



ORIGINAL

215 SOUTH MONROE STREET  
SUITE 815  
TALLAHASSEE, FLORIDA 32301

(850) 412-2000  
FAX: (850) 412-1307  
KATHRYN.COWDERY@RUDEN.COM

May 11, 2005

Blanca S. Bayo, Director  
Division of Commission Clerk and  
Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Betty Easley Building, Room 110  
Tallahassee, Florida 32399-0850

RECEIVED-FPSC  
MAY 12 AM 10:14  
COMMISSION  
CLERK

Re: Docket No. 041394-WS  
Joint Application for Transfer of CWS Communities LP d/b/a Crystal Lake Club,  
Holder of Certificate Nos. 525-W and 454-S in Highlands County, to Mink  
Associates II, LLC d/b/a Crystal Lake Club Utilities

Dear Ms. Bayo:

Enclosed for filing in this docket are seven copies of an executed, recorded 99-Year  
Lease Agreement for Water and Wastewater Treatment Facilities between Mink Associates I,  
LLC and Mink Associates II, LLC d/b/a Crystal Lake Utilities, as required by Order No. PSC-  
05-0428-FOF-WS issued in this docket.

Please let me know if you have any questions.

- CMP \_\_\_\_\_
- COM \_\_\_\_\_
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- GCL \_\_\_\_\_
- OPC \_\_\_\_\_
- MMS \_\_\_\_\_
- RCA \_\_\_\_\_
- SCR \_\_\_\_\_
- SEC   1
- OTH \_\_\_\_\_

Enclosure

Cc (w/o enc.): Jonathan Damonte, Esq.  
Robert Munro

Sincerely,  
  
Kathryn G.W. Cowdery

05 MAY 12 AM 9:17  
RECEIVED

DOCUMENT NUMBER-DATE

04619 MAY 12 05

TAL:52337:1

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

Jonathan James Damonte, Esq.  
Jonathan James Damonte Chartered  
12110 Seminole Blvd.  
Largo, FL 33778

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RETURN TO  
103.50

**99-YEAR LEASE AGREEMENT  
FOR  
WATER AND WASTEWATER TREATMENT FACILITIES**

This 99-Year Lease Agreement for water and wastewater treatment facilities (the "Lease") is made and entered into between **Mink Associates I, LLC**, a Florida limited liability company (the "Lessor") and **Mink Associates II, LLC, d/b/a Crystal Lake Utilities**, (the "Lessee"), dated effective as of the 7th day of FEBRUARY, 2005(am)

**RECITALS**

Whereas, Lessor is the owner of a certain parcel of real property located in **Highlands County, Florida** operated as **Crystal Lake Club**, a mobile home park, located at **533 Crystal Lake Drive, Avon Park, Florida 33825** (the "Park"), and more particularly described in **Exhibit A** attached hereto and made a part hereof (the "Property"); and

Whereas, Lessee is the owner of the facilities, equipment, fixtures, personalty and licensing rights to the utility company presently serving the Property, used or useful in connection with the operation of the Park (the "Utilities"); and

Whereas, the real property upon which the water and wastewater utilities are located are described in **Exhibit B** attached hereto and made a part hereof ("Leased Premises"); and

Whereas, Lessor has agreed to lease the Leased Premises to Lessee pursuant to this Lease Agreement, to grant a separate non-exclusive perpetual easement and rights of way through, under, over, on and across the Property to patrol, inspect, alter, improve, repair, rebuild, remove, replace, construct, reconstruct, operate and maintain systems and other attachment, fixtures, equipment, and accessories desirable in connection therewith over, under, through, upon and across the Property at such places, streets, parcels and lots as may be necessary for efficient delivery of utility services to all occupants in and on the Park, and to assign such existing easements to Lessee as may be necessary for the foregoing purposes; and

Whereas, Lessor acknowledges that Lessee is the sole and exclusive provider of water and wastewater utility service to the Park and Lessee acknowledges that it is capable of providing utility services to the residents and the common areas of the Park, and

Whereas, 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 so that Lessee can continue to provide water and wastewater utility services to the residents of the Park; and

Whereas, the Parties have negotiated in good faith and are empowered to be bound by the terms and conditions set forth in this Agreement;

Now, therefore, 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,

DOCUMENT NUMBER-DATE

04619 MAY 12 08

FPSC-COMMISSION CLERK

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Crystal Lake Club  
Water and Wastewater Treatment Facilities Lease

Page 2

and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties do hereby agree as follows:

1. Recitals. The foregoing recitals are true and correct and by this reference herein incorporated into the body of this Lease.

2. Agreement to Lease. Subject to the terms and conditions hereinafter set forth, Lessor hereby demises and leases the Leased Premises exclusively to Lessee and Lessee does hereby hire and take the Leased Premises from Lessor.

3. Term. To have and to hold for a term of ninety-nine (99) years, unless sooner terminated, as provided hereinbelow. The term of this lease shall commence on the stated effective date of this Lease (the "Effective Date") and shall expire ninety-nine (99) years from that date.

4. Rental. The rent reserved under this Agreement shall be as follows:

a. Annual sewer rental of \$31,200.00 per year.

b. Annual water rental of \$6,240.00 per year;

c. The annual rental amounts in subparagraph (a) above shall increase based upon the Consumer Price Index (as hereinafter defined) commencing on the twelfth (12) month from the date of this Lease. Every year thereafter the rental amounts shall be increased to an amount equal to the increase in the Consumer Price Index which shall be determined every year and paid at the new rental rate adjusted by the increase over the prior year. "Consumer Price Index" shall mean the Consumer Price Index which is presently designed as the United States City Average for All Urban Consumers, All Items, with a base period equaling 100 in 1982-84. 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 the United States Department of Labor or other governmental agency.

d. Real estate taxes (both ad valorem taxes and non ad valorem taxes) and special assessments assessed upon the Property shall be paid by Lessor.

e. Real estate taxes, if any, levied upon the Leased Premises shall be paid by the Lessee.

f. 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.

It is the intent of Lessor and Lessee that this Lease be a "Triple Net Lease", meaning that Lessee shall be responsible for the payment of all insurance, utilities, repairs, maintenance, replacement,

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Crystal Lake Club  
Water and Wastewater Treatment Facilities Lease

Page 3

sales and use taxes, property taxes and charges and impositions relative to the Leased Premises and/or Lessee's use and occupancy thereof, except that Lessee shall not be responsible for the payment of any mortgages or other liens placed upon the Property or Leased Premises by Lessor nor for the payment of any income taxes of Lessor.

5. Condition of Premises. The Leased Premises are leased subject to any and all conditions that an accurate examination of the Leased Premises would disclose. Lessee agrees to indemnify Lessor against any and all claims for personal injury or property damage to Lessee's property caused by any defects in the Effective.

6. Subordination. This Lease shall be subject and subordinate at all times to the lien of any mortgage or mortgages, now encumbering the Leased Premises, or which Lessor may at any time place against the Leased Premises. Lessee agrees to execute such documents as may be requested by any mortgagee to evidence the subordination contained herein; provided, however, that as a condition of such subordination, the holder of such mortgage shall be required to agree with Lessee that, notwithstanding the foreclosure of such mortgage, Lessee's occupancy of the Leased Premises shall not be disturbed so long as Lessee is not in default hereunder and attorns to such Mortgagee and agrees to perform all obligations owed to Lessor hereunder for the benefit of such Mortgagee.

7. Repair of Premises. Lessee will keep the Effective in a clean and sanitary condition during the term of this Lease and any renewal terms, at Lessee's expense, and will comply with all governmental ordinances and directions of proper public officers in connection with such maintenance during the term of this Lease.

8. Alterations by Lessee. Lessor agrees that Lessee may make, at its own expense, any alterations, repairs, replacements or additions to the improvements on the Effective, provided:

a. Lessee shall perform such alterations, repairs, replacements or additions, in accordance with the statutes, ordinances, rules, regulations and orders of all public or quasi-public authorities having jurisdiction thereof and in accordance with the rules and regulations of the local board of Fire Insurance Underwriters; and,

b. The Leased Premises shall at all times be kept free and clear of all mechanic's, materialmen's, labor or other liens or claims of liens, and Lessee agrees to indemnify and save harmless Lessor from all claims, demands and liability, including damage to person or property arising out of or in connection with any such work. Nothing in this Lease shall be construed as in any way constituting a consent or request by Lessor, expressed or implied, by inference or otherwise, to any contractor, sub-contractor, laborer, or materialman for the performance of any labor or the furnishing of any materials for any specific or general improvement, alteration or repair of or to the Effective or to any buildings or improvements thereon or to any part thereof. Pursuant to §713.10, Fla. Stat., it is the intent of the parties hereto that Lessor's interest in the Effective shall not be subject to any liens filed because of Lessee's failure to make payments in connection with any buildings or improvements installed or constructed on the Effective.

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Crystal Lake Club  
Water and Wastewater Treatment Facilities Lease

Page 4

9. Utilities. Lessee shall pay for all utility services supplied to the Effective for the benefit of Lessee and shall pay all charges for the collection of refuse from the Effective.

10. Licenses, Fees and Taxes. Lessee shall pay all state, county, municipal, occupational or other licenses, fees and taxes which may be imposed upon the business or occupation of Lessee conducted on or from the Effective and shall pay any tax imposed by the State of Florida on rentals. Lessee covenants to promptly pay when due all real property taxes and tangible personal property taxes relating to the Effective. If the term hereof shall end before rendition of a tax bill for such year, Lessee will pay to Lessor Lessee's pro-rata portion of such taxes based upon the assessments for the prior year.

11. Use. The Leased Premises may be used for any and all legal purposes so long as such use does not change the character of the Leased Premises. Except as hereinafter provided, Lessee shall comply with all governmental laws, ordinances and regulations applicable to the use of the Leased Premises, and shall promptly comply with all governmental orders and directives for the correction, prevention and abatement of nuisances, in or upon, or connected with, Lessee's use of the Leased Premises. Lessee will not permit the Leased Premises to be used for any purpose or in any manner which would render the insurance thereon void. In the event Lessee contaminates the Leased Premises or any adjacent property with hazardous waste in connection with its use of the Effective, Lessee agrees to hold harmless and indemnify Lessor, and Lessor's successors and assigns from any and all claims, suits, actions, debts, damages, costs, charges, and expenses, including attorneys' fees, paralegals' fees, legal assistants' fees and costs, and against all liability, losses and damages of any nature whatsoever, that Lessor may at any time sustain by reason of any such contamination.

12. Representations of Lessor. Lessor represents that as of the Effective Date, the Effective complies with all applicable laws, ordinances, statutes, regulations, orders, rules and restrictions relating thereto (the "Applicable Laws"), and that the Effective and the existing and prior uses thereof (including any uses by its former Lessees) has not prior to the Effective Date and does not currently violate the provisions of any Applicable Laws relating thereto. If the Effective at any time fails to be in compliance with the Applicable Laws based upon the actions or inactions of Lessor prior to the Effective Date, Lessee shall notify Lessor of such lack of compliance and, within seven (7) days of such notice, Lessor shall take all necessary measures to bring the Effective into compliance with the Applicable Laws.

13. Insurance. At all times subsequent to the Effective Date of the term of this Lease and during the full term, Lessee shall keep the Effective covered, at Lessee's sole cost and expense against claims for personal injury or property damage under a policy of general public liability insurance. All insurance required to be maintained by Lessee shall be effected by valid and enforceable policies issued by insurers licensed to do business in the State of Florida, countersigned by an agent licensed to do business in Florida and of recognized responsibility satisfactory to Lessor. Within fifteen (15) days after the commencement of the term of this Lease, Lessee shall promptly deliver to Lessor the original policies as specified above and within fifteen (15) days after the premium of each such policy shall become due and payable, such premium shall be paid by Lessee

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Crystal Lake Club  
Water and Wastewater Treatment Facilities Lease

and Lessor shall be furnished with satisfactory evidence of such payment. All policies of insurance required to be maintained by Lessee shall name Lessor as an additional named insured.

14. Destruction by Casualty. In the event of damage or destruction to the Leased Premises, or any portion thereof, by fire or other cause, Lessee shall have the option to repair or restore the same, as the case may be, at Lessee's expense, or to terminate this Lease. If termination is elected, the provisions of Section 29 hereof shall become applicable.

15. Condemnation. In the event that any portion of the Leased Premises or all of the Leased Premises are taken under condemnation proceedings, or by sale under threat of condemnation, Lessee shall have no right to any portion of the condemnation award, except for Lessee's utility property (as discussed herein). If the portion of the Leased Premises taken is such that Lessee is not materially affected in the conduct of Lessee's business, then this Lease shall continue in full force and effect with no abatement of the obligations of Lessee hereunder as though such property was not taken. If, on the other hand, the taking of a portion of the Effective is such as to materially affect the conduct of Lessee's business, then and in that event, Lessee shall have the right to terminate this Lease, subject to the provisions of an equitable abatement of rent hereunder.

16. Entry upon Premises. Lessee agrees that Lessor may at any reasonable time or times during the business hours of Lessee, enter upon the Leased Premises for the purpose of inspecting the same, or to make necessary repairs where Lessor is obligated to make such repairs or where Lessee is delinquent in making repairs it is obligated to make.

17. Assignments and Subletting. Lessee shall not sublet the Leased Premises or assign this Lease without the written consent of Lessor, which shall not be unreasonably withheld. Notwithstanding anything stated above, Lessee shall at all times during the term hereof have the right without having to obtain Lessor's prior approval therefor to assign this Lease or to sublease all or any portion of the Effective to (i) any Affiliate (defined below) of Lessee, any successor entities or persons by virtue of merger, consolidation, liquidation, reorganization or other operation of law; (ii) to the purchaser (or an Affiliate of the purchaser) of any material portion of the assets of Lessee, or any portion of the business conducted by Lessee at the Leased Premises (however, Lessee shall at all times remain responsible for the payment of the Rent hereunder); (iii) any partnership or joint venture in which Lessee or an Affiliate of Lessee is a partner or a joint venturer that actively participates in the business thereof; and (iv) any entity occupying space in the Leased Premises principally for the purpose of providing services to Lessee or its Affiliates. As used in this Lease, the Term "Affiliate" shall mean (i) any person or entity controlling, controlled by or under common control with Lessee, or (ii) any person or entity controlling, controlled by or under common control with Lessee's parent or any subsidiary of any tier of Lessee's parent. "Control" as used herein means the power, directly or indirectly, to direct or cause the direction of the management and policies of the controlled person or entity. The ownership, directly or indirectly, of at least fifty-one percent (51%) of the voting securities of, or the possession of the right to vote in the ordinary direction of its affairs at least fifty-one percent (51 %) of the voting interest in, any person or entity shall be presumed to constitute such control.

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Crystal Lake Club  
Water and Wastewater Treatment Facilities Lease

Page 6

18. **Covenants Alto Breach and Remedies.** In addition to default by Lessee in any of Lessee's promises or covenants hereunder, either, (a) the appointment of a receiver to take possession of all, or substantially all, of Lessee's property, or (b) a general assignment by Lessee for the benefit of creditors, or (c) any action taken or suffered by Lessee under any insolvency or bankruptcy act, shall also constitute a breach of this Lease by Lessee. In the event of breach of this Lease by Lessee, if Lessee has not cured such default within fourteen (14) days of Lessee's receipt of written notice from Lessor describing such default, or in the event of renunciation of this Lease by Lessee before the expiration of the term hereof, Lessor may:

a. Treat this Lease as terminated and resume possession of the Leased Premises, having immediate right of reentry, and may remove all persons and property from the Leased Premises, and may store such property in a public warehouse or elsewhere at the cost of and for the account of Lessee; or

b. Lessor may retake possession of the Leased Premises for the account of Lessee and relet the Leased Premises; or,

c. Lessor may stand by and do nothing and shall have the right to sue Lessee for any sums or obligations due hereunder.

No such re-entry or taking possession of the Leased Premises by Lessor shall be construed as an election on its part to terminate this Lease, unless written notice of such intention be given to Lessee, or unless the termination thereof be decreed by a court of competent jurisdiction.

In the event Lessee defaults or breaches any of the terms, conditions or promises of Lessee herein contained, and Lessor is put to the necessity of employing an attorney in order to collect any sum or sums of money which may be due by reason of such default, or otherwise take such steps or legal action as may be necessary to enforce such terms, conditions or promises, then Lessee agrees to pay reasonable attorneys' fees, paralegals' fees, legal assistants' fees and court costs and expenses in connection therewith.

19. **Performance by Lessor of Lessee's Obligations.** In the event Lessor shall pay or be compelled to pay a sum of money, or to do any act which requires the payment of any money, by reason of the failure of Lessee to perform one or more of the covenants herein contained to be kept and performed by Lessee, then in such event, the sum or sums so paid by Lessor, together with all interest, expense or obligations incurred by Lessor, shall be considered as additional rent and shall be due and payable from Lessee to Lessor.

20. **Notices.** All notices to be given to Lessee shall be given in writing, personally, or by depositing the same in the United States Mail, certified or registered, return receipt requested, postage prepaid and addressed to Lessee at **84 South Main Street, Fairport, New York 14450**, Notices and rental payments hereunder to be given to Lessor shall be given in a like manner and addressed to Lessor at **533 Crystal Lake Drive, Avon Park, Florida 33825** or such other address



Crystal Lake Club  
Water and Wastewater Treatment Facilities Lease

as Lessor shall hereafter designate in writing. Notice shall be deemed to have been given upon receipt if given by personal delivery or three (3) days after deposit in the mail if mailed.

21. Waiver. In the event Lessor does not insist on a strict performance of any of the terms and conditions hereof, such shall not be deemed a waiver of the rights or remedies that Lessor shall have to insist upon strict performance of any such terms or conditions in the future or any other conditions and terms of this Lease.

22. Successors and Assigns. The conditions and covenants herein contained shall apply to and bind the heirs, successors, personal representatives and assigns, where allowed, of the parties hereto.

23. Invalidity of Any Provisions. If any term, covenant, condition or provision of this Lease shall be held to any extent to be invalid or unenforceable under applicable law, the remaining terms, covenants, conditions and provisions of this Lease shall not be affected thereby but shall remain in full force and effect.

24. Miscellaneous. The masculine, feminine or neuter gender, wherever used herein, shall be deemed to include the masculine, feminine and neuter whenever and wherever applicable herein. Whenever the singular is used it shall be deemed to include the plural whenever and wherever applicable herein.

25. Hazardous Substances. Lessee shall indemnify, protect and hold harmless Lessor and each of its respective subsidiaries from and against all costs and damages incurred by Lessor in connection with the presence, emanation, migration, disposal, release or threatened release of any oil or other petroleum products or hazardous materials or substances on, within, or to or from the Effective as a result of (i) the operations of the Lessee after the Effective Date and (ii) the activities of third parties affiliated with Lessee or invited on the Effective by Lessee. Lessor shall indemnify, protect and hold harmless Lessee and each of its respective subsidiaries from and against all costs and damages incurred by Lessee in connection with the presence, emanation, migration, disposal, release or threatened release of any oil or other petroleum products or hazardous materials or substances on, within, or to or from the Leased Effective as a result of (i) any activity or action by any party prior to the Effective Date, (ii) the condition of the Leased Premises prior to the Effective Date, including any future manifestations of such conditions, or (iii) the activities of Lessor or the activities of any third party not affiliated with Lessee and not invited on the Leased Premises by Lessee. Each party agrees that such party will promptly give written notice to the other party of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Leased Premises and any hazardous substance or environmental law of which such party has actual notice.

26. Required Statement. Section §404.056(7), Fla. Stat., requires the following statement to be included in this Lease:



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Water and Wastewater Treatment Facilities Lease

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**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 obtained from your county public health unit.

27. Waiver of Jury Trial. Lessor and Lessee hereby waive trial by jury in any action, proceeding or counterclaim brought by either of them against the other or any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Lessor and Lessee, Lessee's use or occupancy of the Leased Premises, and/or claim of injury or damage.

28. Relationship of the Parties. Nothing herein contained shall be deemed or construed as creating the relationship of principal and agent or of partnership or joint venture between Lessor and Lessee; it being understood and agreed that neither the method of computing rent nor any other provision contained herein nor any acts of Lessor and Lessee shall be deemed to create any relationship between the parties other than that of Lessor and Lessee.

29. Obligations of Lessee on Termination. Lessee agrees that upon the termination of this Lease for whatever reason, either upon the completion of the term hereof or otherwise, it will, at its sole cost and expense, (i) cause the water and wastewater treatment plants situated on the Leased Premises and all percolation ponds, drainfields and other components of the utility system situated on the Effective (but exclusive of lines and laterals which are underground) to be decommissioned in accordance with all applicable regulations of the Florida Department of Environmental Protection, Highlands County and any other state or federal agency having jurisdiction; (ii) remove all equipment, fixtures and personalty from any structures on the Effective.

30. Quiet Enjoyment. Lessor covenants that it now has good title to the Leased Premises, free and clear of all liens and encumbrances. Lessor represents and warrants that it has full right and authority to enter into this Lease and that Lessee, upon paying the rental herein set forth and performing its other covenants and agreements herein set forth, shall peaceably and quietly have, hold and enjoy the Leased Premises for the term hereof without hindrance or molestation from Lessor, subject to the terms and provisions of this Lease.

31. Liability.

a. Lessee shall be liable to Lessor for and shall indemnify and hold harmless Lessor and Lessor's partners, venturers, directors, officers, agents, employees, invitees, visitors and contractors from all claims, losses, costs, damages or expenses (including but not limited to attorney's fees) resulting or arising or alleged to result or arise from any and all injuries to or death of any person or damage to or loss of any property caused by any negligence or intentional misconduct of Lessee or Lessee's partners, venturers, directors, officers, agents, employees, or by any breach, -violation or non-performance of any covenant of Lessee under this Lease other than any injury or damage arising (or alleged to arise) out of any negligence, intentional misconduct or breach of the term of this Lease by Lessor or Lessor's partners, venturers, directors, officers, agents, or

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Crystal Lake Club  
Water and Wastewater Treatment Facilities Lease

Page 9

employees. If any action or proceeding should be brought by or against Lessor in connection with any such liability or claim, Lessee, on notice from Lessor, shall defend such action or proceeding, at Lessee's expense, by or through attorneys reasonably satisfactory to Lessor.

b. Lessor shall be liable to Lessee for and shall indemnify and hold harmless Lessee and Lessee's partners, venturers, directors, officers, agents, employees, invitees, visitors and contractors from all claims, losses, costs, damages or expenses (including but not limited to attorney's fees) resulting or arising or alleged to result or arise from any and all injuries to or death of any person or damage to or loss of any property caused by any negligence or intentional misconduct of Lessor or Lessor's partners, venturers, directors, officers, agents, or employees, or by any breach, violation or nonperformance of any covenant of Lessor under this Lease other than any injury or damage arising (or alleged to arise) out of any negligence, intentional misconduct or breach of the term of this Lease by Lessee or Lessee's partners, venturers, directors, officers, agents, or employees. If any action or proceeding should be brought by or against Lessee in connection with any such liability or claim, Lessor, on notice from Lessee, shall defend such action or proceeding, at Lessor's expense, by or through attorneys reasonably satisfactory to Lessee.

The parties hereto have executed this Lease the date indicated above.

WITNESSES:

Mink Associates I, LLC

Maureen J. Moravick  
Printed Name: MAUREEN J. MORAVICK

By: Arlene Mink  
Arlene Mink, its Managing Member

Wayne A. Smith  
Printed Name: WAYNE A. SMITH

WITNESSES:

Mink Associates II, LLC, d/b/a Crystal Lake Club Utilities

Maureen J. Moravick  
Printed Name: MAUREEN J. MORAVICK

By: Arlene Mink  
Arlene Mink, its Managing Member

Wayne A. Smith  
Printed Name: WAYNE A. SMITH

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Crystal Lake Club  
Water and Wastewater Treatment Facilities Lease

Page 10

**GUARANTY OF PERFORMANCE**

For valuable consideration, the undersigned irrevocably and unconditionally guarantees to Lessor the full, faithful and punctual performance by Lessee of all of Lessee's covenants and agreements contained in this Lease, or any extensions or renewals thereof, and agrees that any extensions, postponements, either of payment or enforcement, waivers, releases of any rights against any party, or releases of any security shall not affect the undersigned's absolute and unconditional liability hereunder. Demand, notice of default or of nonpayment, and all suretyship defenses whatsoever are hereby waived.

Dated, signed, sealed, and delivered as of the date set forth below.

WITNESSES:

Mink Associates I, LLC,

Maureen J. Moravick  
Printed Name: MAUREEN MORAVICK

By: Arlene Mink  
Arlene Mink, its Managing Member

Wayne A. Smith  
Printed Name: WAYNE A SMITH

Mink Associates II, LLC,  
d/b/a Crystal Lake Club Utilities

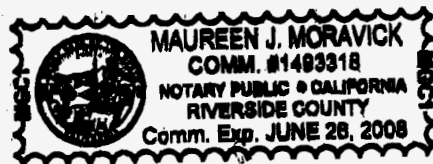
Maureen J. Moravick  
Printed Name: MAUREEN MORAVICK

By: Arlene Mink  
Arlene Mink, its Managing Member

Wayne A. Smith  
Printed Name: WAYNE A. SMITH

STATE OF CALIFORNIA  
COUNTY OF RIVERSIDE

Sworn to and subscribed before me, this 7 day of FEBRUARY, 2005, by Arlene Mink, as Managing Member of Mink Associates I, LLC and Mink Associates II, LLC, who is     personally known to me or X has produced N.V. DRIVERS LIC as identification.



Maureen J. Moravick  
Notary Public

Exhibit A

PARCEL A:

A portion of Section 2, Township 34 South, Range 28 East, Highlands County, Florida, being more particularly described as follows: Commence at the Southeast corner of Section 2, Township 34 South, Range 28 East; thence North 1°08'50" West and along the East line of said section a distance of 242.14 feet; thence North 89°48'08" West a distance of 2042.29 feet for Point of Beginning; thence continue North 89°48'08" West a distance of 1897.96 feet to a point in the centerline of Memorial Drive (State Road No. 17-A); thence North 1°30'39" West and along the centerline of Memorial Drive a distance of 374.17 feet; thence North 88°36'40" East a distance of 1898.91 feet; thence South 01°16'18" East a distance of 426.72 feet to Point of Beginning; less and except the West 50.00 feet for right-of-way.

PARCEL B:

All that part of the Southeast 1/4 and the Southeast 1/4 of the Northeast 1/4 of Section 2, Township 34 South, Range 28 East, lying West of the A.C.L. Railroad right-of-way together with that part of Lots 9 through 14, inclusive, of Warren and Monday Subdivision as recorded in Plat Book 1, Page 10, Highlands County records, lying within the following described boundary.

Commence at the Southeast corner of Section 2, Township 34 South, Range 28 East, Highlands County, Florida; run thence North 1°08'50" West along the line between Sections 1 and 2 for 242.14 feet for a Point of Beginning, thence North 89°48'08" West 2042.29 feet; thence North 1°16'18" West in and parallel with the West line of said Southeast 1/4 for 2352.95 feet to intersect the North line of said Southeast 1/4 (being also the South line of said Warren and Monday Subdivision), thence North 20°20'23" West, 899.56 feet to a point herein designated Point "A" which is the Westerly end of a control line along Lake Denton, thence continue North 20°20'23" West 30.00 feet more or less, to the shore of Lake Denton, thence Easterly along the meanders of Lake Denton, 370.00 feet more or less to intersect the North line of Lot 9 of Warren and Monday Subdivision, thence North 88°38'32" East 50.00 feet more or less along said North line to a point on the aforesaid control line which bears North 68°29'12" East, 417.65 feet from said Point "A", thence continue North 88°38'32" East along said North line of Lot 9, 626.48 feet to intersect the East line of the Southwest 1/4 of the Northeast 1/4, thence North 1°12'34" West, 331.46 feet to the Northwest corner of the Southeast 1/4 of the Northeast 1/4, thence North 88°38'48" East along the North line of the Southeast 1/4 of the Northeast 1/4 220.95 feet to the Westerly right-of-way line of the A.C.L. Railroad right-of-way, thence South 18°16'58" East along said Westerly right-of-way line, 3746.87 feet to the East line of Section 2, thence South 1°08'50" East along the section line 149.60 feet to the Point of Beginning.

THE FOREGOING PARCEL A AND PARCEL B BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

Located in the Southwest 1/4 and the Southwest 1/4 of the Northeast 1/4 and the Southeast 1/4 and the Southeast 1/4 of the Northeast 1/4 of Section 2, Township 34 South, Range 28 East, lying West of the A.C.L. Railroad right-of-way, together with that part of Lots 9 through 14 inclusive, of Warren and Monday Subdivision as recorded in Plat Book 1, Page 10, Highlands County Records, lying within the following described boundary:

Commence at the Southeast corner of Section 2, Township 34 South, Range 28 East, Highlands County, Florida; run thence North 1°08'50" West along the line between Section 1 and 2 for 242.14 feet to a Point of Beginning; thence North 89°48'08" West 3940.25 feet to intersect the centerline of S.R. S-17A; thence North 1°30'39" West along said centerline, 374.17 feet; thence North 88°36'40" East 1898.91 feet; thence North 1°16'18" West and parallel with the West line of said Southeast 1/4 for 1926.23 feet to intersect the North line of said Southeast 1/4 (also being the South line of said Warren and Monday's Subdivision); thence North 20°20'23" West, 899.56 feet to a point herein designated as Point "A" which is the Westerly end of a control line along Lake Denton; thence continue North 20°20'23" West, 30 feet more or less, to the shore of Lake Denton; thence Easterly along the meanders of Lake Denton, 370.00 feet more or less to intersect the North line of Lot 9 of Warren and Monday Subdivision, thence North 88°38'32" East 50.00 feet more or less along said North line to a point on the aforesaid control line which bears North 68°29'12" East, 417.65 feet from said Point "A", thence continue North 88°38'32" East along said North line of Lot 9, 626.48 feet to intersect the East line of the Southwest 1/4 of the Northeast 1/4; thence North 1°12'34" West, 331.46 feet to the Northwest corner of the Southeast 1/4 of the Northeast 1/4, thence North 88°38'48" East along the North line of the Southeast 1/4 of the Northeast 1/4 220.95 feet to the Westerly right-of-way line of the A.C.L. Railroad right-of-way, thence South 18°16'58" East along said Westerly right-of-way line, 3746.87 feet to the East line of

Section 2, thence South 1°08'50" East along the section line 149.60 feet to the Point of Beginning.  
LESS AND EXCEPT the West 50.00 feet for Memorial Drive (State Road No. 17-A)

Exhibit B

In Section 2, Township 34 South, Range 28 East

All that part of the Southeast 1/4 and the Southeast 1/4 of the Northeast 1/4 of Section 2, Township 34 South, Range 28 East, lying West of the A.C.L. Railroad right-of-way together with that part of lots 9 to 14 inclusive, of WARREN AND MONDAY'S SUBDIVISION as recorded in P.B. 1, Page 10, Highlands County, Florida, lying within the following described boundary.

Commence at the Southeast corner of Section 2, Township 34 South, Range 28 East; run thence North 1° 08' 50" West along the line between Section 1 and 2 for 242.14 feet for a point of beginning, thence North 89° 48' 08" West, 2042.29 feet; thence North 1° 16' 18" West in and parallel with the West line of said Southeast 1/4 for 2352.93 feet to intersect the North line of said Southeast 1/4 (being also the South line of said WARREN AND MONDAY SUBDIVISION); thence run North 20° 20' 23" West 899.56 feet to a point herein designated point "A" which is the Westerly end of a control line along Lake Denton; thence continue North 20° 20' 23" West 30 feet, more or less, to the shore of Lake Denton, thence Easterly along the meanders of Lake Denton, 370 feet, more or less to intersect the North line of lot 9 of WARREN AND MONDAY SUBDIVISION; thence North 88° 38' 32" East, 50.0 feet, more or less along said North line to a point of the aforesaid control line which bears North 68° 29' 12" East, 417.65 feet from said point "A", thence continue North 88° 38' 32" East along said North line of Lot 9, 626.48 feet to intersect the East line of Southwest 1/4 of Northeast 1/4, thence North 1° 12' 34" West, 331.46 feet to the Northwest corner of Southeast 1/4 of Northeast 1/4, thence North 88° 38' 48" East along North line of Southeast 1/4 of Northeast 1/4, 220.95 feet to the Westerly R/W line of the A.C.L. Railroad R/W, thence South 18° 16' 58" East along said Westerly R/W, 3746.87 feet to the East line of Section 2; thence South 1° 08' 50" East, along the section line 149.60 feet to the point of beginning. Lying in Section 2, Township 34 South, Range 28 East, Highlands County, Florida. Also a 50 foot easement whose centerline is described as beginning at a point 437.82 feet North and 2051.50 feet West of the Southeast corner of Section 2, Township 34 South, Range 28 East, Highlands County, Florida, run North 89° 48' 08" West, 1548.40 feet, to the beginning of a 100 foot easement, thence continue North 89° 48' 08" West, 300.0 feet to a point in the East right-of-way boundary of SR-17A.

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L.E. "Luke" Brooker Clerk of Courts Highlands Co