 feet to a point of tangency; thence S. 67°52'21" W., 47.16 feet to a point of curvature; thence Southwesterly, 136.42 feet along the arc of a curve to the left, having a radius of 115.00 feet, a central angle of 67°58'06", and a chord bearing and distance of S.33°35'18"W., 128.56 feet; thence S.89°54'15"W., 50.00 feet to the Point of Beginning.

ALSO TOGETHER with easements for utilities as created by Easement Agreement and Subordination recorded March 12, 1997 in Official Records Book 3710, page 1324, Public Records of Pasco County, Florida, described as follows:

EASEMENT A - EASEMENT FOR UTILITIES DESCRIBED AS FOLLOWS:

COMMENCE AT THE WEST $\frac{1}{4}$ CORNER OF SECTION 5, TOWNSHIP 26 SOUTH, RANGE 22 EAST, PASCO COUNTY, FLORIDA, RUN THENCE S 00°35'43" W, ALONG THE WEST BOUNDARY OF THE SOUTHWEST $\frac{1}{4}$ OF SAID SECTION, 210.43 FEET; THENCE N 89°54'15" E, 996.51 FEET FOR A POINT OF BEGINNING; THENCE CONTINUE N 89°54'15" E, 265.94 FEET; THENCE S 00°02'02" E, 5.16 FEET; THENCE S 37°13'59" E, 54.81 FEET; THENCE S 45°07'40" W, 192.77 FEET; THENCE N 53°48'08" W, 201.31 FEET; THENCE NORTH 00°02'02" W, 65.76 FEET TO THE POINT OF BEGINNING.

EASEMENT B - A 15' EASEMENT FOR UTILITIES LYING 7.5 EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE. COMMENCE AT THE WEST 1/4 CORNER OF SECTION 5, TOWNSHIP 26 SOUTH, RANGE 22 EAST, PASCO COUNTY, FLORIDA AND RUN S 00°35'43" W, ALONG THE WEST BOUNDARY OF THE SOUTHWEST 1/4 OF SECTION 5, 210.43 FEET; THENCE RUN N 89°54'15" E, 1269.95 FEET FOR A POINT OF BEGINNING; THENCE RUN S 00°02'02" E, 2.63 FEET; THENCE RUN S 37°13'59" E, 120.66 FEET; THENCE S 32°27'33" E, 45.65 FEET; THENCE N 80°41'54" E, 140.84 FEET; THENCE S 10°12'31" W, 251.24 FEET; THENCE S 41°59'55" W, 260.24 FEET; THENCE S 47°54'17" W, 199.69 FEET; THENCE S 47°58'30" W, 194.30 FEET; THENCE S 37°19'36" E, 176.54 FEET; THENCE S 02°29'28" E, 284.81 FEET; THENCE S 00°02'56" E, 400.47 FEET; THENCE S 24°22'05" W, 185.48 FEET; THENCE S 61°48'40" W, 177.68 FEET; THENCE S 10°54'52" E, 74.81 FEET; THENCE S 09°58'01" E, 136.21 FEET; THENCE S 13°52'19" E, 166.02 FEET; THENCE N 71°38'06" E, 123.80 FEET; THENCE N 59°51'06" E, 179.86 FEET; THENCE S 40°04'10" E, 535.23 FEET; THENCE N 39°53'40" E, 228.60 FEET; THENCE N 36°26'57" E, 162.61 FEET; THENCE N 30°54'52" E, 120.54 FEET; THENCE S 88°40'15" E, 60.14 FEET TO THE POINT OF TERMINATION.

EASEMENT D - AN EASEMENT FOR UTILITIES DESCRIBED AS FOLLOWS: COMMENCE AT THE WEST 1/4 CORNER OF SECTION 5, TOWNSHIP 26 SOUTH, RANGE 22 EAST, PASCO COUNTY, FLORIDA AND RUN S 00°35'43" W, ALONG THE WEST BOUNDARY OF THE SOUTHWEST 1/4 OF SAID SECTION, 210.43 FEET; THENCE RUN N 89°54'15" E, 1269.95 FEET; THENCE RUN S 00°02'02" E, 2.63 FEET; THENCE RUN S 37°13'59" E, 120.66 FEET; THENCE RUN S 32°27'33" E, 45.65 FEET; THENCE RUN N 80°41'54" E, 140.84 FEET; THENCE RUN S 10°12'31" W, 251.24 FEET; THENCE RUN S 41°59'55" W, 260.24 FEET; THENCE RUN S 47°54'17" W, 199.69 FEET; THENCE RUN S 47°58'30" W, 194.30 FEET; THENCE RUN S 37°19'36" E, 176.54 FEET; THENCE RUN S 02°29'28" E, 284.81 FEET; THENCE S 00°02'56" E, 400.47 FEET; THENCE RUN S 24°22'05" W, 185.48 FEET; THENCE RUN S 61°48'40" W, 177.68 FEET; THENCE S 10°54'52" E, 74.81 FEET; THENCE RUN S 09°58'01" E, 136.21 FEET; THENCE S 13°52'19" E, 166.02 FEET; THENCE N 71°38'06" E, 123.80 FEET; THENCE N 59°51'06" E, 179.86 FEET; THENCE RUN S 40°04'10" E, 535.23 FEET FOR A POINT OF BEGINNING. THENCE N 39°53'40" E, 228.60 FEET; THENCE RUN N 36°26'57" E, 162.61 FEET; THENCE N 30°54'52" E, 120.54 FEET; THENCE N 25°23'43" E, 52.02 FEET; THENCE RUN S 83°04'07" E, 103.78 FEET; THENCE RUN S 00°00'38" E, 802.65 FEET; THENCE RUN N 85°54'31" W, 118.00 FEET; THENCE RUN N 42°08'49" W, 473.70 FEET TO THE POINT OF BEGINNING.

PARCEL 3
10 ACRE PARCEL

That portion of Section 5, Township 26 South, Range 22 East, Pasco County, Florida described as follows:

Commence at the Northwest corner of the Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 6, Township 26 South, Range 22 East and run thence South $00^{\circ}37'35''$ West along the West boundary of the Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of said Section 6, a distance of 211.05 feet; thence North $89^{\circ}56'57''$ East, a distance of 1376.15 feet to a point 50 feet East of the West boundary of the Southwest $\frac{1}{4}$ of said Section 5 for a POINT OF BEGINNING; thence North $00^{\circ}36'06''$ East parallel with and 50 feet East of the West boundary of the Southwest $\frac{1}{4}$ of said Section 5, a distance of 357.18 feet to an intersection with the Southerly right of way line of State Road 54; thence Northeasterly along said right of way and a curve to the left having a radius of 5779.58 feet, a chord bearing North $71^{\circ}56'58''$ East, 684.96 feet along the arc of said curve through a central angle of $06^{\circ}47'40''$, a distance of 685.36 feet; thence continue along said right of way line North $68^{\circ}33'08''$ East, a distance of 381.15 feet; thence South $21^{\circ}21'33''$ East, a distance of 59.18 feet; thence Southeasterly along a curve to the right having a radius of 250.00 feet a chord bearing South $10^{\circ}42'18''$ East, 92.44 feet, along the arc of said curve through a central angle of $21^{\circ}18'30''$ a distance of 92.97 feet; thence South $00^{\circ}03'03''$ East, a distance of 205.85 feet; thence Southwesterly along a curve to the right having a radius of 250.00 feet a chord bearing South $33^{\circ}56'00''$ West, 279.48 feet, along the arc of said curve through a central angle of $67^{\circ}58'04''$ a distance of 296.57 feet; thence South $67^{\circ}55'03''$ West, a distance of 47.16 feet; thence Southwesterly along a curve to the left having a radius of 115.00 feet, a chord bearing South $33^{\circ}56'00''$ West, 128.56 feet, along the arc of said curve through a central angle of $67^{\circ}58'04''$, a distance of 136.42 feet; thence South $89^{\circ}56'57''$ West, a distance of 777.19 feet to the POINT OF BEGINNING.

**PARCEL 4
60 ACRE PARCEL**

The Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$, and the South $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 32, Township 25 South, Range 22 East, Pasco County, Florida; LESS that part thereof within any railroad rights-of-way.

EXHIBIT "B"
MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE between FOREST LAKE ESTATES CO-OP, INC., a Florida corporation not-for-profit (hereinafter referred to as "Lessor") and LABRADOR SERVICES, INC., a Florida corporation (hereinafter referred to as "Lessee"), dated this ___ day of June, 1999. The substantive terms and conditions as set forth in an unrecorded Lease between the parties are as follows:

1. Grant of Lease: Lessor demises and leases unto Lessee the Real Property described in Exhibit "A" attached hereto and made a part hereof (the "Leased Premises").
2. Leased Premises: The Leased Premises are described as follows: See Exhibit "A" attached hereto and made a part hereof.
3. Use of property: Operation of water plant and wastewater treatment plant and related production, storage, collection, transmission, distribution, and disposal systems.
4. Term of Lease: Ninety nine (99) years as to parcels one and two of the Leased Premises and thirty (30) years as to parcel three of the Leased Premises, unless earlier terminated as set forth in the unrecorded Lease of even date.
5. Construction: This Memorandum of Lease is not a complete summary of the unrecorded Lease described above. The provisions in this Memorandum should not be used in interpreting the Lease. In the event of conflict between this Memorandum and the unrecorded Lease, the provisions of the unrecorded Lease shall control.

Dated June _____, 1999.

WITNESSES:

"LESSOR"

Print name: _____

FOREST LAKE ESTATES CO-OP, INC.,
a Florida not-for-profit corporation

Print name: _____

By: _____
Print: _____
Title: _____

"LESSEE"

Print name: _____

LABRADOR SERVICES, INC.,
a Florida corporation

Print name: _____

By: _____
Print: _____
Title: _____

STATE OF FLORIDA

COUNTY OF PINELLAS

The foregoing instrument was acknowledged before me this _____ day of June, 1999,
by _____, as _____ of FOREST LAKE ESTATES CO-
OP, INC., on behalf of the corporation

_____ who is personally known to me,
_____ who has produced _____ as identification

and who did take an oath, and who acknowledged to and before me that he executed the same freely
and voluntarily for the purposes therein expressed on behalf of the corporation.

(Notary seal)

NOTARY PUBLIC
Print _____
State of Florida at Large (Seal)
My Commission Expires:

STATE OF FLORIDA

COUNTY OF PINELLAS

The foregoing instrument was acknowledged before me this ____ day of June, 1999, by _____, as _____, of LABRADOR SERVICES, INC., on behalf of the corporation

_____ who is personally known to me,
_____ who has produced _____ as identification

and who did take an oath, and who acknowledged to and before me that he executed the same freely and voluntarily for the purposes therein expressed on behalf of the corporation.

(Notary seal)

NOTARY PUBLIC
Print _____
State of Florida at Large (Seal)
My Commission Expires:

JOINDER OF MORTGAGEE

FIRST UNION NATIONAL BANK, its successors and/or assigns ("Mortgagee") is the owner and holder of that certain first mortgage executed by FOREST LAKE ESTATES CO-OP., INC., a Florida not-for-profit corporation ("Mortgagor"), dated June 9, 1999, and recorded on June 15, 1999, in Official Records Book 4170 at Page 700, of the Public Records of Pasco County, Florida (the "Mortgage"), encumbering the real property owned by Mortgagor.

Mortgagor has entered into that certain Lease Agreement for Water and Wastewater Treatment Facilities (the "Lease") with LABRADOR SERVICES, INC., a Florida corporation ("Lessee"), dated as of June 9, 1999, a Memorandum of which was recorded on June 15, 1999, in Official Records Book 4170 at Page 861, of the Public Records of Pasco County, Florida, which Lease encumbered that portion of the Real Property described in Exhibit "A" (the "Leasehold Property") to the Lease, to which this Joinder is attached, and Mortgagee does hereby certify that it has reviewed the foregoing Lease and by causing these premises to be duly and properly executed on its behalf and on behalf of its successors and assigns does evidence and confirm its consent and approval to Section 17 of the Lease. This Joinder shall be binding upon the Mortgagee, its successors and assigns, and shall inure to the benefit of the parties to the Lease, their successors and assigns.

WITNESSES:

Janice K. Tice
Print Name: Janice K. Tice
C. Jane Bible
Print Name: C. Jane Bible

FIRST UNION NATIONAL BANK

By: [Signature]
Print Name: Raymond A. Ott
Title: VICE PRESIDENT
Address: 100 S. Ashley Dr Suite 910
Tampa, FL 33602

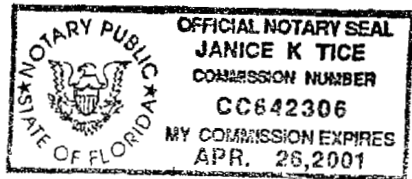
[SEAL]

STATE OF FLORIDA
COUNTY OF ~~PINELLAS~~ Hillsborough

I HEREBY CERTIFY that on this day before me, an officer duly authorized to take acknowledgments, personally appeared Raymond A. Ott as Vice President of FIRST UNION NATIONAL BANK, and who is personally known to me to be the person described in and who executed the foregoing Joinder of Mortgage, or who provided _____ as identification, and acknowledged before me that (s)he executed the same as such officer and that said instrument is the act and deed of said corporation.

WITNESS my hand and official seal in the State and County aforesaid this ___ day of ___, 1999.

My Commission Expires:



Janice K. Tice
Print Name: Janice K. Tice
NOTARY PUBLIC

RUDEN
MCCLOSKEY
SMITH
SCHUSTER &
RUSSELL, P.A.
ATTORNEYS AT LAW

150 SECOND AVENUE NORTH
17TH FLOOR
ST. PETERSBURG, FLORIDA 33701

POST OFFICE BOX 14034
ST. PETERSBURG, FLORIDA 33733

(727) 502-8212
FAX: (727) 502-8912
DSB@RUDEN.COM

February 21, 2001

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Labrador Services, Inc.
39 Treasure Circle
Sebastian, Florida 32958

Re: Lease Agreement for Water and Wastewater Treatment Facilities ("Agreement")
between Forest Lake Estates Co-Op, Inc. ("Lessor") and
Labrador Services, Inc. ("Lessee")

Gentlemen:

As you are aware, this law firm represents Lessor. We have again been notified by Lessor of a very serious problem with the operation of the wastewater treatment plant (the "Treatment Plant") owned by Lessee which serves Forest Lake Estates Mobile Home Park and Forest Lake Village R.V. Park (collectively, the "Park"). As you notified almost one year ago, an unbearable odor has emanated from the Treatment Plant which has affected the residents of the Park for a two to three block area. This year again the Treatment Plant has produced an unbearable stench, more specifically on January 16-18 and on February 9, 11 and 12. Despite formal notice to you on February 29, 2000, this situation has not been remedied. As you are aware, the Agreement provides that Lessee shall maintain, operate and administer the Treatment Plant in a manner consistent with customary standards. This unbearable odor is not consistent with customary standards and constitutes a nuisance.

Please be advised that this letter constitutes notice pursuant to Section 38 of the Agreement of a non-monetary default. In the event that this default remains uncured for thirty (30) days or more following receipt of this written notice to Lessee from Lessor, Lessor shall terminate this Agreement.

Also as you are aware and were put on notice last year, Section 10 of the Agreement, Lessee shall indemnify and hold Lessor harmless for any claims, actions, expenses or damages, including costs and attorneys' fees which Lessor incurs for property damage that occurs as a direct result of a negligent act or omission of Lessee in the operation or maintenance of the Treatment Plant. In the event that Lessor is damaged as a result of the odor emanating from the Treatment Plant, through "pull outs" or otherwise, Lessor shall seek indemnification from Lessee for such damage, including costs and attorneys' fees.

PLEASE BE GOVERNED ACCORDINGLY.

Very truly yours,


DAVID S. BERNSTEIN

DSB:SMA:kaa

cc: Mr. Edgar C. Irving, President (via facsimile)
Mr. Nick Ferraro
Richard S. Webb, Esq.
(via facsimile and Certified Mail/Return Receipt Requested)

— Composite Exhibit B —

STP:199576:1

FORT LAUDERDALE ■ MIAMI ■ NAPLES ■ ST. PETERSBURG ■ SARASOTA ■ TALLAHASSEE ■ TAMPA ■ WEST PALM BEACH

PETITION

TO: LABRADOR ENTERPRISE INC.
CHRIS PACQUET

DATE: FEBRUARY 15, 2001

THE RESIDENTS WHO LIVE ON THE EAST SIDE OF FOREST-LAKE ESTATES, AND THOSE WHO WALK, DRIVE, OR BIKE IN THIS VICINITY, HAVE FOR MANY YEARS, ON NUMEROUS OCCASIONS, BEEN SUBJECTED TO AN OBNOXIOUS ODOR EMANATING FROM THE SEWER PLANT.

MANY OF THE CLOSE RESIDENTS ARE UNABLE TO ENJOY SUCH SIMPLE PLEASURES AS: A / SITTING ON THEIR LANAIS, B / BEING OUTSIDE THEIR HOMES, C/ OPENING THEIR WINDOWS, TO LET IN FRESH AIR. THOSE RESIDENTS WHO LIVE CLOSE BY, ARE FURTHER AGGRAVATED BY THE NOISE OF THE PUMPS.

ALL THIS IS NOT NEW TO THE OWNER AND THE OPERATORS, AND YET THERE HAS BEEN LITTLE IMPROVEMENT OVER THE PAST YEAR.

WE, THE UNDERSIGNED, ASK THAT FAST IMPROVEMENT BE UNDERTAKEN, OR THE RESIDENTS MAY SEEK SUCH REMEDIES AS HOLDING WATER-PAYMENTS IN ESCROW ACCOUNTS, INVOLVING GOVERNMENT AGENCIES, OR SEEKING COURT ACTION.

WE DO NOT WANT TO CAUSE HARDSHIP AND UNNECESSARY LEGAL BILLS ON ANYONE'S PART, BUT THIS SITUATION CANNOT CONTINUE YEAR AFTER YEAR.

COPIES: DAVID BERNSTEIN ; RUDEN Mc CLOSKY
FOREST-LAKE ESTATES CO-OP INC.

PETITION: LABRADOR ENTERPRISE INC. FEB. 15/2001

NAME	LOT #
Walter Dorothy Givens	802
Klaus Albert Hellinga	804
Laurance J. Gagnon	803
C. P. Conroy & Son	330
Walter J. Gagnon & Sons	806
Pat. & Shirley Shaddick	881
Jean Marchand	809
PHYLLIS & PAUL BOUVET	792
Mrs. J. Armas - Jane Armas	810
Victor & Emily Poyaly	885
Conrad & Margaret Davis	753
Stella Marie Pines	525
Alan & Shirley Mottel	797
BRUCE FADDER	812
Chas. Fortesius	8017
Ken Fortesius	801
John Fortesius	803
David Karsten	799
Ernest Karsten	799
Clayton Gagnon	756
Janette Murr	798
Bertie Faulkner	777
PAUL BIVEST	780
Lucina Price	782
Alvin & Tom Mangan	784
Ray & Dianne Williams	789
John & Doreen Gagnon	791
Stacy & Kelly Kelly	883
(A. Gagnon) & Nancy Gagnon	887
Billy & Kim Krans	599
Ralph & Edna Strick	527
John Beckman	510
Lewis Beckman	510
Samuel Ward	535
William Bendure	504
London Bendure	504
Wesley E. Tector	599
W. J. Pesant	537
Luck & Marjorie Gagnon	517
William M. Gagnon	754
Walter & Virginia Gagnon	514
Butter Gagnon	476
Robert Gagnon	894
Hilda Bentering	327

PETITION: LABRADOR ENTERPRISE INC. FEB. 15/01

NAME	LOT #
Ernest CHARLES	761
Ronald McComa	677
Ernest McComa	677
Rupert McQuinn	703
Henry Stang	592
John Adams	379
Donald Fisher 5857 Kaplan	667
Allen Miller " " "	667
Charles Peterson 5901 Utopia	447
Nancy M. McComa	703
Mrs. Lawrence Chapman	590
Betty Toland	579
ROGER HART	573
Fran + Isabel Shockey	819
Wm and Alice	493
George Allen	792
Jessie Brown	245
William K. Radson	254
Bob Carson	285
Lillian Carson	285
Anne Butnik	155
Louise Hunter	685
Pete M. Miller	142
Ada Raymond	301
Don Raymond	569
Wilec Wilson	650
Norman Duffrey	410
Beverly Buckland	# 61
John + Robert Brown	# 375
Fanny K. Freebar	# 258
Vanille Charles	711
Bl Mitchell	408
Momon Mitchell	408
Bob Hunter	685
Wama Bean	835
Bob Nicholson	413
Ren McComa	677
Xerrayn C. McComa	888
Richard William	493
Ernest McComa	
John Adams	
Judith G. Grafton	248
Judith Grafton	758
Jennie V. Justice + Jack J. Justice	# 3

PETITION. LABRADOR ENTERPRISE INC.

FEB 13/2001
LOT

NAME

John & Evelyn Healey	491
Harold & Katherine Macdonald	507
C. SZCZERBANSKI	655
Michelle Macdonald	644
Key Johnson	638
Ray Edmund	637
Burdell Edmund	637
Cheryl Anita Scott	624
Ray Gilmore	630
Clara McShee	738
Robert McShee	738
Mary Clark	657
Cecelia Griffin	649
Mary Wolf	648
Art McShine	640
Frankie Bennett	736
Shirley Burnham	# 672
Hope Russell	LOT 473
John	737
Charles Toulain	# 393
Don Bellanger	131
Shirley Cassidy	# 60
June L. Erwin	# 363
Bernadette Green	771
June Halsman	481
Earlene Chapman	458
Deanna Gopie	471
Case Smith	268
Jean Swanson	39
Edna Swanson	342

Ann Kite
 Roger Davis
 Jon Davis
 Mosley Middleton
 Phyllis Hayes

Lot # 674
) lot 256
 LOT 253
 LOT 261

PETITION LABRADOR INTERPRICE LTD

Beverly W. Moore ³ LOT 98 FEB 15/01
 Fred P. ... 830
 ... 106
 ... 858
 ...
 ... 458

Matthew Payne
 Conrad Philip
 ...
 ...
 Mary M. ...
 ... Chriswell 242
 Mary Zimmerman 390
 ... LOT 321

RUDEN
MCCLOSKEY
SMITH
SCHUSTER &
RUSSELL, P.A.
ATTORNEYS AT LAW

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(727) 895-1971
FAX: (727) 823-8979
DSB@RUDEN.COM

March 13, 2001

Via U.S. Certified Mail R.R.R.

Lutz, Webb & Bobo, P.A.
Richard S. Webb, IV, Esq.
J. Allen Bobo, Esq.
2 North Tamiami Trail, Suite 500
Sarasota, Florida 34236

Re: Lessor: Forest Lakes Estates Co-Op, Inc.
Lessee: Labrador Services, Inc.
Lease: Lease Agreement for Water and Wastewater Treatment Facilities
Property: Forest Lake Estates Mobile Home Park/Forest Lake Village R.V. Park
Date: June 10, 1999

Gentlemen:

As you are aware, this law firm represents the Lessor. By way of this letter, you are hereby notified that Lessee has failed to make certain payments due under the Lease, to wit: rental amounts for the Property and taxes for the years 1999 and 2000. The amounts due and owing Lessor are summarized as follows:

<u>Rent</u>	
Rent Through November 30, 2000	\$10,142.00
December Rent	3,500.00
January Rent	3,500.00
February Rent	3,500.00
	<u>\$20,642.00</u>
March Rent	\$ 3,500.00
<u>Taxes</u>	
1999 Taxes	\$ 2,685.00
2000 Taxes	<u>1,544.69</u>
	\$ 4,229.69
<i>Total Amount Due and Owing</i>	\$ 28,371.69

Be advised that if the total amount due and owing Lessor is not paid within fifteen (15) days from receipt of this letter in accordance with Section 38 of the Lease, Lessor reserves its

right to exercise all legal remedies available, including but not limited to, a lawsuit for money damages and attorney's fees for which Lessee is contractually liable.

TIME IS OF THE ESSENCE.

Very truly yours,

DAVID S. BERNSTEIN

cc: Dan Ward, President
Nick Ferraro