

990817-WS ORIGINAL

AMENDED EXHIBIT A

If the application is requesting an extension of territory, a statement regarding the need for service in the proposed territory, such as anticipated development in the proposed service area.

Florida Water Services has entered into a Water and Sewer Service Agreement dated March 19, 2001 with the Crane Island Partnership, a developer of the proposed territory, for service extension for both water and wastewater service. A copy of that Agreement is attached hereto. The proposed development is composed of 260 single family homes, a 5,200 square foot yacht club, a 90 slip boat basin, a 35 room Inn, a 2,000 square foot Church Building, a 100 seat restaurant and 20,000 square feet of neighborhood commercial space.

DOCUMENT NUMBER-DATE

04463 APR 11 2001

FPSC-RECORDS/REPORTING

**FLORIDA WATER SERVICES CORPORATION
& Crane Island Partnership**

WATER AND SEWER SERVICE AGREEMENT

**for
Crane Island
in the
Amelia Island System
located in Nassau County, Florida**

FPSC Certificate Numbers 171-W & 122-S

This instrument was prepared
under the supervision of:
John L. Tillman, Senior Vice President,
Business Development
Florida Water Services Corporation
P.O. Box 609520
Orlando, Florida 32860-9520

This AGREEMENT is made this 17 day of March 2001, by and between Florida Water Services Corporation, a Florida corporation (hereafter "UTILITY"), and Crane Island Partnership, a Partnership (hereafter "DEVELOPER").

RECITALS

1. The DEVELOPER owns certain properties located in Nassau County, Florida, more particularly described in Exhibit "A", attached to and incorporated in this Agreement and hereinafter referred to as the "DEVELOPER's Property".
2. The DEVELOPER intends to construct on-site and off-site water and wastewater infrastructure as improvements to Developers Property to be 260 single family homes, a 5,200 square foot yacht club, 90 slip boat basin, a 35 room Inn, a 2,000 square foot Church Building, a 100 seat restaurant and 20,000 square feet of neighborhood commercial space as improvements to the DEVELOPER's Property (which improvements shall hereinafter be referred to as the "Improvements") in accordance with the Development Plan attached hereto as Exhibit "B" which will require Water and Sewer Service Capacity.
3. The DEVELOPER has completed and executed an Application for Water and Sewer Service, a true copy of which is attached to and incorporated in this Agreement as Exhibit "C".
4. Water and Sewer Service Capacity for the Improvements shall be provided in the manner described below and subject to the terms and conditions provided herein.
5. The UTILITY is willing to provide Water and Sewer Service Capacity to the DEVELOPER in accordance with and subject to the terms and conditions of this Agreement and applicable rules, regulations, laws and requirements.

ACCORDINGLY, in consideration of the Recitals hereof for and in consideration of the mutual undertakings and agreements herein contained and assumed, and other good and valuable consideration received by each party from the other, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree to as follows:

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

SECTION 2 DEFINITIONS. The parties agree that in construing this Agreement, the following words, phrases, and terms shall have the following meanings unless the context requires otherwise:

2.1 "Allowance for Funds Prudently Invested" (AFPI) means an FPSC approved fee designed to cover the carrying costs of actual company investment in plant prudently constructed for future customer use.

2.2 "Agreement" means this FLORIDA WATER SERVICES CORPORATION & Crane Island Partnership WATER AND SEWER SERVICE AGREEMENT, as it may be amended from time to time.

2.3 "Contribution-in-Aid-of Construction" means any amount or items of money or services or property received by the UTILITY from the DEVELOPER, any portion of which is provided at no cost to the UTILITY which represents an addition to the capital of the UTILITY and utilized to offset the cost of extending the UTILITY's Systems to the DEVELOPER's Property.

2.4 "Customer Installation" means all Facilities on the customer's side of the Point of Delivery.

2.5 "DEVELOPER" (or "APPLICANT" in Exhibit "C") means Crane Island Partnership, a Partnership, its successors and assigns. In Exhibit "C", DEVELOPER may be referred to as "APPLICANT".

2.6 "DEVELOPER's Property" means that land described in Exhibit "A" hereto.

2.7 "Development Plan" means the document describing the proposed Improvements to be constructed on the DEVELOPER's Property and the anticipated time schedule for construction thereof as set forth in Exhibit "B" attached to and incorporated in this Agreement.

2.8 "ERC" means Equivalent Residential Connection as that term is used and defined in the UTILITY's Tariff, as it may be amended from time to time (also sometimes referred to as "EDU", or Equivalent Dwelling Unit).

2.9 "FDEP" means the Florida Department of Environmental Protection, an agency of the State of Florida, or any successor agency.

2.10 "FPSC" means the Florida Public Service Commission, an agency of the State of Florida, or any successor agency.

2.11 "GPD" means gallons per day on an annual average basis.

2.12 "Improvements" means the Improvements (including roads, drainage, grading, lot layout, water supply facilities, maintenance, and service lines to the Point of Delivery) which will be constructed and developed by the DEVELOPER on the DEVELOPER's Property.

2.13 "Interested Parties" means the parties executing Exhibit "D" attached to and incorporated in this Agreement for the purpose of subordinating their interests in the DEVELOPER's Property to this Agreement. DEVELOPER warrants that the persons executing said Exhibit "D" are all persons having an interest in the DEVELOPER's Property, other than the DEVELOPER, whether as a mortgagee, secured lien holder, tenant or otherwise.

2.14 "Lot or Tract" means each separate subdivided building site as platted of record or as shown on the Development Plan.

2.15 "Master Plan" means the master plan for UTILITY's System prepared by UTILITY or its engineers, as amended or modified from time to time.

2.16 "Off-Site Facilities" means the portion of the Water and Sewer Facilities which extends or expands the UTILITY's System to provide Water and Sewer Service to the DEVELOPER's Property.

2.17 "On-Site Facilities" means the portion of the Water and Sewer Facilities that has been or will be located wholly within the DEVELOPER's Property.

2.18 "Phase" means a part of the DEVELOPER's Property which is being or is to be developed as a unit.

2.19 "Plans and Specifications" means those documents and drawings prepared by the DEVELOPER's engineer for the design and construction of certain Water and Sewer Facilities and approved by the UTILITY, as described in Subsection 2.28 hereof.

2.20 "Plant Capacity Charge" means the charge made by the UTILITY for each new Customer Installation to the UTILITY's System which is designed to defray a portion of the cost of the UTILITY's Water Treatment and Production System (as described in Subsection 2.30 hereof) and the UTILITY's other costs of the Water and Sewer System, as may be amended from time to time with the approval of the FPSC and set forth in the Tariff.

2.21 "Point of Delivery" means the point where the UTILITY's service line is connected to the customer's line. Unless otherwise indicated by the UTILITY, the Point of Delivery shall be at a point on the customer's lot line.

2.22 "Refundable Advance" or "Refundable Advance for Construction" means money paid or property transferred to the Company by the Applicant for the installation of facilities which may not be used and useful for a period of time. The advance is made to temporarily defray the Company's costs so that the proposed extension may be rendered economically feasible and, in turn, so that service may be obtained. As additional Customers connect to the extension, portions of the advance will be returned to the Applicant over a specified period of time in accordance with a written agreement.

2.23 "Sewage" means water-carried wastes from residences, business buildings, institutions, industrial establishments, and other customers of the UTILITY's System.

2.24 "Tariff" means the UTILITY's Tariff on file with the FPSC, or as that document may be amended from time to time.

2.25 "UTILITY" means FLORIDA WATER SERVICES CORPORATION, a water and sewer utility as defined in Chapter 367, Florida Statutes, its successors or assigns.

2.26 "UTILITY's System" means all Water and Sewer Facilities and interests in real and personal property owned, operated, managed or controlled by the UTILITY now and in the future and used to provide Water and Sewer Service Capacity to existing and future customers within the certified service area of the UTILITY.

2.27 "Water" means water satisfactory for drinking, cooking and domestic purposes meeting the quality standards of the FDEP.

2.28 "Water and Sewer Facilities" means all facilities, including but not limited to water transmission and distribution force mains, meters and other appurtenant facilities for the provision of piped Water to the DEVELOPER's Property and/or sewer force mains, pumps and other appurtenant facilities to collect and transmit Sewage from the DEVELOPER's Property for treatment and disposal in accordance with all applicable governmental regulations. Water and Sewer Facilities are

necessary for the UTILITY to provide Water and Sewer Service Capacity to the DEVELOPER's Property.

2.29 "Water and Sewer Service Capacity" means the readiness and ability of the UTILITY to furnish Water and Sewer Service to each Lot or Tract in accordance with applicable governmental requirements and regulations. Water and Sewer Service Capacity is typically expressed as a rate of Water flow measured in GPD.

2.30 "Water Treatment and Production Facilities" means any treatment and production facilities, including wells, plants, pumps and necessary appurtenant equipment necessary to withdraw and/or treat raw water in order to produce potable water.

SECTION 3 DESIGN, CONSTRUCTION, AND OPERATION OF ON-SITE FACILITIES. The DEVELOPER agrees as a condition precedent to its receipt of Water and Sewer Service Capacity to do the following:

3.1 **Design of On-Site Facilities.** The DEVELOPER shall, at its expense, cause its own Florida registered professional engineer to design and produce and submit to the UTILITY for its review and approval or rejection prior to construction, graphic Plans and Specifications for the construction of the On-Site Facilities. The Plans and Specification may be limited to the first Phase only, and subsequent Phases may be furnished from time to time. However, each such Phase shall conform to the Development Plan for the DEVELOPER's Property attached hereto or, if not so attached, such Development Plan shall be submitted to the UTILITY concurrent with or prior to submission of the Plans and Specifications for the first Phase. The DEVELOPER may modify its Development Plan at any time and from time to time with the consent of the UTILITY, which consent shall not be unreasonably withheld, provided such modification does not unduly interfere with existing facilities or commitments or increase the Water and Sewer Service Capacity required by the DEVELOPER's Property. The DEVELOPER shall submit a copy of the modified plan to the UTILITY. The DEVELOPER shall cause its professional engineer, licensed by the State of Florida, to submit to UTILITY Plans and Specifications governing the materials to be used by DEVELOPER and the method and manner of installation.

3.2 **Approval of Plans and Specifications for On-Site Facilities.** The UTILITY shall review, and reject or approve, any such Plans and Specifications submitted pursuant to Subsection 3.1 hereof within forty-five (45) days after its receipt of the Plans and Specifications. The

DEVELOPER's professional engineer, licensed by the State of Florida, shall make corrections or modifications at DEVELOPER's expense to any portion of the Plans and Specifications which are unacceptable to the UTILITY and shall resubmit the corrected or modified Plans and Specifications to the UTILITY for further review until UTILITY shall have approved the Plans and Specifications. The UTILITY shall have, in each case, thirty (30) days within which to approve or reject any such revision to said Plans and Specifications. Any such submitted Plans and Specifications which are not approved or rejected within the time period provided shall be deemed approved. As set forth in the UTILITY's tariff on file with the FPSC, the DEVELOPER shall also pay the UTILITY's costs and expenses incurred in reviewing any such Plans and Specifications within ten (10) days after receipt by the DEVELOPER of written invoice therefor, which charge shall be provided in Section 6.3 hereof.

3.3 Permitting. The DEVELOPER shall, at its expense, obtain all necessary state and local permits or approvals required for the construction of the On-Site Facilities to be constructed pursuant to this Agreement. The DEVELOPER shall send written copies of all permit applications filed with state or local governmental entities to the UTILITY and shall also provide the UTILITY with copies of all written permits, approvals, requests for additional information or denials received by the DEVELOPER in connection with such permit application.

3.4 Construction of On-Site Facilities. After UTILITY's approval of the Plans and Specifications for any phase or portion of the On-Site Facilities, the DEVELOPER shall, at its expense, construct and install that phase or portion of the On-Site Facilities as the same are depicted in the UTILITY approved Plans and Specifications therefor. The DEVELOPER warrants that the On-Site Facilities to be constructed by it pursuant to this Agreement shall be constructed in accordance with the approved Plans and Specifications, and also in accordance with all other applicable federal, state and local laws, regulations, rules and ordinances. All construction of the On-Site Facilities to be constructed or installed by DEVELOPER hereunder shall be done by a Florida certified contractor approved in advance by the UTILITY as competent to perform such work. The UTILITY's approval of such contractor(s) shall not be unreasonably withheld. After completion of construction and prior to acceptance or approval of such Facilities by UTILITY, DEVELOPER, agrees to furnish to UTILITY one (1) set of Mylar Record Drawings showing specification locations, depth, and other appropriate details of all Water and Sewer Facilities as located by a licensed surveyor along with three (3) prints of the Record Drawings which have been sealed by the surveyor. Prior to

acceptance by UTILITY, DEVELOPER shall provide UTILITY with a certification by DEVELOPER's Registered Professional Engineer of Record that the facilities described in such Record Drawings were constructed, pressure tested, and bacteriologically cleared in accordance with approved plans and specifications, and applicable regulatory requirements. In addition, DEVELOPER will provide UTILITY with three (3) sets of all appropriate manuals for operation of any pumping stations and other mechanical and electrical equipment installed by DEVELOPER, as applicable.

3.5 Inspection, Testing, and Approval of Construction. During the construction of the On-Site Facilities by DEVELOPER, the UTILITY shall have the continuing right to inspect such installations to determine compliance with the Plans and Specifications. The UTILITY shall have the right to control the quality of the installation, and further, shall be entitled to perform standard tests for pressure, exfiltration, infiltration, line and grade, and all other normal engineering tests to determine that the system has been installed in accordance with the Plans and Specifications and good engineering practices, but it shall remain the responsibility of the DEVELOPER's Registered Professional Engineer of Record to certify that such construction by the DEVELOPER complies with approved plans and specifications and applicable regulatory requirements. DEVELOPER agrees to pay to UTILITY a reasonable sum to cover the cost of inspection of installations made by DEVELOPER or DEVELOPER's contractor, which charge shall be as provided in Subsection 6.3 hereof.

3.6 Conveyance or Dedication of Facilities and Easements. Prior to acceptance of any phase or portion of the On-Site Facilities for ownership, operation and maintenance by the UTILITY, the DEVELOPER shall, with the respect to such phase or portion constructed or otherwise provided by the DEVELOPER, (a) convey, grant or dedicate to the UTILITY free and clear of all liens and encumbrances, such easements as are reasonably necessary for the UTILITY to own, operate, maintain, repair, expand, and replace the On-Site Facilities accepted by the UTILITY, including all On-Site Facilities constructed thereon, and (b) transfer and convey to the extent that the same are transferable all governmental approvals and permits that will enable the UTILITY to operate the applicable phase or portion of those On-Site Facilities and provide Water and Sewer Service Capacity to the Improvements, and notify all governmental agencies of such transfer and conveyance as may be required by law. The UTILITY shall review and approve or reject within forty-five (45) days after receipt thereof, all documents submitted by the DEVELOPER pursuant to this Subsection 3.6.

Additionally, No later than ten (10) days after written request by the UTILITY (but prior to the UTILITY's acceptance of any phase of the On-Site Facilities), the DEVELOPER shall provide the UTILITY either: a) a title report by a Florida title company acceptable to UTILITY, or b) an opinion of DEVELOPER's counsel. Said title report or opinion of counsel shall be to the effect that the lands to be encumbered by all easements to be conveyed or dedicated by the DEVELOPER to the UTILITY pursuant to this Agreement with respect to that phase or portion of the On-Site Facilities to be accepted by the UTILITY for ownership, operation, and maintenance are, in fact, owned by the DEVELOPER, free and clear of all liens (including mechanics' liens) and encumbrances, other than those acceptable and approved by the UTILITY. Should any of said liens and encumbrances be unacceptable to UTILITY, UTILITY shall notify DEVELOPER in writing within twenty (20) days of UTILITY's receipt of the title report or opinion of counsel. UTILITY's failure to notify DEVELOPER in writing of any unacceptable liens and encumbrances within said twenty (20) day period shall be deemed as UTILITY's approval of those liens and encumbrances. Such title report or opinion of counsel, when rendered, may reflect that the lands involved are encumbered by a development mortgage or mortgages, but any such mortgage or mortgages must be subordinated to or released from the lands upon which easements are to be granted to the UTILITY pursuant to this Agreement at the time such On-Site Facilities and easements are granted to the UTILITY.

Notwithstanding the above, whenever the development of the DEVELOPER's Property involves one customer or a unity of title of several customers, and/or in the opinion of utility ownership by the UTILITY of the On-Site Facilities is not necessary, that at the option of UTILITY, DEVELOPER shall retain ownership and the obligation for maintenance of such On-Site Facilities as UTILITY shall hereinafter designate in writing.

As long as said Property then remains in one Customer, DEVELOPER or its successors or assigns shall have the right to retain ownership and the obligation for maintenance. The retention of ownership of such On-Site Facilities by DEVELOPER shall not diminish the right of UTILITY to provide service to the property of others by or through the full utilization of such easement rights as provided for herein and utilization for such purpose in accordance with the Master Plan. In the event of such use by others, DEVELOPER's cost of maintaining such On-Site Facilities shall be shared between DEVELOPER and UTILITY (or DEVELOPER and other parties when DEVELOPER retains ownership of such On-Site Facilities) in

accordance with each such party's hydraulic share (based on each party's proportionate flows) or such other method as said party shall mutually determine. Notwithstanding anything to the contrary contained herein, the UTILITY shall not be required to accept title to any Customer Installations.

3.7 Characterization and Surrender of On-Site Facilities. Upon acceptance by the UTILITY of any On-Site Facilities as aforesaid, the accepted facilities shall become part of the UTILITY's System (as appropriate), and the DEVELOPER shall surrender control of said On-Site Facilities and execute and deliver to the UTILITY all documents or instruments necessary for that purpose, including but not limited to a Bill of Sale and a Waiver and Release of Lien, both in a form acceptable to the UTILITY. If the DEVELOPER shall fail or refuse to do so, then the UTILITY shall be entitled to specifically enforce the provisions of this Subsection 3.7 against the DEVELOPER.

3.8 Bonding/Warranty Requirements. After receipt of the DEVELOPER's Registered Professional Engineer's certification that the facilities were constructed, tested, and cleared in accordance with approved plans and specifications and all applicable regulatory requirements, UTILITY agrees to accept and maintain each phase of On-Site Facilities that is completed by DEVELOPER, except for Customer Installations which are not the responsibility of UTILITY as hereinafter provided. DEVELOPER shall indemnify and hold UTILITY harmless from and in respect of any repairs or replacements required to be made to said On-site Facilities conveyed by DEVELOPER to UTILITY which occur within one (1) year from the date of acceptance of said On-Site Facilities by the UTILITY. Simultaneously, with the conveyance of the On-Site Facilities described above from DEVELOPER to UTILITY, the DEVELOPER shall deliver to UTILITY an executed contract bond in the total amount of the actual costs of construction of said On-Site Facilities. The contract bond shall have as the surety thereon, such surety company as is authorized to write bonds of such character and amount in accordance with the laws of the State of Florida. The attorney-in-fact, or other officer who signs such contract bond for a surety company shall file with such Bond a certified copy of his power of attorney authorizing him to do so. The contract bond may be written either, with the DEVELOPER's contractor as "principal" and the DEVELOPER and the UTILITY as "co-obligees" or, in the alternative, with the DEVELOPER as principal and the UTILITY as the "obligee". The contract bond shall remain in force for one (1) year following the date of final acceptance by UTILITY of the work done pursuant to this Agreement to protect the UTILITY against losses

resulting from any and all defects in materials or improper performance of that work. Upon demand by the UTILITY, the DEVELOPER shall correct or cause to be corrected all such defects which are discovered within said warranty period or periods as set forth above, failing which UTILITY shall make such repairs and/or correct such defects in materials and the DEVELOPER and/or its surety shall be liable to UTILITY for its costs arising therefrom.

DEVELOPER shall provide UTILITY with a Letter of Warranty in a form acceptable to UTILITY.

DEVELOPER may request that UTILITY waive the bonding requirement and accept in its place an indemnification from DEVELOPER. In such case, DEVELOPER shall indemnify and hold UTILITY harmless from an in respect of any repairs or replacements required to be made to said On-Site Facilities conveyed by DEVELOPER to UTILITY which occur within one (1) year from the date of inspection and acceptance of said On-Site Facilities by the UTILITY. Should DEVELOPER wish to request said waiver, a written request shall be made to UTILITY, and UTILITY shall either approve or deny said request within twenty (20) days of its receipt of the written request.

Upon demand by the UTILITY, the DEVELOPER shall correct or cause to be corrected all such defects which are discovered within said warranty period or periods as set forth above, failing which UTILITY shall make such repairs and/or correct such defects in materials or facilities and the DEVELOPER shall be liable to UTILITY for its costs arising therefrom.

DEVELOPER agrees to provide to UTILITY a copy of the Construction Contractor's One Year Warranty and any applicable equipment Warranties and to the extent possible shall assign such warranties to UTILITY.

3.9 Assurance of Title to Property. Within a period of forty-five (45) days after the execution of this contract, at the expense of DEVELOPER, DEVELOPER shall deliver to UTILITY an opinion of title from a qualified attorney-at-law, or a title report by a Florida title company acceptable to UTILITY, with respect to the DEVELOPER's Property, which opinion or report shall include a current report on the status of the title, setting out the name of the legal title holders, the outstanding mortgages, taxes, liens, tenancies or parties in possession and other covenants affecting the DEVELOPER's Property. The provisions of this Section are for the purpose of evidencing DEVELOPER's legal right to grant the exclusive rights of service and lien rights contained in this Agreement.

3.10 Effect of Reviews, Inspections, Approvals, and Acceptances. The reviews, inspections, approvals and acceptances by the UTILITY of the Plans and Specifications and construction shall not constitute a waiver of any claims arising from (1) faulty or defective design, (2) faulty or defective construction, (3) unsettled liens and encumbrances, and (4) tort claims.

3.11 Operation and Maintenance of On-Site Facilities. Subject to the DEVELOPER's compliance with Sections 3 and 5 hereof, the UTILITY or its successors shall in writing accept ownership and assume responsibility for the operation and maintenance of those On-Site Facilities for which the UTILITY has approved the design, construction, and documents specified in Subsection 3.6, excluding the Customer Installations. Upon acceptance of ownership and assumption of the responsibility for the operation and maintenance of any such On-Site Facilities by the UTILITY as contemplated in this Agreement, all customers of those On-Site Facilities shall be deemed customers of the UTILITY's System, and the UTILITY shall set and collect all water rates, fees, charges and deposits for those On-Site Facilities, without exception, in accordance with its Tariff. In addition to other applicable requirements, all property owners and customers must provide at their expense necessary individual service lines, or UTILITY will provide such lines for a fee, as a condition precedent to receiving Water and Sewer Service Capacity from the UTILITY.

SECTION 4 OFF-SITE FACILITIES. Where applicable, and as required by the approved Plans and Specifications, the DEVELOPER shall construct and install at its sole expense any Off-Site Facilities required to extend Water and Sewer Service Capacity to the DEVELOPER's Property, in accordance with the Master Plan. The construction and conveyance of all such Off-Site Facilities shall be governed by the terms and provisions of Section 3 hereof. The UTILITY may elect to construct said Off-Site Facilities, and in such event the DEVELOPER shall be responsible for payment of estimated costs for the Off-Site Facilities and the installation of said Off-Site Facilities within thirty (30) days after receipt of written notice from UTILITY as to the estimated amount of said costs. If the actual costs of such facilities and associated installation costs are different from such estimated costs, the DEVELOPER will receive either a refund or an invoice for additional amounts payable from the UTILITY as appropriate. DEVELOPER shall be responsible for payment of any invoice within thirty (30) days of receipt.

SECTION 5 EASEMENTS.

5.1 Grant of Easements. The DEVELOPER hereby grants and gives to the UTILITY, its successors and assigns, subject to the terms of this

Agreement, the exclusive right or privilege to construct, install, own, maintain, expand, and operate Water and Sewer Facilities (hereafter "Facilities") in, under, upon, over, and across the DEVELOPER's Property to serve the DEVELOPER's Property; and to provide service to the property of others in accordance with the Master Plan, an exclusive right or privilege to construct, install, own, maintain, repair, and operate said Facilities in, under, upon, over, and across the present and future streets, roads, terraces, alleys, easements, reserved utility strips, and utility sites, and any public place or common area as provided for dedicated to, or otherwise available for public use, whether or not provided for in any plats, agreements, dedications, or grants of record. The blanket easements to facilitate service to DEVELOPER's Property shall be released upon the location of the actual easements when constructed. DEVELOPER agrees to execute specific easements to be recorded in the public records. In the event the UTILITY wrongfully fails to provide Water and Sewer Service Capacity as set forth in this Agreement, DEVELOPER may revoke the exclusivity of this grant and be released of liability for additional easements not then being utilized by UTILITY and make such other arrangements as it deems necessary for the further provisions of Water and Sewer Service Capacity to the DEVELOPER's Property.

5.2 Rights of Ingress and Egress. The foregoing grants include the necessary right of ingress and egress to any part of the DEVELOPER's Property upon which UTILITY is constructing, operating, or maintaining such Facilities; the foregoing grants shall be for such period of time as and to the fullest extent that UTILITY or its successors or assigns require such rights, privileges or easements in the construction, ownership, maintenance, operation, repair, or expansion of said Facilities.

5.3 Private Property Installations. In the event mains, lines, or facilities are to be installed in lands within or outside the DEVELOPER's Property, in areas outside of streets and public ways, then DEVELOPER or the owner shall grant to UTILITY, without cost to UTILITY, the necessary easement or easements for such private property installation by express grant; provided, all such private property installations shall be made in such manner as not to interfere with the then primary use of such private property as represented by DEVELOPER herein.

5.4 Errors in Line Locations. The UTILITY and DEVELOPER will use due diligence in ascertaining all easement locations; however, should UTILITY or DEVELOPER install any Facilities outside a dedicated easement area, UTILITY will not be required to move or relocate any such Facilities lying outside a dedicated easement area, or private easement area

conveyed by an express grant, so long as the Facilities do not interfere with the then or proposed use of the area in which the Facilities have been installed, and so long as the UTILITY obtains a private easement for such line location, which DEVELOPER will give if same is within its reasonable power to do so. Should the UTILITY be obligated to relocate any such Facility installed by DEVELOPER, then DEVELOPER shall reimburse to the UTILITY, the UTILITY's cost reasonably incurred in connection with such relocation. The UTILITY shall be responsible for the relocation of any such Facility installed by the UTILITY.

5.5 Use of Easement Grants. The UTILITY agrees that all easement grants will be utilized in accordance with the established and generally accepted practices of the water and sewer industry with respect to the installation of all such Facilities in any of the easement areas to serve the DEVELOPER's Property and the property of others in accordance with the Master Plan; and that DEVELOPER or DEVELOPER's successors or assigns in granting any easement herein, or pursuant to the terms of this instrument, shall have the right to grant exclusive or non-exclusive rights, privileges and easements to other persons, firms, or corporations to provide to the Property any utility services other than water and sewer service.

SECTION 6 RATES, FEES, AND CHARGES. As a condition to the provision of Water and Sewer Service Capacity, the DEVELOPER agrees to pay certain rates, fees and charges as Contributions-in-Aid-of-Construction as hereinafter set forth in this Section 6, and as more specifically described in Exhibit E attached hereto and made a part hereof by this reference. All rates, fees and charges as set forth herein are due from DEVELOPER to UTILITY upon execution of this Agreement.

6.1 Service Availability Charges.

(1) To induce the UTILITY to provide Water Treatment and Production Facilities and Sewer Treatment and Disposal Facilities to DEVELOPER for use on the DEVELOPER's Property, the DEVELOPER agrees to pay the UTILITY System Capacity Charges in the amount of \$1,146.00 and \$1,780.00 per ERC or EDU for water and sewer capacity, respectively. Accordingly, the DEVELOPER's total Plant and Main Extension Capacity Charges, based upon 362.4117 ERC's or EDUs for water and 359.4151 ERCs or EDUs for sewer capacity, is One Million Fifty-Five Thousand Eighty Two and 69/100 Dollars (\$1,055,082.69) payable by phase upon receipt of all necessary permits for project development but prior to signing of FDEP permits by Florida

Water Services. Phasing of the development will be submitted to Florida Water Services prior to approval of the initial phase of the development. Additionally, the DEVELOPER agrees to pay the UTILITY Allowance for Funds Prudently Invested. Accordingly the DEVELOPER's total charges for Allowance for Funds Prudently Invested, based upon 592.353 ERCs or EDUs for water and 710.673 ERCs or EDUs for sewer, is to be paid at the time service is requested according to the schedule attached as Exhibit E. The number of ERCs of Water and Sewer Service Capacity attributable to each Customer Installation shall be determined in accordance with the UTILITY's rules and regulations, the UTILITY's tariff on file with the FPSC and the applicable FPSC regulations.

(2) The DEVELOPER shall be required to pay the applicable charge (as set by UTILITY from time to time) for water meters and meter installations of sufficient capacity for all single-family, residential, multi-family, mobile home, commercial installation or any other connection requiring a measuring device. A current schedule of meter charges has been attached to and incorporated in this Agreement as Exhibit E

6.2 Rates and Charges. Rates and other charges to DEVELOPER and/or individual customers of Water and Sewer Service Capacity shall be those set forth from time to time in the Tariff approved by the FPSC. However, notwithstanding any provision in this Agreement, the UTILITY may establish, amend, revise, and enforce, from time to time in the future, its Tariff (including capacity for connection charges and Guaranteed Revenue Charges), provided that such rates, fees, charges, and deposits are uniformly applied to customers in its service area and are non-discriminatory as applied to the same classification of service throughout its service area, subject to FPSC approval. The UTILITY may establish, amend, or revise, from time to time in the future, and enforce rules and regulations covering Water and Sewer Service Capacity to the DEVELOPER's Property. Such rules and regulations so established by the UTILITY shall at all times be reasonable and subject to such regulation as may be applicable. Any initial or future lower or increased rate, rate schedules, capacity charges or other fees and charges, and rules and regulations established, amended or revised and enforced by the UTILITY from time to time in the future, shall be binding upon DEVELOPER, upon any person or other entity holding by, through or under DEVELOPER, and upon any user or customer of the Water and Sewer Service Capacity provided to the DEVELOPER's Property.

6.3 Engineering Review and Inspection Fees. Pursuant to the provisions of Section 3 and Section 4 of this Agreement, and as set forth in the UTILITY's tariff on file with the FPSC in order to recover actual costs incurred by the UTILITY, DEVELOPER shall pay to the UTILITY Engineering Review and Inspection Fees in the sum of Seven Hundred Fifty and No/100 Dollars (\$750.00), upon execution of this Agreement. Said fees shall include the following:

(1) Review by the UTILITY and its engineers of DEVELOPER's engineering Plans and Specifications for DEVELOPER's On-Site and Off-Site Facilities; and

(2) Review and inspection by the UTILITY or its engineers of DEVELOPER's construction of its On-Site and Off-Site Facilities as provided for in this Agreement.

6.4 Payment of Customer Deposits. The DEVELOPER shall pay to the UTILITY the appropriate customer deposit as provided by the UTILITY tariff which shall be held as customer deposits and will be administered in accordance with the provisions of the Tariff and FPSC requirements.

6.5 Reimbursement of Legal and Administrative Costs. In preparing this Agreement, the UTILITY has incurred substantial "up-front" legal and administrative costs. Upon the execution of this Agreement, the DEVELOPER shall pay to the UTILITY a fee in the amount of \$500.00 to defray the UTILITY's legal and administrative costs in negotiating, preparing, and executing this Agreement. Additionally, Recording Fees shall be paid as noted in Exhibit E.

6.6 General Rate Provisions.

(1) Payment of the sums set forth in this Section 6 does not and will not result in the UTILITY waiving any of its rates, fees, charges, rate schedules, or rules and regulations, and their enforcement shall not be affected in any manner whatsoever by DEVELOPER making the contribution. The UTILITY shall not be obligated to refund to DEVELOPER any portion of such sums for any reason whatsoever, except as specifically provided herein. In the event that the UTILITY fails to provide Water and Sewer Service Capacity as provided for herein, the UTILITY shall not be obligated to pay any interest or rate of interest upon such sums. In

the event the UTILITY fails to provide Water and Sewer Service Capacity as provided for above, DEVELOPER shall be entitled to a refund of all moneys paid hereunder in which event the parties shall be released from any and all liability or obligation to the other arising hereunder or, in lieu thereof, the DEVELOPER shall have the right to pursue any other remedies, if any, available to it.

(2) Neither DEVELOPER nor any person or other entity holding any of the Property by, through or under DEVELOPER, or otherwise, shall have any present or future right, title, claim, or interest in and to the contributions or to any of the water and sewer facilities and properties of the UTILITY, and all prohibitions applicable to DEVELOPER with respect to no refund of any such charges or contributions, no interest payment on said charges or contributions and otherwise, are applicable to all persons or entities, except for that which may be provided in this Section.

(3) Any user or customer of Water and Sewer Service Capacity shall not be entitled to offset any bill or bills rendered by the UTILITY for such service or services against the contributions or charges. DEVELOPER shall not be entitled to offset the contributions or charges against any claim or claims of the UTILITY.

(4) If all or any portion of the UTILITY's System is acquired by a governmental entity, DEVELOPER acknowledges and agrees that any right to refund it may have under this Agreement shall terminate, expire, and be of no further force or effect.

SECTION 7 ALLOCATION AND PROVISION OF WATER AND SEWER SERVICE CAPACITY.

7.1 Allocation. Subject to the DEVELOPER's compliance with the terms and conditions of this Agreement; the UTILITY hereby agrees to allocate and reserve Ninety Two Thousand Four Hundred Fifteen and 00/100 (92,415) GPD and Sixty One Thousand Four Hundred Sixty and 00/100 (61,460) GPD of Water and Sewer Service Capacity, respectively, to the DEVELOPER for use by the DEVELOPER with its Improvements on the DEVELOPER's Property, as specified in Exhibit B. Any such allocated Water and Sewer Service Capacity which is not connected or used by the DEVELOPER within five (5) years from the date of execution of this Agreement shall revert back to the UTILITY, and, in such an event, the UTILITY shall not be obligated to refund Plant Capacity Charges or

other rates, fees, or charges paid by the DEVELOPER. The Water and Sewer Service Capacity reserved pursuant to this Agreement shall be made available for use by the DEVELOPER, its successors and assigns in accordance with the provisions of Section 8, hereof.

7.2 Provision of Water and Sewer Service Capacity. Upon the completed conveyance of On-Site Facilities to the UTILITY, payment of applicable rates, fees and charges, and the physical connection of a given Customer Installation to the UTILITY's System, the UTILITY agrees to continuously provide Water and Sewer Service Capacity to said Customer Installation in accordance with the terms and conditions of this Agreement, its Tariff, and applicable requirements of the FPSC and FDEP. Notwithstanding the above, the UTILITY does not guarantee or warrant any special service, pressure, quality, or other facility other than what is required to fulfill a duty of reasonable care to the customers to whom it provides such Water and Sewer Service Capacity.

7.3 Prior Approvals. Notwithstanding anything to the contrary contained in this Agreement, the parties recognize that the parties may be required to obtain approvals from various governmental authorities having jurisdiction and regulatory power over the construction, maintenance and operations of the Water Treatment and Production Facilities and Water and Sewer Facilities, before it can render service to the DEVELOPER's Property. The parties will diligently and earnestly make the necessary and proper applications to all governmental authorities, and will pursue the same to the end that it will use its best efforts to obtain such approvals. Applications for the approval of Plans and Specifications for those said Facilities to be constructed by the DEVELOPER shall be forwarded by DEVELOPER's engineers to the applicable governmental agencies subsequent to the UTILITY's approval of such Plans and Specifications. This Agreement shall be filed for record with the applicable governmental agency.

SECTION 8 CUSTOMER INSTALLATIONS.

8.1 Notice of Initial Connection to UTILITY's System. The DEVELOPER shall give the UTILITY written notice that DEVELOPER is connecting the On-Site Facilities to the UTILITY's System not less than ten (10) business days prior to said connection(s) so that the UTILITY may inspect said connection(s); provided, however, that if the date of inspection occurs on a Saturday, Sunday, or legal holiday, the UTILITY may postpone its inspection until the next occurring day which is not a Saturday, Sunday, or legal holiday. If DEVELOPER fails to give said

written notice, the UTILITY may require DEVELOPER to uncover and expose said connection for inspection, at the sole cost of DEVELOPER or the UTILITY may disconnect any DEVELOPER installations from the UTILITY's system at the DEVELOPER's expense.

8.2 Connection of Individual Customer Installations. Although the responsibility for connecting the installation to the UTILITY at the Point of Delivery is that of the DEVELOPER or entity other than UTILITY, with reference to such connections, the parties agree as follows:

- (1) Only cast iron, PVC, or other such materials as UTILITY may reasonably approve in writing shall be used for said connections;
- (2) Except as otherwise provided in Subsection (4) below, all Customer Installation connections must be inspected by UTILITY before backfilling and covering of any pipes;
- (3) Notice to UTILITY requesting an inspection of a Customer Installation connection may be given by the plumber or DEVELOPER, and UTILITY will make a good effort to inspect said Customer Installation within forty-eight (48) hours of said notice, or on the next occurring day which is not a Saturday, Sunday or legal holiday;
- (4) If UTILITY fails to inspect the Customer Installation connection within forty-eight (48) hours after such inspection is due to occur as provided hereabove, the DEVELOPER or owner may backfill or cover the pipes without UTILITY's approval; provided, however, the DEVELOPER shall remain liable for any claims arising from (a) faulty or defective design, (b) faulty or defective construction, and (c) tort claims associated with said pipes and backfilling.
- (5) If the DEVELOPER does not comply with the foregoing inspection provisions, UTILITY may refuse service to a connection that has not been inspected until DEVELOPER complies with these provisions or may disconnect any DEVELOPER installation that has improperly been connected to the UTILITY's system at DEVELOPER's expense; and
- (6) The cost of constructing, operating, repairing, or maintaining the Customer Installations shall be that of DEVELOPER or others than UTILITY.

8.3 Application for Service. The DEVELOPER, its successors, or the occupant(s) of the DEVELOPER's Property, shall make written application to the UTILITY for the opening of an account(s) for service. Said application is to be made only after the payment of all System Capacity Charges and other capital contributions as required in Section 6 hereof. At the time of making said application for service, the applicant shall pay all service charges as set forth in the Tariff filed with the FPSC. Within ten (10) business days after DEVELOPER's receipt of any building permits for construction of all or any portion of the Improvements, the DEVELOPER shall send a true copy of any such building permits to the UTILITY.

SECTION 9 INCORPORATION OF LAWS, RULES, AND POLICIES. This Agreement shall be read in conjunction with and be subject to all existing and future federal, state, and local laws, rules and policies applicable to water and sewer utilities in any manner or form, and all existing and future UTILITY rules, policies, and Tariff provisions.

SECTION 10 COVENANT NOT TO ENGAGE IN UTILITY BUSINESS. The DEVELOPER, as a further consideration for this Agreement, agrees that it will not engage in the business of providing Water and Sewer Service Capacity to the DEVELOPER's Property during the period of time the UTILITY, its successors and assigns, provide Water and Sewer Service Capacity to the DEVELOPER's Property, it being the intention of the parties hereto that the foregoing provision shall be a covenant running with the land and under said provision and also under other provisions of this Agreement the UTILITY shall have the sole and exclusive right and privilege to provide Water and Sewer Service Capacity to the DEVELOPER's property and to the occupants of each residence, building or unit constructed thereon.

SECTION 11 DISCLAIMERS; LIMITATIONS ON LIABILITY.

11.1 STATUS. THE PARTIES DEEM EACH OTHER TO BE INDEPENDENT CONTRACTORS, AND NOT AGENTS OF THE OTHER.

11.2 INDEMNITY. THE DEVELOPER SHALL INDEMNIFY THE UTILITY, ITS RESPECTIVE AGENTS AND EMPLOYEES, FROM AND AGAINST ANY AND ALL CLAIMS, LIABILITY, DEMANDS, DAMAGES, EXPENSES, FEES, FINES, PENALTIES, SUITS, PROCEEDINGS, ACTIONS AND FEES, INCLUDING ATTORNEY'S FEES, FOR INJURY (INCLUDING DEATH) TO PERSONS OR DAMAGE TO PROPERTY OR PROPERTY RIGHTS THAT MAY ARRIVE FROM OR BE RELATED TO ACTS, ERRORS, OR

OMISSIONS OF THE DEVELOPER, ITS AGENTS, EMPLOYEES, SERVANTS, LICENSEES, INVITEES, OR CONTRACTORS OR BY ANY PERSON UNDER THE CONTROL OR DIRECTION OF THE DEVELOPER, OR BY THE DEVELOPER'S USE OF THE UTILITY'S SYSTEM, AND THE DEVELOPER SHALL INDEMNIFY THE UTILITY AS AFORESAID FROM ALL LIABILITY, CLAIMS AND ALL OTHER ITEMS ABOVE MENTIONED, ARISING OR GROWING OUT OF OR CONNECTED WITH ANY DEFAULT, BREACH, VIOLATION OR NONPERFORMANCE BY THE DEVELOPER OF ANY COVENANT, CONDITION, AGREEMENT OR PROVISION CONTAINED IN THIS AGREEMENT CONCERNING ALL OR ANY PART OF THE UTILITY'S SYSTEM.

11.3 FORCE MAJEURE. THE UTILITY SHALL NOT BE LIABLE OR RESPONSIBLE TO THE DEVELOPER BY REASON OF THE FAILURE OR INABILITY OF THE UTILITY TO TAKE ANY ACTION IT IS REQUIRED TO TAKE OR TO COMPLY WITH THE REQUIREMENTS IMPOSED HEREBY (OR ANY INJURY TO THE DEVELOPER OR BY THOSE CLAIMING BY OR THROUGH THE DEVELOPER, WHICH FAILURE, INABILITY OR INJURY IS CAUSED DIRECTLY OR INDIRECTLY BY FORCE MAJEURE AS HEREINAFTER SET FORTH). THE TERM "FORCE MAJEURE" AS EMPLOYED HEREIN SHALL MEAN ACTS OF GOD, STRIKES, LOCK-OUTS OR OTHER INDUSTRIAL DISTURBANCE; ACTS OF PUBLIC ENEMIES, WAR BLOCKAGES, RIOTS, ACTS OF ARMED FORCES, MILITIA, OR PUBLIC AUTHORITY, EPIDEMICS; BREAKDOWN OF OR DAMAGE TO MACHINERY, PUMPS, OR PIPE LINES; LANDSLIDES, EARTHQUAKES, FIRES, STORMS, FLOODS, OR WASHOUTS; ARRESTS, TITLE DISPUTES, OR OTHER LITIGATION; GOVERNMENTAL RESTRAINTS OF ANY NATURE WHETHER FEDERAL, STATE, COUNTY, MUNICIPAL OR OTHERWISE, CIVIL OR MILITARY; CIVIL DISTURBANCES; EXPLOSIONS, FAILURE OR INABILITY TO OBTAIN NECESSARY MATERIALS, SUPPLIES, LABOR OR PERMITS OR GOVERNMENTAL APPROVALS WHETHER RESULTING FROM OR PURSUANT TO EXISTING OR FUTURE RULES, REGULATIONS, ORDERS, LAWS OR PROCLAMATIONS WHETHER FEDERAL, STATE, COUNTY, MUNICIPAL OR OTHERWISE, CIVIL OR MILITARY; OR BY ANY OTHER CAUSES, WHETHER OR NOT OF THE SAME KIND ENUMERATED HEREIN, NOT WITHIN THE SOLE CONTROL OF THE UTILITY AND WHICH BY EXERCISE OF DUE DILIGENCE THE UTILITY IS UNABLE TO OVERCOME.

11.4 DISCLAIMER OF THIRD PARTY BENEFICIARIES. THIS AGREEMENT IS SOLELY FOR THE BENEFIT OF AND SHALL BE BINDING UPON THE FORMAL PARTIES HERETO AND THEIR RESPECTIVE AUTHORIZED SUCCESSORS AND ASSIGNS, 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 PARTY TO THIS AGREEMENT OR AN AUTHORIZED SUCCESSOR OR ASSIGNEE THEREOF.

11.5 DISCLAIMER OF SECURITY. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, THE DEVELOPER EXPRESSLY ACKNOWLEDGES (1) THAT IT HAS NO PLEDGE OF OR LIEN UPON ANY REAL PROPERTY (INCLUDING, SPECIFICALLY, THE UTILITY'S SYSTEM), ANY PERSONAL PROPERTY, OR ANY EXISTING OR FUTURE REVENUE SOURCE OF THE UTILITY (INCLUDING, SPECIFICALLY, ANY REVENUES OR RATES, FEES, OR CHARGES COLLECTED BY THE UTILITY IN THE CONNECTION WITH THE UTILITY'S SYSTEM) AS SECURITY FOR ANY AMOUNTS OF MONEY PAYABLE BY THE UTILITY UNDER THIS AGREEMENT; AND (2) THAT ITS RIGHTS TO ANY PAYMENTS OR CREDITS UNDER THIS AGREEMENT ARE SUBORDINATE TO THE RIGHTS OF ALL HOLDERS OF ANY STOCKS, BONDS, OR NOTES OF THE UTILITY, WHETHER CURRENTLY OUTSTANDING OR HEREAFTER ISSUED.

SECTION 12 TERMINATION AND OTHER REMEDIES. The UTILITY shall have the right, for any length of time, to terminate this Agreement, refuse to provide or terminate Water and Sewer Service Capacity to the DEVELOPER or any structure on the DEVELOPER's Property in the event the DEVELOPER, or its successors and assigns fail to comply with any of the terms and conditions of the Agreement concerning all or any part of the UTILITY's System, UTILITY rules or policies, or any other general or special law or revisions thereof at any time (as may be determined by the UTILITY). Nothing contained in this Agreement shall be construed to prohibit the UTILITY from exercising or utilizing any other appropriate remedies for the enforcement of the terms and conditions of this Agreement by whatever means are provided by law or equity, including but not limited to the right of specific performance. In connection with any litigation, including appellate proceedings arising out of this Agreement or the violation of any law, rule, regulation, ordinance, resolution, or permit, if the UTILITY prevails it shall be entitled to recover reasonable attorneys' fees and costs hereunder. The exercise of UTILITY's termination or refusal rights hereunder shall, however, be subject to the UTILITY's and the FPSC's rules and regulations.

SECTION 13 NOTICE, PROPER FORM. Any notices required or allowed to be delivered hereunder shall be in writing and shall be deemed to be delivered when (1) hand delivered to the official hereinafter designated, or (2) upon receipt of such notice when deposited in the United States mail, postage prepaid, certified mail, return receipt requested, addressed to a party at the address set forth under the party's name below, or at such other address as the party shall have specified by written notice to the other parties delivered in accordance herewith:

UTILITY: John L. Tillman
Senior Vice President, Business Development
Florida Water Services Corporation
1000 Color Place
Apopka, Florida 32703

DEVELOPER: Crane Island Partnership
Mr. Vincent G. Graham
P.O. Box 22468
Charleston, SC 29413-2468

SECTION 14 NOTICES; DEFAULT. Each of the parties hereto shall give the other party written notice of any defaults hereunder and shall allow the defaulting party (1) thirty (30) days from the date of its receipt of such notice within which to cure any such defaults not related to the payment of money, or to commence and thereafter diligently pursue to completion good faith efforts to effect such cure and to thereafter notify the other party of the actual cure of any such defaults, or (2) ten (10) days from the date of its receipt of such notice within which to cure any such defaults related to the payment of money.

SECTION 15 ASSIGNMENTS.

15.1 Assignments by DEVELOPER. Except as expressly provided herein, the DEVELOPER agrees not to assign or transfer all or any portion of this Agreement. The allocation of Water and Sewer Service Capacity granted to DEVELOPER may be assigned, transferred, leased, encumbered or disposed of if and only if:

- (1) The DEVELOPER has obtained the prior written consent of the UTILITY to such an assignment, sale or disposition;
- (2) The assignment is in direct connection with a bona fide sale of the DEVELOPER's Property or a portion thereof to which the

Water and Sewer Capacity reserve relates, and the UTILITY is notified in writing of such assignment; and

(3) The assignee pays all of the UTILITY's legal and administrative costs incurred in connection with such Assignment and assumes all of the duties and obligations of the assignor under this Agreement.

In no instance shall any sale or assignment of Water and Sewer Service Capacity reserved be made by DEVELOPER for a consideration which is more than that amount actually paid by DEVELOPER to reserve the Capacity, less any reimbursements. In all instances, the DEVELOPER and any assignee shall provide to the UTILITY, at the UTILITY's request, copies of all documents and such other information pertaining to or affecting such transfer as the UTILITY shall reasonably request.

15.2 Maintenance of Water and Sewer Service Capacity. The UTILITY shall have the right to allocate its remaining unused Water and Sewer Service Capacity not allocated pursuant to this Agreement to other users as it determines to be in the public interest. Notwithstanding the entitlement contained in Section 7 and the provisions of Section 8, the UTILITY may otherwise allocate Water and Sewer Service Capacity in the Water and Sewer Facilities to other users as it determines to be in the public interest and shall not be deemed in default of this Agreement so long as the UTILITY determines that it can provide Water and Sewer Service Capacity to the DEVELOPER in the amount demanded by it no later than ninety (90) days after receipt of written demand from the DEVELOPER, or upon such later date as may be agreed to by the parties in writing.

15.3 Assignments by UTILITY. The UTILITY shall have the right to assign or transfer this Agreement or the rights and responsibilities contained herein to any properly authorized commission, authority, corporation, or other public or private person, firm, or entity without consent of the DEVELOPER.

15.4 Notice of Transfer of DEVELOPER's Property. The DEVELOPER agrees to provide proper written notice to the UTILITY of the actual date of the legal transfer of Water and Sewer Service Capacity from DEVELOPER to any third party. The DEVELOPER shall remain responsible for all costs and expenses, including utility bills, which arise as a result of DEVELOPER's failure to notify or improper notification to the UTILITY.

15.5 Binding Agreement on Successors. This Agreement shall be binding upon and shall inure to the benefit of the DEVELOPER, the UTILITY and their respective successors and assigns.

SECTION 16 RECORDATION. The parties hereto agree that an executed copy of this Agreement and Exhibits attached hereto shall be recorded in the Public Records of Nassau County, Florida at the expense of the DEVELOPER.

SECTION 17 CERTIFICATE AMENDMENT. The parties hereto agree that, in the event that the DEVELOPER's Property lies outside of UTILITY's certificated area, DEVELOPER shall pay the UTILITY's Certificate Amendment Application Filing Fee.

SECTION 18 APPLICABLE LAW. This Agreement and the provisions contained herein shall be construed, controlled, and interpreted according to the laws of the State of Florida.

SECTION 19 SURVIVAL OF COVENANTS. The rights, privileges, obligations, and covenants of the DEVELOPER and the UTILITY shall survive the completion of the work of the DEVELOPER with respect to any phase and to the DEVELOPER's Property as a whole.

SECTION 20 SEVERABILITY. If any part of this Agreement is found invalid or unenforceable by any court, such invalidity or unenforceability shall not affect the other parts of this Agreement if the rights and obligations of the parties contained therein are not materially prejudiced, and if the intentions of the parties can continue to be effected. To that end, this Agreement is declared severable.

SECTION 21 RECOVERY OF COSTS AND FEES. In the event the UTILITY or DEVELOPER is required to enforce this Agreement by court proceedings or otherwise, then the prevailing party shall be entitled to recover from the other party all costs incurred, including reasonable attorneys' fees, whether incurred prior to, during, or subsequent to such court proceedings or on appeal.

SECTION 22 AUTHORITY TO EXECUTE AGREEMENT. The signature by any person to this Agreement shall be deemed a personal warranty by that person that he has the full power and authority to bind any corporation, partnership, or any other business entity for which he purports to act hereunder.

If the DEVELOPER is a corporation, DEVELOPER shall provide UTILITY with a Certificate from the Florida Secretary of State's office, certifying that the DEVELOPER is a corporation in good standing. Additionally, DEVELOPER shall submit to UTILITY, in a form acceptable to UTILITY, a certified resolution of the corporate entity, certifying that the person executing this Agreement has the authority to do so on behalf of the DEVELOPER.

IN WITNESS WHEREOF, the DEVELOPER and the UTILITY have executed or have caused this Agreement, with the named Exhibits attached, to be duly executed in several counterparts, each of which counterpart shall be considered an original executed copy of this Agreement the day and year first above written.

Signed, sealed and delivered in presence of:

Pam Martin

Witness (1):

Pam Martin

Print Name:

R M Martin J

Witness (2):

R. M. MARTIN, JR.

Print Name:

DEVELOPER: Crane Island Partnership

Signed: [Signature]

Name: Vincent G. Graham

Title: MANAGER

State of SC

County of Berkeley

The foregoing was acknowledged before me this 24th day of January, 2001 by Vincent G. Graham as Manager of Crane Isl. Partnership a/an partnership, on behalf of the partnership. He/She is personally known to me or has produced _____ (type of identification, with ID number and expiration date) as identification.

Signed: [Signature]
Print Name: Pamela N. Martin
My Commission Number: N/A
Commission Expires: Sept. 17, 2008

UTILITY: FLORIDA WATER SERVICES CORPORATION

Kathleen Heath

Witness (1):

KATHLEEN HEATH

Print Name:

Mervin Moothart

Witness (2):

MERVIN MOOTHART

Print Name:

Signed: [Signature]

Name: John L. Tillman

Title: Senior Vice President,
Business Development

State of Florida

County of Orange

The foregoing was acknowledged before me this 19th day of March, 2001 by John L. Tillman as Senior Vice President, Business Development of FLORIDA WATER SERVICES CORPORATION, a Florida Corporation, on behalf of the corporation. He is personally known to me or has produced _____ (type of identification, with ID number and expiration date) as identification.

Signed: [Signature]
Print Name: Brenda Mazurak
My Commission Number: CC901521
Commission Expires: 1-12-04

BRENDA MAZURAK
Notary Public - State of Florida
My Commission Expires Jan 12, 2004
Commission # CC901521

[Handwritten initials]

EXHIBIT A

TO
WATER AND SEWER SERVICE AGREEMENT

LEGAL DESCRIPTION AND GRAPHIC DEPICTION OF PROPERTY

LEGAL DESCRIPTION:

A PORTION OF SECTION 19, "CRANEY ISLAND" AND A PORTION OF SECTION 6 AND 49,
ALL IN TOWNSHIP 2 NORTH, RANGE 28 EAST, NASSAU COUNTY, FLORIDA.

GRAPHIC DEPICTION:

Please See attachment A-2

ATLANTIC OCEAN

FERNANDINA BEACH

CRANE ISLAND

INTRACOASTAL WATERWAY

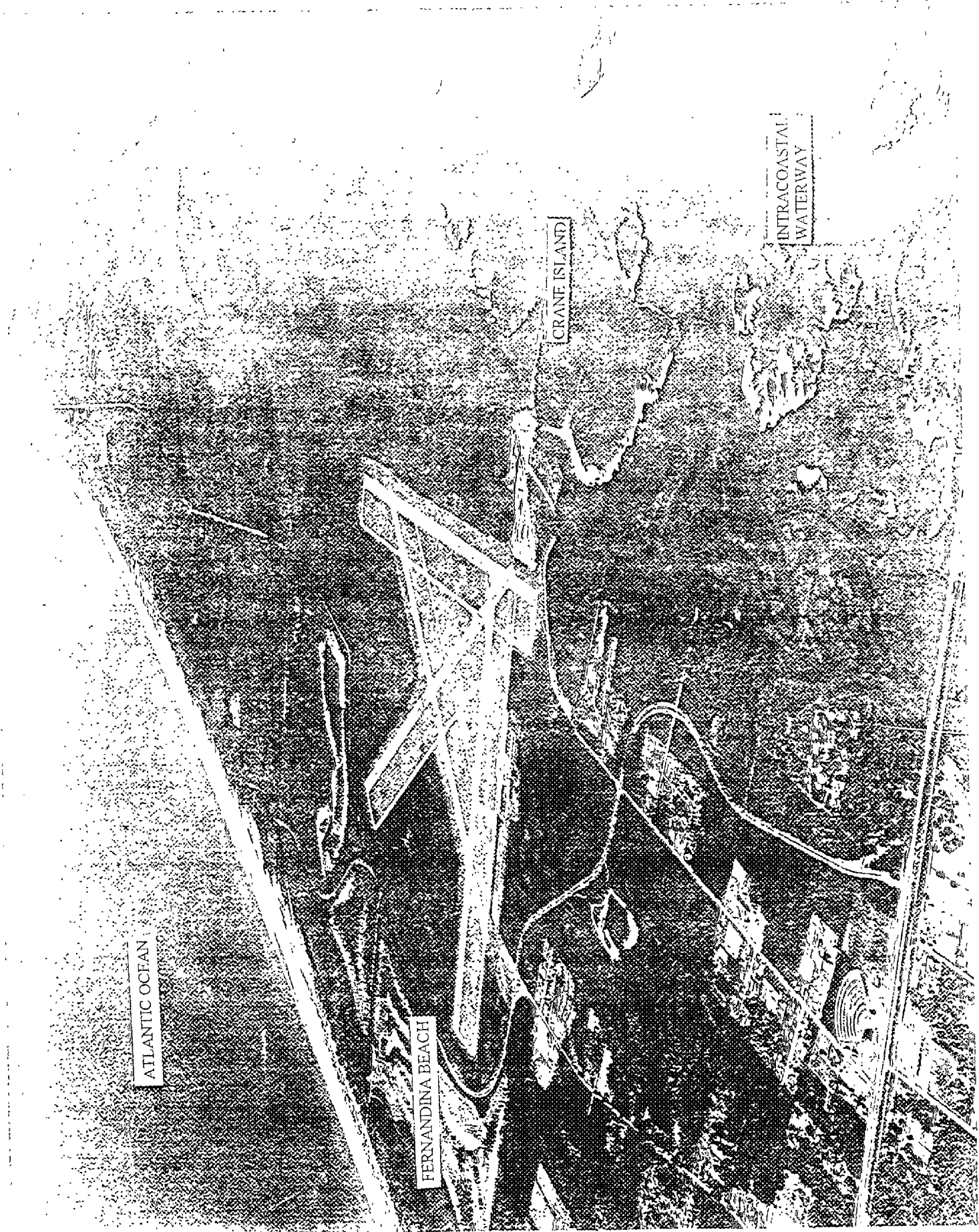


EXHIBIT B
TO
WATER AND SEWER SERVICE AGREEMENT

DEVELOPMENT PLAN

GENERAL DESCRIPTION:

Construct on-site and off-site water and wastewater infrastructure as improvements to Developers Property to be 260 single family homes, a 5,200 square foot yacht club, a 90 slip boat basin, a 35 room Inn, a 2,000 square foot Church Building, a 100 seat restaurant and 20,000 square feet of neighborhood community space..

SCHEDULE & ESTIMATES:

PHASE ID	SPECIFIC CONSTRUCTION (TYPE & SCOPE)	ASSOC. ERCS (WTR/WSTW)	PROJECTED CONNECTION DATE	WATER CONTRIBUTED PROPERTY	WASTEWATER CONTRIBUTED PROPERTY
To be determined	construct on-site and off-site water and wastewater infrastructure as improvements to Developers Property.	362.4 / 359.4	2001	One-site and off- site water distribution system up to and including individual meters	On-site and off- site wastewater collection system up to and including individual ERC clean-outs

EXHIBIT C

TO

WATER AND SEWER AGREEMENT

Please See Attached Water and Wastewater Application for Service Extension

FLORIDA WATER SERVICES CORPORATION

1250

APPLICATION FOR SERVICE EXTENSION

Rule 25-30.525(et seq), Florida Administrative Code, governs the application process whereby water and wastewater service is extended to areas within a utility's certificated territory not served at the time by water or wastewater transmission lines and facilities. All applications for extending service must be made in writing on forms provided by the utility. Unless service is to be extended to a single residence or single commercial facility, the applicant and utility must together enter into a Developer Agreement prior to commencing with the service extension. This application is used to prepare such agreement and signing the application, the signatory warrants that the information provided herein is true to the best of his or her knowledge and belief and that the signatory is authorized to bind that person or entity making application. This application creates no vested rights in the applicant and shall not be construed as a guarantee of water or wastewater service to same.

1. Name and address of person or entity making application for service:

Vince Graham
Crane Island Partnership
PO Box 986, Mt. Pleasant, SC 29465

2. Applicant is a(n): Individual Corporation Partnership Limited Partnership
 Trust Political Entity Other: _____

3. Service requested: Water Wastewater Other: _____

4. Project name, phases, and estimated date(s) service is required:

Crane Island, Feb. 1, 2000

5. Engineer's estimate of average daily flows on an annual basis:

Water: 151,050 (gpd) Wastewater: 121,525 (gpd)

Other: _____

6. Intended land use of the development including densities and types of use:

Home Site 260 du Yacht Club 4,500 s.f.
Inn 360 rms Restaurant 100 seats
Civic 2,000 sf

7. Present and proposed zoning classification of property:

Present Zoning: RS-2 (4 units/acre)

Proposed Zoning: Planned/Unit Development, Mixed-use with 260 home s

8. Nature of applicant's title to or interest in property: (2.4 units/acre)

Applicant is a partner in the ownership of Crane Island, managing this entity on behalf of the Crane Island Partnership. (see attachment)

9. Other persons or entities sharing title to or having interest in property: (see attachments)

Mr. & Mrs. Lynwood Willis
Dudash Investments, LLC
Piedmont Square, LLC

10. Legal description of property:

Attached

11. Applicant elects to design and construct all on-site and off-site transmission lines and facilities.

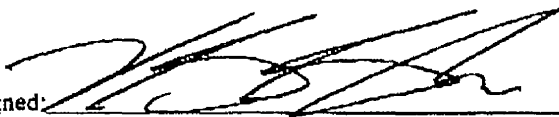
Signed: 
Name: Vincent G. Graham Date: April 26, 1999
Title: On behalf of the Crane Island Partnership Telephone: (843) 856-7162

EXHIBIT D
TO
WATER AND SEWER SERVICE AGREEMENT

SUBORDINATION OF INTERESTS

The undersigned, as an inducement to FLORIDA WATER SERVICES CORPORATION to enter into this Developer Agreement with Crane Island Partnership a Partnership, does hereby join in the execution of this Developer Agreement for the purpose of subordinating the interests of the undersigned, in and to that real property more particularly described in Exhibit "A" attached hereto and made a part hereof, to the easements granted or to be granted to UTILITY, the facilities and water lines dedicated or to be dedicated to UTILITY, and rights of UTILITY as described in this Developer Agreement.

(NAME OF OTHER ENTITY HAVING INTEREST IN PROPERTY, I.E. MORTGAGEE)

Signed: _____
Print Name: _____
Title: _____
(Seal if applicable)

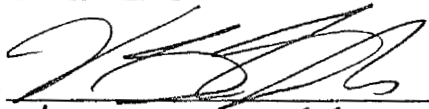
State of _____
County of _____

The foregoing was acknowledged before me this _____ day of _____, 20____ by _____ as _____ of _____, a _____, on behalf of the _____. He/She is personally known to me or has produced _____ (type of identification with ID number and expiration date) as identification.

Signed: _____
Print Name: _____
Notary Public, State of _____
Commission Number: _____
My Commission Expires: _____

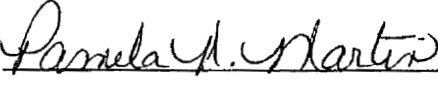
The undersigned hereby certifies that there are no other entities having any interest in that real property more particularly described in Exhibit "A" attached hereto and made a part hereof

which requires joining in the execution of this Developer Agreement for the purpose of any subordination as described above.

Signed: 
Name: VINCENT G. GRAHAM
Title: MANAGER
(Seal if applicable)

State of SC
County of Berkeley

The foregoing was acknowledged before me this 24th day of January, 2001 by Vincent G. Graham, as representative of Crane Island Partnership, a partnership, on behalf of the partnership. He is personally known to me or has produced _____ (type of identification with ID number and expiration date) as identification.

Signed: 
Print Name: Pamela N. Martin
Notary Public, State of South Carolina
Commission Number: N/A
My Commission Expires: Sept. 17, 2008