

# Holland Knight

# ORIGINAL

Tel 850 224 7000  
Fax 850 224 8832

Holland & Knight LLP  
315 South Calhoun Street, Suite 600  
Tallahassee, FL 32301-1872  
www.hklaw.com

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May 2, 2007

D. BRUCE MAY, JR.  
850-425-5607  
bruce.may@hklaw.com

VIA HAND DELIVERY

Blanca S. Bayo  
Division of Commission Clerk and  
Administrative Services  
Florida Public Service Commission  
Capital Circle Office Center  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: *Application for certificates to provide water and wastewater service in Flagler and Volusia Counties by D & E Water Resources, L.L.C.*  
Docket No. 060694 -WS

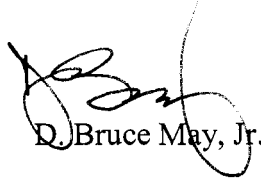
Dear Ms. Bayo:

Enclosed for filing in the above-referenced docket are executed copies of the water and wastewater facility leases which the utility is recording. If you have any questions or need additional information, please do not hesitate to contact me.

Meanwhile acknowledge receipt of this filing by stamping the extra copy of this letter "filed" and returning the copy to me. Thank you for your assistance.

Sincerely,

HOLLAND & KNIGHT LLP



D. Bruce May, Jr.

DBM:kjg  
Enclosure

cc: Patti Daniel  
RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE  
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## LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease") made as of April 17, 2007 ("Effective Date"), between **PLUM CREEK TIMBERLANDS, L.P.**, a Delaware limited partnership, whose Federal ID Number is 91-1920356 ("PLUM CREEK") and **D & E WATER RESOURCES, L.L.C.**, a Delaware limited liability company ("LESSEE").

### WITNESSETH:

1. Granting Clause. PLUM CREEK, in consideration of the covenants, consideration, royalties, and the agreements of LESSEE herein contained, grants, leases and lets unto LESSEE, upon the terms herein set forth, the exclusive right to investigate, explore, prospect, drill and produce potable and non-potable water ("Water") on approximately 31,168 acres more or less, located in Volusia and Flagler, Florida (the "Leased Premises"). A more detailed description of the Leased Premises is attached as Exhibit "A".
2. No Warranty of Title. PLUM CREEK does not warrant title to the Water or the surface rights hereunder. LESSEE covenants with PLUM CREEK that LESSEE's operations shall not violate the rights of any third persons not parties to this Lease, whether those rights are documented or apparent from an examination of the Leased Premises.
3. Limitation of Rights Granted. The rights and privileges granted by this Lease are limited to the rights and privileges PLUM CREEK possesses and has lawful right to lease, and this Lease shall not be construed as leasing or attempting to lease to LESSEE any rights and privileges other or more than those that are vested in PLUM CREEK.
4. Exceptions and Reservations. PLUM CREEK excepts and reserves all oil, gas, timber, and minerals not specifically leased under this Lease for all purposes together with full and free rights of ingress and egress as may be necessary or convenient in the proper development thereof or of other lands. The rights and privileges excepted and reserved to PLUM CREEK shall be exercised with due regard for the operations of LESSEE under this Lease, and in a manner as to not unreasonably interfere with the operations of LESSEE.
5. Primary Term. Subject to the provisions below, this Lease is for a term of twenty years from the Effective Date (the "Primary Term")
6. Delay Rentals. If operations for drilling are not commenced on the Leased Premises on or before one year from the Effective Date, this Lease will terminate unless on or before such anniversary date LESSEE pays PLUM CREEK a delay rental of One Dollar (\$1.00) per acre, which shall cover the privilege of deferring commencement of

drilling operations for 12 months. In like manner and upon like payments annually the commencement of drilling operations may be further deferred for successive 12-month periods during the Primary Term.

7. Rental / Royalty Payments.

- a) Annual Rent. LESSEE shall pay to PLUM CREEK an annual rental payment of \$100.00 per well site, plus sales tax, (the "Annual Rent") all as compensation for the LESSEE's right to PLUM CREEK's property and the impact of LESSEE's right to utilize the surface and the impact of such uses on the Leased Premises.
- b) Royalty Payments In the event that LESSEE withdraws more than 4,000,000 gallons of water per year from the Leased Premises LESSEE shall pay PLUM CREEK the sum of \$0.10 per thousand gallons of water withdrawn from the Leased Premises, plus sales tax, (the "Royalty") all as compensation for the LESSEE'S right to PLUM to withdraw Water from PLUM CREEK's property.
- c) Measurement of Water Production. LESSEE shall measure the Water produced from the Leased Premises with a read-out meter at each wellhead, tank battery and/or sales delivery point. The face of the meter shall be visible to PLUM CREEK at all times and PLUM CREEK's royalty payment for Water shall be based on the full amount of Water production indicated by such meter and not reduced by subsequent loss or shrinkage occurring down-stream. The meter(s) should be calibrated on a regular basis to assure accuracy. Royalty shall be paid on sales delivery volumes.
- d) Adjustments to the Annual Rent and Royalty. At least ninety (90) days but not earlier than one hundred twenty (120) days prior to the end of the third year of this Lease, and within the same period prior to the end of each succeeding 3-year period, LESSEE and PLUM CREEK shall renegotiate the Annual Rent and the Royalty to be paid over the next 3-year period. The purpose of renegotiating the Annual Rent and the Royalty is to reflect the increase in the fair value of the Leased Premises, the rights to withdraw Water, and Well Site Production Facilities over the last 3-year period.
- e) Resolution of Impasse. If LESSEE and PLUM CREEK are unable to agree on the amount of increase in the Annual Rent or the Royalty to be paid over the subject 3-year period, then at least forty-five (45) days but not earlier than ninety (90) days prior to the commencement of the subject 3-year period, LESSEE and PLUM CREEK shall agree upon a qualified appraiser who will calculate the increase in the Annual Rent and/or the Royalty to be paid over the subject 3-year period. If the parties are unable to agree upon an appraiser to be used, then LESSEE and PLUM CREEK shall select a qualified appraiser of its choice and make the calculations, and the average of the two appraisers shall be binding on the parties. Calculations by the appraiser or appraisers shall in either case be made and delivered to LESSEE and PLUM CREEK at least fifteen (15) days prior to the commencement of the subject 3-year period. Neither the calculations of the appraiser or appraisers nor

anything contained herein shall operate to reduce the Annual Rent or the Royalty below the amount of the Annual Rent or the Royalty in effect at the time the negotiations or calculations are conducted as set forth herein or below the then existing Annual Rent or Royalty plus inflation using the compounded index percentage approved for regulated water and wastewater utilities by the Florida Public Service Commission for each intervening year since that last Annual Rent Royalty amount was set.

- f) Effect of Restrictions In addition to renegotiating the Annual Rent and the Royalty every 3 years as set forth above, any time that, in PLUM CREEK's reasonable opinion, the impact of any local, regional, state, or federal rule, ordinance, law, or policy directly or indirectly affects PLUM CREEK's use of the Leased Premises or its other lands not subject to this Lease by further restricting or requiring changes in land or water uses near Well Sites, or as a result of withdrawals or activities related to withdrawals, LESSEE and PLUM CREEK shall renegotiate the Annual Rent and the Royalty. The purpose of this renegotiation shall be to reflect the diminution in value of the affected Leased Premises or other lands of PLUM CREEK. At anytime that PLUM CREEK reasonably deems such diminution in value to have occurred, PLUM CREEK shall notify LESSEE in writing and, within forty-five (45) days thereof, Owner and LESSEE shall renegotiate the Annual Rent and Royalty to compensate PLUM CREEK for the diminution in value. If PLUM CREEK and LESSEE are unable to agree on a renegotiated Annual Rent or Royalty, then LESSEE and PLUM CREEK shall agree upon a qualified appraiser who will calculate such compensation. If the parties are unable to agree upon a qualified appraiser to be used, the PLUM CREEK and LESSEE shall each select a qualified appraiser of its choice to make the necessary calculations, and the average of the two appraisers shall be binding on the parties.

8. Proportionate Reduction of Royalty and Annual Rentals. If PLUM CREEK owns an interest in the Leased Premises less than the entire water rights and royalty related thereto, then the delay rentals and royalties due PLUM CREEK shall be reduced proportionately.

9. Retention of Acreage. Following the Primary Term LESSEE shall be entitled, subject to the other provisions of this Lease, to extend the Lease as to any 5 acre well site and as long thereafter as Water is produced in Paying Quantities from such Well Site. As used in this Lease "Paying Quantities" is Operating Revenue sufficient to pay all Operating Cost of a prudent operator during the prior 12 months of operation on a lease basis. "Operating Revenue" is all revenue from the sale of production attributable to the water well, less the amount of Royalties paid for such production. "Operating Cost" is direct (variable) operating expenses for operating the well. By way of illustration depreciation and administrative overhead cost are not a direct operating expense.

10. Relocation or Abandonment of Wells Sites. If PLUM CREEK shall reasonably determine that for PLUM CREEK's beneficial use of the Leased Premises a Well Site must be relocated, PLUM CREEK will provide a substitute Well Site located as closely as reasonably possible to the one removed, and PLUM CREEK shall bear the expense of such relocation, including cost of plugging. The Royalty shall be renegotiated based upon the costs of such relocation efforts. Upon the abandonment of any Well Site, or the removal from any Well Site, LESSEE shall clean up the Well Site and leave the same in neat and presentable condition.

11. Payment of Taxes, Mortgage or Liens. LESSEE, at its option, may pay any tax, mortgage or other lien bearing upon the Leased Premises and/or PLUM CREEK's water rights with the right to enforce it and apply rentals and royalties accruing hereunder toward recouping the payment.

12. Force Majeure. If any operation permitted or required in this Lease, or the performance by LESSEE of any covenant, agreement or requirement hereof is delayed or interrupted directly or indirectly by any past or future acts, orders, regulations or requirements of the Government of the United States or any state or other governmental body, or any agency, officer, representative or authority of any of them, or because of delay or inability to get materials, labor, equipment or supplies, or on account of any other similar or dissimilar cause beyond the control of LESSEE, the period of such delay or interruption is not counted against LESSEE, and the Primary Term of this Lease is automatically extended, so long as the cause or causes for such delays or interruptions continue and for a period of two months thereafter; and such extended term shall constitute and shall be considered for the purposes of this Lease as a part of the Primary Term. LESSEE shall not be liable to PLUM CREEK in damages for failure to perform any operation permitted, or required hereunder or to comply with any covenant, agreement or requirement hereof during the time LESSEE is relieved from the obligation to comply with such covenants, agreements or requirements. In no event shall the suspension of obligations as permitted under this paragraph exceed two years.

13. LESSEE's Use of the Surface of the Leased Premises.

- a) Notice of Intent to Use the Surface. LESSEE assumes the risk of use of the surface of the Leased Premises and agrees to use the minimum amount of acreage that is necessary for a prudent operator in the operations permitted. LESSEE shall give the surface owner of record at least 30, but not more than 60 days, advance written notice of its intention to use the surface of the Leased Premises. If PLUM CREEK owns the surface, the notice shall be directed to PLUM CREEK's Resource Manager at P.O. Box 808, (Highway 100), Lake Butler, FL 32054 (the "Resource Manager") at least 30, but not more than 60 days, advance written notice of its intention to use the surface of the Leased Premises. With this notice, LESSEE shall include a plat or plats showing the area it plans to use and the location of the proposed facilities. The surface owner may salvage for its account all or so much of the forest products from this area, as it desires within the 30 to 60 days after

receipt of notice. LESSEE shall dispose of the forest products not salvaged by the surface owner from such area, in a manner stipulated by, or acceptable to the surface owner, to prevent hazards from fire and insect infestation to forest products on the Leased Premises and on adjacent lands. LESSEE agrees to pay all costs of improvements to any roads on the Leased Premises the road for its usage, maintain the roads in good condition during such usage, and use the roads in a prudent manner so as not to interfere with PLUM CREEK's use of such roads.

- b) Damage Payments. LESSEE assumes for itself, its agents and invitees, the liability for prompt payment to surface owner for any and all damages to surface owner's property, equipment, timber and other improvements located on the Leased Premises that may be caused by the operations of LESSEE, its agents and invitees on the Leased Premises.

14. Prudent Operator. LESSEE shall conduct its operations on the Leased Premises in a prudent, modern, efficient and safe manner. By way of illustration, but not limitation, LESSEE shall immediately repair any water leaks from pipelines, wellheads or pumping stations located on the Leased Premises.

15. Pipelines. If LESSEE shall construct any pipelines or water distribution systems on the Leased Premises, it shall bury all such pipelines or distribution systems to a minimum depth of 36 inches below the surface of the earth, or at such other depth as may be authorized by PLUM CREEK.

16. Compliance with Regulations. LESSEE shall conduct operations in full compliance with the related regulations established by the appropriate State or Governmental Authority having jurisdiction in such matters. The obligations imposed by this paragraph shall survive expiration or termination of this Lease.

17. Debris. All refuse generated by LESSEE'S operations on the Leased Premises, including without limitation, lunch or snack containers, paper, cans, oilcans, bottles, filters, tires, and discarded equipment, must be disposed of properly away from the Leased Premises.

18. Environmental Definitions. As used in this Lease the term "Environmental Law" shall mean, any federal, state or local law, statute, decree, ordinance, code, rule, or regulation, including, without limiting the generality of the foregoing, the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, the Toxic Substance Control Act of 1976, and any federal, state or local so-called "Superfund" or "Superlien" law or ordinance relating to the emission, discharge, release, threatened release into the environment of any pollutant, contaminant, chemical, hazardous, toxic or dangerous waste, substance or material (including, without limitation, ambient air, surface water, groundwater or land), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or

handling of such substances and any regulations, codes, plans, orders, decrees, judgments, injunctions, notices or demand letters issued, entered, promulgated or approved thereunder. As used herein, the term "Hazardous Material" shall mean any pollutants, contaminants, chemicals, hazardous, toxic or dangerous waste, substance or material, or any other substance or material regulated or controlled pursuant to any Environmental Law now or at any time hereafter in effect, including any other substances defined as "hazardous substances" or "toxic substances" in any Environmental Law.

19. General and Environmental Indemnification. LESSEE shall defend and indemnify and keep indemnified, and hold harmless, PLUM CREEK from and against all actions or causes of action, claims, losses and damages of every kind, including costs and attorney's fees, incident to or in any manner resulting in injury to persons (including employees, agents, representatives, invitees and licensees of LESSEE, or others engaged by LESSEE), and damages to property or other legal consequences growing out of the use and occupancy of the Leased Premises and any and all operations or other work or services contemplated or undertaken thereon by LESSEE, its agents, representatives, or others engaged by it to perform the same, including without limitation all acts of commission or omission of LESSEE, its said agents, representatives, invitees, employees and licensees. LESSEE also indemnifies PLUM CREEK and agrees to hold PLUM CREEK harmless from and against any and all loss, liability, damage, injury, cost, expense and claims of any kind whatsoever paid, incurred or suffered by, or asserted against, PLUM CREEK for, with respect to, or as a direct or indirect result of the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release from the Leased Premises of any Hazardous Material arising out of, in connection with or in any manner related to the use of the Leased Premises by LESSEE, including, without limiting the generality of the foregoing, any loss, liability, damage, injury, cost, expense or claim asserted or arising under any Environmental Law as defined below. This indemnity shall survive the expiration or earlier termination of this Lease.

20. Insurance. LESSEE covenants and agrees to obtain and maintain during the Term of this Lease the following insurance coverage:

- a) General Liability. Commercial General Liability covering claims for bodily injury, death and property damage, including Comprehensive Form, Premises and Operations, Independent Contractors, Products and Completed Operations, Personal Injury, Contractual, Broadform Property Damage, Cross Liability and Hostile Fire liability coverages, with a combined single limit of \$1,000,000 for bodily injury, death and property damage each or per occurrence and \$2,000,000 general aggregate, with pollution coverage, in an amount of not less than \$1,000,000. Additionally, the policy shall not exclude X, C or U (Explosion, Collapse or Underground) or Subsidence. As used in this Lease "Subsidence" is defined as sinking or settling of land caused by heavy rains or man-made caverns. Subsidence does not include earth movement caused by an earthquake.

- b) Umbrella Liability. Excess Liability insurance providing limits of not less than \$10,000,000 each occurrence and annual aggregate over General Liability, Automobile Liability, and Employers Liability.
- c) Environmental Liability. Pollution Legal Liability providing On-Site Clean-up protection and Third Party Off-Site Cleanup of Pollution Conditions, as well as protection for Bodily Injury and Property Damage resulting from operations granted under this Lease. Limit of Liability shall be not less than \$10,000,000. PLUM CREEK shall be an Additional Insured.
- d) Automobile Liability. Comprehensive Automobile Liability covering owned, non-owned, hired and other vehicles, with a combined single limit of \$1,000,000 for bodily injury, death and property damage per occurrence and \$1,000,000 general aggregate.
- e) Fire and Extended Coverage Insurance on Improvements and Personalty. During the Term of this Lease, LESSEE shall keep all improvements, installations, machinery and equipment placed by it and all other personal property placed by it on the Leased Premises continuously insured against loss or damage by theft, fire or lightning (with extended coverage if available) in an amount equal to the fair market value thereof, subject to reasonable and customary deductibles. If at the time of any loss LESSEE is in default to PLUM CREEK, PLUM CREEK may require the proceeds be paid to PLUM CREEK, to satisfy LESSEE's obligations to PLUM CREEK. If LESSEE is not in default under this Lease, the proceeds shall be used for the repair or restoration of the property regarding which loss occurred, if the property is needed for the future development of the Leased Premises.
- f) Workers' Compensation. LESSEE covenants and agrees that all employees of LESSEE or any other persons performing work on the Leased Premises pursuant to this Lease will be fully covered by or insured always by Workers' Compensation. LESSEE shall comply with all applicable Workers' Compensation laws, rules and regulations of the state in which the Leased Premises is located and shall make all necessary contributions or other payments.
- g) Employer's Liability. Employer's Liability insurance in an amount of not less than \$500,000 each accident.
- h) Policy Requirements. All certificates of insurance furnished by LESSEE to evidence insurance coverage shall provide for thirty days written notice by the insurance company to the designated representative of PLUM CREEK before the cancellation, material change or non-renewal of any insurance policy referred to in this Lease. All liability insurance policies shall be written on an "occurrence" policy form and by insurance companies acceptable to PLUM



CREEK with a Best's Key Rating Guide of B+ or better, with a financial rating of at least VI. If LESSEE fails at any time to maintain the insurance coverage as required above, LESSEE shall cease operations immediately and shall not resume operations pursuant to this Lease until after the failure has been corrected. Except for Workers' Compensation Insurance, PLUM CREEK and PLUM CREEK Timber Company, Inc. and its subsidiaries and/or affiliates shall be named as an Additional Insured on all such required policies. The additional insured endorsement must be ISO CG20 10 11 85 or other form with like wording. If the additional insured endorsement is not ISO CG20 10 11 85 or like form, LESSEE must maintain Completed Operations coverage with additional insured extension for a period of two (2) years after completion and acceptance by PLUM CREEK of the work performed. LESSEE shall be responsible for payment of any and all deductibles from insured claims under its policies. The coverage afforded under any insurance policy obtained by LESSEE pursuant to this Paragraph shall be primary coverage regardless of whether or not PLUM CREEK has similar coverage. LESSEE shall not perform any operations on the Leased Premises unless and until evidence of such insurance, including renewals thereof, has been delivered to and approved by PLUM CREEK. PLUM CREEK reserves the right to require a certified copy of the policies or to examine the actual policies. LESSEE shall not self-insure any of the insurance coverages required by this Lease without the prior written consent of PLUM CREEK. The minimum limits of coverage required by this Lease may be satisfied by a combination of primary and excess or umbrella insurance policies. The maintenance of this insurance shall not in any way operate to limit the liability of LESSEE to PLUM CREEK under this Lease.

- i) Certificate of Insurance Evidencing Coverage. LESSEE shall give PLUM CREEK's Resource Manager a certificate of insurance evidencing the above coverage before conducting any operations on the Leased Premises. The certificate shall provide for 10 days written notice by the insurance company to the designated representative of PLUM CREEK before the cancellation, material change or non-renewal of the policy. If LESSEE fails at any time to maintain the insurance coverage as required above, LESSEE shall cease operations on the Leased Premises immediately and shall not resume operations until the failure has been corrected. The coverage afforded under any insurance policy obtained by LESSEE pursuant to this paragraph shall be primary coverage regardless of whether or not PLUM CREEK has similar coverage. Except for Workers' Compensation and employer liability insurance, PLUM CREEK shall be named as additional insured under all policies of insurance issued to LESSEE according to the terms of this Lease. LESSEE shall not self-insure any of the insurance coverage required by this Lease without the prior written consent of PLUM CREEK.

21. Data and Reports to PLUM CREEK. LESSEE agrees it shall furnish PLUM CREEK when practicable after receipt and without cost to PLUM CREEK, copies of Title

Opinions and State or Federal conservation orders or regulations pertaining to the Leased Premises.

22. Retention and Audit of Records. LESSEE shall keep and preserve for at least five years accurate records showing the quantity of Water produced and saved from the Leased Premises in such detail sufficient for PLUM CREEK to verify its Royalty is being properly paid (the "Records"). PLUM CREEK and its agents ("Auditor"), with at least 14 days notice, shall have access at all reasonable business hours to the Records. LESSEE also hereby grants to Auditor, the right to obtain from any purchaser of Water from the Leased Premises information as to the quantity of Water purchased.

23. Surrender of Acreage. LESSEE may at any time execute and deliver to PLUM CREEK or place of record a release or releases covering any portion or portions of the Leased Premises and thereby surrender this Lease as to such portion or portions.

24. Defaults and Remedies.

- a) Default. LESSEE shall be in "Default" if LESSEE shall at any time fail to provide any Monthly Statement when due or fail to pay as and when due any royalty or Damages to the surface owner, under paragraph 13, required to be paid hereunder, and the failure continues for fifteen (15) days after written notification of such Default; provided, however, that if there is a dispute as to the amount due and all undisputed amounts are paid and Monthly Statements received by PLUM CREEK, the 15-day period shall be extended until five days after such dispute is settled by final court decree, arbitration or agreement. LESSEE shall also be in "Default" if LESSEE shall fail to perform or be guilty of a breach of any one or more of any of the terms, conditions, covenants, stipulations, and agreements of this Lease relating to matters other than the payment of money and shall fail within 15 days after written notice of the breach shall have been given by PLUM CREEK to LESSEE, to cure the breach, if cure is possible within the 15 day period, or if not to begin to cure and thereafter diligently pursue cure of any breach, provided that immediately upon receipt of written demand from PLUM CREEK, LESSEE will terminate all mining operations hereunder until such time as LESSEE has cured the breach to the satisfaction of PLUM CREEK.
- b) Forfeiture. If LESSEE is in Default, PLUM CREEK shall have the right to terminate this Lease and to enter the Leased Premises and hold and possess the same, and all the property of the LESSEE thereon, free and acquit from any claims of LESSEE thereto.
- c) Right to take Possession Without Forfeiture. If PLUM CREEK takes possession of the Leased Premises as a result of Default, PLUM CREEK shall have the option, to divide the Leased Premises in any manner PLUM CREEK may determine and to lease the Leased Premises or portions thereof as PLUM CREEK may elect. PLUM CREEK reserves the right to bring action

or proceedings for the recovery of any deficits remaining unpaid, as PLUM CREEK may believe appropriate.

- d) No Waiver. A waiver by PLUM CREEK of any Default under this Lease shall not prevent the right of PLUM CREEK to forfeit this Lease for any other cause, or for the same cause occurring at any other time. The receipt by PLUM CREEK from LESSEE of payments after the occurrence of any Default, or the continued recognition by PLUM CREEK of LESSEE as its tenant after the occurrence of any Default shall not be deemed a waiver of PLUM CREEK's right of forfeiture, so long as the cause of forfeiture continues to exist. Receipt and acceptance by PLUM CREEK of any amounts tendered by LESSEE shall not constitute an agreement by PLUM CREEK that the amounts are the proper amounts due or a waiver of PLUM CREEK's claims for greater amounts. All payments by LESSEE to PLUM CREEK shall apply on the items longest past due, and the receipt of any such payment shall not be a waiver either of the right of distress or the right of forfeiture or any other remedy available to PLUM CREEK with respect to items which remain undischarged after crediting the payments.
- e) Removal of Equipment and Improvements Upon Termination by Default. Upon the termination of this Lease for Default any personal property and all permanent improvements shall, at PLUM CREEK's option, be and become the property of PLUM CREEK or be removed from the Leased Premises at the direction of PLUM CREEK, but at the sole expense of LESSEE.

25. Release of Acreage and Removal of Property and Fixtures. When this lease or any portion of it expires or is terminated, for any reason whatsoever, LESSEE agrees to furnish PLUM CREEK, within 30 days thereafter, a Release covering that portion of the lease so affected in appropriate form and duly executed, in order that the Release may be placed of public record. LESSEE shall have 90 days from the date of the Release to remove from the released acreage any property or fixtures placed by LESSEE on the abandoned land. Unless the time period is extended by written consent of PLUM CREEK, any property or fixtures of LESSEE left on the abandoned land after the appropriate removal date shall, at the option of PLUM CREEK, become PLUM CREEK's property and fixtures or be removed from such land at the direction of PLUM CREEK but at the sole expense of LESSEE.

26. Notices. All notices and payments, except that notice to the Resource Manager, given under the terms of this Lease shall be directed as follows:

To PLUM CREEK:	Plum Creek Timberlands, L P Mineral Department One Concourse Parkway , Suite 755 Atlanta, GA 30328 Telecopy: 770-730-7272
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With Copy to: Plum Creek Timberlands, L P  
Law Department  
One Concourse Parkway, Suite 755  
Atlanta, GA 30328  
Telecopy: 770-671-0211

To LESSEE: D & E WATER RESOURCES, INC.  
Energy and Natural Resources  
999 Third Avenue, Suite 4300  
Seattle, Washington 98104  
Telecopy: 206-467-3786

or to such other address as each party may designate by written notice to the other party. The deposit in the mail of any letter so addressed and with postage prepaid shall, for this Lease, be notice to the addressees of the contents of the letter.

27. Dispute Resolution. Except as otherwise provided herein, in the event of any disputes, claims and other matters in question between PLUM CREEK and LESSEE arising out of the terms and conditions of this Lease and the performance of either party hereunder, PLUM CREEK and LESSEE shall attempt in good faith to resolve such matter promptly by negotiation between senior executives who have authority to settle the controversy and who do not have direct responsibility for administration of this Lease.

28. Liens. LESSEE shall conduct its operations in such a manner as to prevent any lien from being attached to the Leased Premises. If any lien should so attach, LESSEE shall take immediate steps to liquidate the indebtedness represented by the lien to remove the lien from the public records. Always LESSEE shall hold PLUM CREEK harmless and indemnify it against the effect of any such lien or purported lien.

29. No Modification. The terms and conditions of this Lease may not be modified, altered or amended except by a writing that is executed by PLUM CREEK and LESSEE and of equal formality with this Lease.



30. Assignments. This Lease may not be assigned in whole or in part by LESSEE without the prior written consent of PLUM CREEK. In the event of any such assignment, LESSEE shall not be released from its obligation relative to the payment of royalties or from the performance of any of the other obligations or conditions herein contained.

31. Prior Agreements. This Lease constitutes the sole and entire existing agreement between PLUM CREEK and LESSEE and expresses all the obligations of and the restrictions imposed upon PLUM CREEK and LESSEE. All prior agreements and commitments, whether oral or written, between the parties are either superseded by specific paragraphs of this Lease or, without such coverage, specifically withdrawn.

32. Headings. The use of headings in this Lease is solely for the convenience of indexing the various paragraphs and shall in no event limit or defines or otherwise affects any provision in this Lease.

IN WITNESS WHEREOF, this instrument is executed effective the date first above written.

WITNESSES:

  
\_\_\_\_\_  
  
\_\_\_\_\_

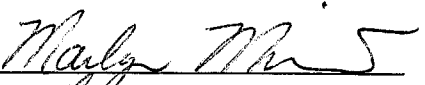
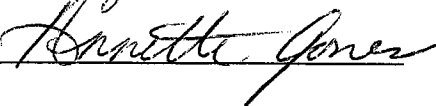
**PLUM CREEK TIMBERLANDS, L P**

BY: PLUM CREEK Timber I, L.L.C.

Its: General Partner

By:   
\_\_\_\_\_

Title: Director - Law

  
\_\_\_\_\_  
  
\_\_\_\_\_

**D & E WATER RESOURCES, L.L.C.**

By:   
\_\_\_\_\_

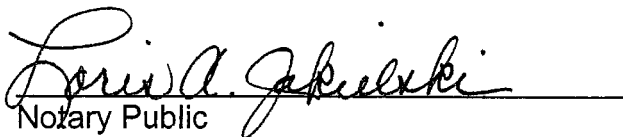
Title: Senior Vice President and  
General Counsel

ACKNOWLEDGMENT

STATE OF GEORGIA

COUNTY OF FULTON

On this the 27th day of April, 2007, personally appeared before me, the undersigned authority in and for the said County and State, within my jurisdiction, the within named Erwin D. Barger, Jr. who acknowledged himself to be the Director - Law of PLUM CREEK TIMBER I, L.L.C. the general partner of PLUM CREEK TIMBERLANDS, L.P., and that for and on behalf of said limited liability company, he did sign, seal and deliver the foregoing LEASE AGREEMENT for the purposes mentioned on the day and year therein mentioned, after first having been duly authorized by said limited liability company so to do.

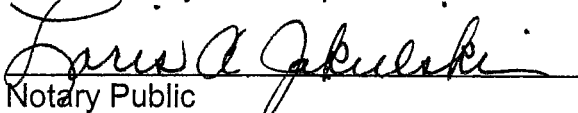
  
Notary Public

My commission expires: February 8, 2009

STATE OF GEORGIA

COUNTY OF FULTON

On this the 27th day of April, 2007, personally appeared before me, the undersigned authority in and for the said County and State, within my jurisdiction, the within named, James A. Kraft who acknowledged himself to be the Senior Vice President and General Counsel of D & E WATER RESOURCES, L.L.C., and that for and on behalf of said company, he did sign, seal and deliver the foregoing LEASE AGREEMENT for the purposes mentioned on the day and year therein mentioned, after first having been duly authorized by said corporation so to do.

  
Notary Public

My commission expires: February 8, 2009

## EXHIBIT "A"

### PARCEL 2 – TRACT "A"

A parcel of land lying in Sections 10, 11, 12, 13, 14 and 15, Township 13 South, Range 30 East, Flagler County, Florida and being a portion of the subdivision of BUNNELL DEVELOPMENT COMPANY'S LAND at BUNNELL FLORIDA as recorded in Plat Book 1, Page 1, of the Public Records of Flagler County, Florida and being more particularly described as follows:

BEGIN at the Southeast corner of Section 12, Township 13 South, Range 30 East, Flagler County, Florida; thence on the East line of said Section 12, N 01°53'47" W, a distance of 5329.76 feet to the Northeast corner of said Section 12; thence departing said East line and on the North line of said Section 12, S 89°22'13" W, a distance of 5046.45 feet to the Northwest corner of said Section 12, the same being the Northeast corner of aforesaid Section 11, Township 13 South, Range 30 East, Flagler County, Florida; thence on the North line of said Section 11, S 89°35'41" W, a distance of 5413.22 feet to the Northwest corner of said Section 11; thence departing said North line and on the West line of said Section 11, S 1°14'45" E, a distance of 669.38 feet to the Northwest corner of Tract 6, Block B of Section 11, Township 13 South, Range 30 East of BUNNELL DEVELOPMENT COMPANY'S LAND at BUNNELL FLORIDA as recorded in Plat Book 1, Page 1, of the Public Records of Flagler County, Florida; thence departing said West line and on the North line of said Tract 6, Block B, of Section 11, N 89°33'02" E, a distance of 676.64 feet to the Northeast corner of said Tract 6, Block B, of Section 11; thence departing said North line and on the East line of Tract 6, Block B and the East line of Tract 7, Block B all in Section 11, Township 13 South, Range 30 of said BUNNELL DEVELOPMENT COMPANY'S LAND at BUNNELL FLORIDA as recorded in Plat Book 1, Page 1, of the Public Records of Flagler County, Florida, S 01°14'43" E, a distance of 1337.72 feet to the Southeast corner of said Tract 7, Block B, of Section 11; thence departing said East lines and on the South line of said Tract 7, Block B, of Section 11, S 89°27'44" W, a distance of 676.61 feet to the Southwest corner of said Tract 7, Block B, of Section 11; thence departing the South line of said Tract 7, Block B, of Section 11 and on the West line of said Tract 7, Block B, of Section 11, the same being the East line of Section 10, Township 13 South, Range 30 East, Flagler County, Florida, N 01°14'45" W, a distance of 530.41 feet to the Southeast corner of a parcel of land as described in Official Records Book 700, Page 124 of the Public Records of Flagler County, Florida; thence departing said East and West lines and on the Southeasterly line of said parcel of land as described in Official Records Book 700, Page 124 of the Public Records of Flagler County, Florida, S 41°36'27" W, a distance of 1766.36 feet; thence continue on said Southeasterly line, S 41°45'47" W, a distance of 3627.29 feet to the Southwesterly corner of said parcel of land as described in Official Records Book 700, Page 124 of the Public Records of Flagler County, Florida, said corner being on the East line of a Florida Power & Light Company Right of Way as described in Official Records Book 215, Page 141 of the Public Records of Flagler County, Florida; thence departing said Southeast line and on

the East line of said Florida Power & Light Company Right of Way as described in Official Records Book 215, Page 141 of the Public Records of Flagler County, Florida, S 16°41'34" E, a distance of 1738.79 feet to a point on the North line of Tract 11, Block B of Section 15, Township 13 South, Range 30 East of aforesaid BUNNELL DEVELOPMENT COMPANY'S LAND at BUNNELL FLORIDA as recorded in Plat Book 1, Page 1, of the Public Records of Flagler County, Florida; thence departing said East line and on the North line of said Tract 11, Block B, of Section 15, S 86°41'51" E, a distance of 594.56 feet to the Northeast corner of said Tract 11, Block B, of Section 15; thence departing said North line and on the East line of said Tract 11, Block B, of Section 15, S 01°51'03" E, a distance of 669.29 feet to the Southeast corner of said Tract 11, Block B, of Section 15; thence departing said East line and on the South line of said Tract 11, Block B, of Section 15, N 86°43'47" W, a distance of 412.04 feet to a point on the East line of aforesaid Florida Power & Light Company Right of Way as described in Official Records Book 215, Page 141 of the Public Records of Flagler County, Florida; thence departing said South line and on the East line of said Florida Power & Light Company Right of Way as described in Official Records Book 215, Page 141 of the Public Records of Flagler County, Florida through the following courses: S 16°41'34" E, a distance of 1659.46 feet; thence N 73°18'26" E, a distance of 50.00 feet; thence S 16°41'34" E, a distance of 119.71 feet; thence S 26°20'10" W, a distance of 119.71 feet; thence N 63°39'50" W, a distance of 50.00 feet; thence S 26°20'10" W, a distance of 1002.58 feet to a point on the South line of Section 15, Township 13 South, Range 30 East, Flagler County, Florida, thence on said South line of said Section 15, S 86°52'11" E, a distance of 3150.33 feet to the Southeast corner of said Section 15; thence departing said South line, S 29°34'48" W, a distance of 71.00 feet to a point on the South Maintained Right of Way line of "Relay Road 9" (a Private Road) ; thence on the South Maintained Right of Way line of said "Relay Road 9", through the following courses: N 89°20'27" E, a distance of 2753.49 feet; thence N 89°58'57" E, a distance of 542.17 feet; thence N 88°58'33" E, a distance of 2108.33 feet to a point on the East Maintained Right of Way line of "Relay Road 12" (a Private Road); thence departing said South Maintained Right of Way line of "Relay Road 9" on the East Maintained Right of Way line of said "Relay Road 12", N 0°28'30" W, a distance of 3482.39 feet to a point on the South Maintained Right of Way line of "Relay Road 10" (a Private Road) and the beginning of a curve concave Southeasterly having a radius of 125.00 feet and a central angle of 43°32'07"; thence departing the East Maintained Right of Way line of said "Relay Road 12" and on the South Maintained Right of Way line of said "Relay Road 10" and on the arc of said curve a distance of 94.98 feet said arc being subtended by a chord which bears N 21°17'33" E, a distance of 92.71 feet to the curves end; thence continue on the South Maintained Right of Way line of said "Relay Road 10" through the following courses: N 43°03'37" E, a distance of 72.28 feet; thence N 50°30'25" E, a distance of 122.34 feet; thence N 69°30'14" E, a distance of 120.05 feet; thence N 71°53'35" E, a distance of 136.22 feet; thence N 65°23'52" E, a distance of 107.59 feet; thence N 57°13'53" E, a distance of 117.33 feet; thence N 50°33'04" E, a distance of 536.84 feet; thence N 40°48'31" E, a distance of 180.65 feet; thence N 43°22'12" E, a distance of 60.92 feet; thence N 49°37'12" E, a distance of 97.92 feet; thence N 56°23'41" E, a distance of 1669.02 feet; thence N 58°51'52" E, a distance of 92.42 feet; thence N 64°08'46" E, a distance of 91.58 feet; thence N 72°44'28" E, a distance of



368.38 feet; thence N 79°56'35" E, a distance of 101.54 feet; thence S 80°49'49" E, a distance of 71.54 feet; thence S 66°51'48" E, a distance of 176.65 feet; thence S 68°39'11" E, a distance of 110.07 feet; thence S 78°54'10" E, a distance of 142.60 feet; thence S 85°45'53" E, a distance of 1250.31 feet to the POINT OF BEGINNING.

Together with:

#### PARCEL 2 – TRACT "B"

A parcel of land lying in Sections 12, 13, 22, 23, 24, 25, 26, 27, 34 and 35, Township 13 South, Range 30 East, Flagler County, Florida and lying in Sections 2, 3, 10, 11, 14 and 15, Township 14 South, Range 30 East, Flagler County, Florida and being a portion of the subdivision of BUNNELL DEVELOPMENT COMPANY'S LAND at BUNNELL FLORIDA as recorded in Plat Book 1, Page 1, of the Public Records of Flagler County, Florida and being more particularly described as follows:

COMMENCE at the Northeast corner of Section 13, Township 13 South, Range 30 East, Flagler County, Florida; thence on the East line of said Section 13, S 2°12'01" E, a distance of 78.26 feet to the POINT OF BEGINNING; thence continue along the East line of said Section 13, S 2°12'01" E, a distance of 5224.92 feet to the Northeast corner of Section 24, Township 13 South, Range 30 East, Flagler County, Florida; thence on the East line of said Section 24, S 1°39'56" E, a distance of 5330.16 feet to the Northeast corner of Section 25, Township 13 South, Range 30 East, Flagler County, Florida; thence on the East line of said Section 25, S 1°55'02" E, a distance of 2672.59 feet to the East Quarter corner of said Section 25; thence continue on said East line S 2°00'45" E, a distance of 2694.96 feet to the Southeast corner of said Section 25; thence departing the East line of said Section 25, S 89°06'20" W, a distance of 5358.28 feet to a point on the Westerly Maintained Right of Way line of "Relay Road 12" (a Private Road); thence on the Westerly Maintained Right of Way line of said "Relay Road 12", through the following courses: S 1°37'59" E, a distance of 4479.07 feet; thence S 3°49'05" E, a distance of 587.46 feet; thence S 1°26'24" E, a distance of 5497.16 feet; thence S 1°13'51" W, a distance of 858.47 feet; thence departing said Westerly Maintained Right of Way line of "Relay Road 12", and on the Westerly line of the Halifax Basin, through the following courses: S 2°06'48" E, a distance of 1987.94 feet; thence S 86°19'18" W, a distance of 1062.98 feet; thence S 89°49'00" W, a distance of 1750.63 feet; thence S 88°10'03" W, a distance of 1114.30 feet; thence S 0°50'04" E, a distance of 4253.61 feet; thence departing said Westerly line of the Halifax Basin, S 89°21'12" W, a distance of 1585.74 feet to a point on the Centerline of the Maintained Right of Way of "Relay Road 5" (a Private Road); thence on the Centerline of the Maintained Right of Way of said "Relay Road 5", through the following courses: N 45°09'48" W, a distance of 504.10 feet; thence N 29°46'37" W, a distance of 1621.36 feet; thence N 34°58'17" W, a distance of 196.85 feet; thence N 25°49'43" W, a distance of 172.43 feet; thence N 2°36'37" W, a distance of 134.60 feet; thence N 15°20'26" E, a distance of 159.07 feet; thence N 49°10'50" E, a distance of 162.05 feet; thence N 57°33'48" E, a distance of 1491.56 feet; thence N 40°48'02" E, a distance of 154.68 feet; thence N 8°48'44" E, a distance of 157.25 feet; thence N 0°22'30" W, a distance of 1045.82 feet; thence N

5°38'10" W, a distance of 897.04 feet; thence N 7°58'50" W, a distance of 811.14 feet; thence N 2°34'49" W, a distance of 645.45 feet; thence N 6°39'36" E, a distance of 550.91 feet; thence N 19°14'57" E, a distance of 230.24 feet; thence N 48°26'49" E, a distance of 247.18 feet; thence N 36°28'10" E, a distance of 243.07; thence N 10°45'32" E, a distance of 233.99 feet to a point on the Centerline of the Maintained Right of Way of "Relay Road 4" (a Private Road); thence departing the Centerline of the Maintained Right of Way of "Relay Road 5" and on the Centerline of the Maintained Right of Way of said "Relay Road 4" through the following courses: N 89°00'18" W, a distance of 599.18 feet; thence S 87°04'43" W, a distance of 1051.01 feet; thence S 80°05'16" W, a distance of 1282.86 feet; thence S 76°39'33" W, a distance of 800.98 feet; thence S 81°15'55" W, a distance of 285.07 feet; thence S 76°58'32" W, a distance of 512.51 feet to a point on the Easterly Right of Way line of a Florida Power and Light Company Right of Way as recorded in, Official Records Book 215, Page 141 of the Public Records of Flagler County, Florida; thence departing the Centerline of the Maintained Right of Way of said "Relay Road 4" and on the Easterly Right of Way line of said Florida Power and Light Company Right of Way through the following courses: N 22°02'08" W, a distance of 3116.10 feet; thence N 0°26'57" W, a distance of 6500.00 feet; thence N 1°04'34" W, a distance of 5200.00 feet; thence N 1°46'19" W, a distance of 2600.57 feet; thence N 26°20'10" E, a distance of 4134.17 feet to the North line of Section 22, Township 13 South, Range 30 East, Flagler County, Florida; thence departing the Easterly Right of Way line of said Florida Power and Light Company Right of Way and on the North line of said Section 22, S 86°52'11" E, a distance of 3150.33 feet to the Northeast corner of said Section 22; thence departing said North line, S 29°34'48" W, a distance of 71.00 feet to a point on the South Maintained Right of Way line of "Relay Road 9" (a Private Road) ; thence on the South Maintained Right of Way line of said "Relay Road 9", through the following courses: N 89°20'27" E, a distance of 2753.49 feet; thence N 89°58'57" E, a distance of 542.17 feet; thence N 88°58'33" E, a distance of 2108.33 feet to a point on the East Maintained Right of Way line of "Relay Road 12" (a Private Road); thence departing said South Maintained Right of Way line of "Relay Road 9" on the East Maintained Right of Way line of said "Relay Road 12", N 0°28'30" W, a distance of 3482.39 feet to a point on the South Maintained Right of Way line of "Relay Road 10" (a Private Road) and the beginning of a curve concave Southeasterly having a radius of 125.00 feet and a central angle of 43°32'07"; thence departing the East Maintained Right of Way line of said "Relay Road 12" and on the South Maintained Right of Way line of said "Relay Road 10" and on the arc of said curve a distance of 94.98 feet said arc being subtended by a chord which bears N 21°17'33" E, a distance of 92.71 feet to the curves end; thence continue on the South Maintained Right of Way line of said "Relay Road 10" through the following courses: N 43°03'37" E, a distance of 72.28 feet; thence N 50°30'25" E, a distance of 122.34 feet; thence N 69°30'14" E, a distance of 120.05 feet; thence N 71°53'35" E, a distance of 136.22 feet; thence N 65°23'52" E, a distance of 107.59 feet; thence N 57°13'53" E, a distance of 117.33 feet; thence N 50°33'04" E, a distance of 536.84 feet; thence N 40°48'31" E, a distance of 180.65 feet; thence N 43°22'12" E, a distance of 60.92 feet; thence N 49°37'12" E, a distance of 97.92 feet; thence N 56°23'41" E, a distance of 1669.02 feet; thence N 58°51'52" E, a distance of 92.42 feet; thence N 64°08'46" E, a distance of 91.58 feet; thence N 72°44'28" E, a distance of 368.38 feet; thence N 79°56'35" E, a distance of 101.54 feet;

thence S 80°49'49" E, a distance of 71.54 feet; thence S 66°51'48" E, a distance of 176.65 feet; thence S 68°39'11" E, a distance of 110.07 feet; thence S 78°54'10" E, a distance of 142.60 feet; thence S 85°45'53" E, a distance of 1250.31 feet to the POINT OF BEGINNING.

Together with:

Parcel 2 - Tract "C"

A parcel of land lying in Sections 35 and 36, Township 13 South, Range 30 East, Flagler County, Florida and lying in Sections 1, 2, 11, 12 and 14, Township 14 South, Range 30 East, Flagler County, Florida and being more particularly described as follows:

BEGIN at the Northeast corner of Section 36, Township 13 South, Range 30 East, Flagler County, Florida; thence on the East line of said Section 36, S 01°52'15" E, a distance of 5249.16 feet to the Southeast corner of said Section 36, the same being the Northeast corner of Section 1, Township 14 South, Range 30 East, Flagler County, Florida; thence on the East line of said Section 1, S 00°14'28" E, a distance of 5296.99 feet; to the Southeast corner of said Section 1, the same being the Northeast corner of Section 12, Township 14 South, Range 30 East, Flagler County, Florida; thence on the East line of said Section 12, S 01°56'03" E, a distance of 5259.13 feet to the Southeast corner of said Section 12; thence departing said East line and on the South line of said Section 12, S 87°56'12" W, a distance of 5264.99 feet to the Southwest corner of said Section 12 the same being the Northeast corner of Section 14, Township 14 South, Range 30 East, Flagler County, Florida; thence departing said South line and on the East line of said Section 14, S 00°33'38" E, a distance of 5294.00 feet to the Southeast corner of said Section 14; thence departing said East line and on the South line of said Section 14, S 88°56'35" W, a distance of 795.54 feet; thence departing said South line N 0°43'27" W, a distance of 3483.72; thence S 89°21'12" W, a distance of 3183.19 feet; thence N 0°50'04" W, a distance of 4253.61 feet; thence N 88°10'03" E, a distance of 1114.30 feet; thence N 89°49'00" E, a distance of 1750.63 feet; thence N 86°19'18" E, a distance of 1062.98 feet; thence N 02°06'48" W, a distance of 1987.94 feet to a point on the Westerly Maintained Right of Way line of said "Relay Road 12" (a Private Road); thence on the Westerly Maintained Right of Way line of said "Relay Road 12", through the following courses: N 01°13'51" E, a distance of 858.47 feet; thence N 01°26'24" W, a distance of 5497.16 feet; thence N 03°49'05" W, a distance of 587.46 feet; thence N 01°37'59" W, a distance of 4479.07 feet; thence departing said Westerly Maintained Right of Way line of said "Relay Road 12", N 89°06'20" E, a distance of 5358.28 to the POINT OF BEGINNING.

Together with:

PARCEL 2 - TRACT "D"

A parcel of land lying in Sections 2, 3, 9, 10, 11, 14, 15, 16, 21, 22 and 23, Township 14 South, Range 30 East, Flagler County, Florida, and being more particularly described as follows:

BEGIN at the Southeast corner of Section 21, Township 14 South, Range 30 East, Flagler County, Florida; thence on the South line of said Section 21, S 89°49'43" W, a distance of 347.16 feet to a point on the Easterly Right of Way line of a Florida Power and Light Company Right of Way as recorded in, Official Records Book 215, Page 141 of the Public Records of Flagler County, Florida; thence departing said South line and on the Easterly Right of Way line of said Florida Power and Light Company Right of Way through the following courses: N 1°00'03" W, a distance of 785.64 feet; thence N 0°50'45" W, a distance of 11098.95 feet; thence N 42°58'43" E, a distance of 3248.83 feet; thence S 47°01'17" E, a distance of 50.00 feet; thence N 42°58'43" E, a distance of 131.86 feet; thence N 22°02'08" W, a distance of 131.86 feet; thence S 67°57'52" W, a distance of 50.00 feet; thence N 22°02'08" W, a distance of 2248.01 feet to a point on the Centerline of the Maintained Right of Way of "Relay Road 4" (a Private Road); thence departing the Easterly Right of Way line of said Florida Power and Light Company Right of Way and on the Centerline of the Maintained Right of Way of said "Relay Road 4" through the following courses: thence N 76°58'32" E, a distance of 512.51 feet; thence N 81°15'55" E, a distance of 285.07 feet; thence N 76°39'33" E, a distance of 800.98 feet; thence N 80°05'16" E, a distance of 1282.86 feet; thence N 87°04'43" E, a distance of 1051.01 feet; thence S 89°00'18" E, a distance of 599.18 feet to a point on the Centerline of the Maintained Right of Way of "Relay Road 5" (a Private Road); thence departing the Centerline of the Maintained Right of Way of "Relay Road 4" and on the Centerline of the Maintained Right of Way of said "Relay Road 5", through the following courses: S 10°45'32" W, a distance of 233.99 feet; thence S 36°28'10" W, a distance of 243.07 feet; thence S 48°26'49" W, a distance of 247.18 feet; thence S 19°14'57" W, a distance of 230.24 feet; thence S 6°39'36" W, a distance of 550.91 feet; thence S 2°34'49" E, a distance of 645.45 feet; thence S 7°58'50" E, a distance of 811.14 feet; thence S 5°38'10" E, a distance of 897.04 feet; thence S 0°22'30" E, a distance of 1045.82 feet; thence S 8°48'44" W, a distance of 157.25 feet; thence S 40°48'02" W, a distance of 154.68 feet; thence S 57°33'48" W, a distance of 1491.56 feet; thence S 49°10'50" W, a distance of 162.05 feet; thence S 15°20'26" W, a distance of 159.07 feet; thence S 2°36'37" E, a distance of 134.60 feet; thence S 25°49'43" E, a distance of 172.43 feet; thence S 34°58'17" E, a distance of 196.85 feet; thence S 29°46'37" E, a distance of 1621.36 feet; thence S 45°09'48" E, a distance of 504.10 feet; thence departing the Centerline of the Maintained Right of Way of said "Relay Road 5", N 89°21'12" E, a distance of 4768.94 feet; thence S 0°43'27" E, a distance of 3483.72 feet to a point on the North line of Section 23, Township 14 South, Range 30 East, Flagler County, Florida; thence on said North line, S 88°56'35" W, a distance of 870.72 feet to the Northeast corner of the West 3/4 of the Northwest 1/4 of the Northeast 1/4 of said Section 23; thence departing said North line and on the East line of the West 3/4 of the Northwest 1/4 of the Northeast 1/4 of said Section 23, S 1°10'11" E, a distance of 1318.43 feet to the Southeast corner of the West 3/4 of the Northwest 1/4 of the Northeast 1/4 of said Section 23; thence departing said East line and on the South line of the West 3/4 of the Northwest 1/4 of the Northeast 1/4 of said

Section 23, S 89°11'22" W, a distance of 1002.43 feet to the Southwest corner of the West 3/4 of the Northwest 1/4 of the Northeast 1/4 of said Section 23; thence departing said South line and on the East line of the Northwest 1/4 of said Section 23, S 0°59'18" E, a distance of 1313.31 feet to the Southeast corner of the Northwest 1/4 of said Section 23; thence departing said East line and on the South line of the Northwest 1/4 of said Section 23, S 89°30'49" W, a distance of 2670.27 feet to the Southwest corner of the Northwest 1/4 of said Section 23; thence departing said South line and on the West line of said Section 23, S 1°57'19" E, a distance of 2685.77 feet to the Southwest corner of said Section 23, the same being the Southeast corner of Section 22, Township 14 South, Range 30 East, Flagler County, Florida; thence departing said West line and on the South line of said Section 22, S 89°38'58" W, a distance of 5292.80 feet to the POINT OF BEGINNING.

Together with:

#### PARCEL 2 – TRACT "E"

A parcel of land lying in Sections 13, 23 and 24, Township 14 South, Range 29 East, Flagler County, Florida, and lying in Sections 32 and 33, Township 13 South, Range 30 East, Flagler County, Florida and lying in Sections 3, 4, 5, 8, 9, 10, 16, 17, 18, 19, 20 and 21, Township 14 South, Range 30 East, Flagler County, Florida and being more particularly described as follows:

COMMENCE at the Southeast corner of Section 21, Township 14 South, Range 30 East, Flagler County, Florida; thence on the South line of said Section 21, S 89°49'43" W, a distance of 647.19 feet to a point on the Westerly Right of Way line of a Florida Power and Light Company Right of Way as recorded in, Official Records Book 215, Page 141 of the Public Records of Flagler County, Florida for the POINT OF BEGINNING; thence continue on the South line of said Section 21, S 89°49'43" W, a distance of 4718.82 feet to the Southeast corner of Section 20, Township 14 South, Range 30 East, Flagler County, Florida; thence on the South line of said Section 20, S 88°47'01" W, a distance of 5298.64 feet to the Southeast corner of Section 19, Township 14 South, Range 30 East, Flagler County, Florida; thence on the South line of said Section 19, S 89°19'45" W, a distance of 5297.80 feet to the Southeast corner of Section 24, Township 14 South, Range 29 East, Flagler County, Florida; thence on the South line of said Section 24, S 89°23'20" W, a distance of 5207.14 feet to a point on the Easterly Right of Way line of State Road 11 (a variable width Right of Way per Florida Department of Transportation Right of Way Maps Section 7305-1237); thence departing said South line and on the Easterly Right of Way line of said State Road 11 through the following courses: N 20°24'51" W, a distance of 2930.37 feet to the beginning of a curve concave Easterly having a radius of 1309.89 feet and a central angle of 46°49'53"; thence on the arc of said curve a distance of 1070.65 feet said arc being subtended by a chord which bears N 03°00'06" E, a distance of 1041.10 feet to the curves end; thence N 26°25'02" E, a distance of 943.90 feet to a point on the Southerly Maintained Right of Way line of an Un-Named Forest Management Road (a Private Road); thence departing said Easterly Right of Way line of said State Road 11

and on the Southerly and Easterly Maintained Right of Way line of said Un-Named Forest Management Road through the following courses: N 85°32'18" E, a distance of 478.40 feet; thence N 82°31'02" E, a distance of 145.70 feet; thence N 88°08'58" E, a distance of 914.53 feet; thence S 67°41'49" E a distance of, 483.36 feet; thence S 68°05'09" E, a distance of 382.72 feet; thence N 89°06'42" E, a distance of 421.46 feet; thence S 71°40'23" E, a distance of 183.41 feet; thence N 75°42'29" E, a distance of 479.29 feet; thence N 70°18'39" E, a distance of 1173.27 feet; thence N 1°19'52" W, a distance of 84.93 feet; thence N 29°56'34" W, a distance of 72.33 feet; thence N 60°26'33" W, a distance of 182.44 feet; thence N 28°46'19" W, a distance of 279.51 feet; thence N 7°10'19" W, a distance of 208.33 feet; thence N 54°45'50" W, a distance of 165.66 feet; thence N 59°13'06" W, a distance of 130.55 feet; thence N 40°38'00" W, a distance of 201.78 feet; thence N 7°14'45" W, a distance of 142.69 feet; thence N 30°27'17" W, a distance of 348.70 feet; thence N 41°04'25" W, a distance of 63.36 feet; thence N 61°19'01" W, a distance of 77.91 feet; thence N 19°47'15" W, a distance of 98.52 feet; thence N 28°13'06" W, a distance of 50.52 feet; thence N 47°22'23" W, a distance of 68.18 feet; thence N 9°23'57" W, a distance of 105.09 feet; thence N 33°52'10" W, a distance of 274.06 feet; thence N 52°54'53" W, a distance of 189.54 feet; thence N 29°25'35" W, a distance of 212.63 feet; thence N 40°17'46" W, a distance of 50.15 feet; thence N 72°29'31" W, a distance of 93.59 feet; thence N 24°05'07" W, a distance of 62.87 feet; thence N 10°24'23" W, a distance of 111.71 feet; thence N 15°15'51" W, a distance of 127.93 feet; thence N 28°38'04" W, a distance of 514.83 feet; thence departing said Southerly and Easterly Maintained Right of Way line of said Un-Named Forest Management Road, N 89°50'18" E, a distance of 3111.09 feet to a point on the Southerly Maintained Right of Way line of "Relay Road 41" (a Private Road); thence on the Southerly Maintained Right of Way line said "Relay Road 41" and its Easterly projection, through the following courses: N 84°05'49" E, a distance of 640.34 feet; thence N 87°04'31" E, a distance of 1376.85 feet; thence N 85°37'18" E, a distance of 3308.37 feet to a point on the Easterly Maintained Right of Way line of "Relay Road 14" (a Private Road); thence on the Easterly Maintained Right of Way line of said "Relay Road 14", through the following courses: N 1°38'24" W, a distance of 2408.29 feet; thence N 1°36'22" W, a distance of 2795.88 feet; thence N 1°30'45" W, a distance of 2591.53 feet; thence N 1°35'50" W, a distance of 3207.05 feet; thence N 2°03'07" W, a distance of 2009.45 feet to the Southwest corner of Section 32, Township 13 South, Range 30 East, Flagler County, Florida; thence departing the Easterly Maintained Right of Way line of said "Relay Road 14", N 88°46'57" E, a distance of 687.93 feet to a point on the Centerline of the Maintained Right of Way of "Relay Road 21" (a Private Road); thence on the Centerline of the Maintained Right of Way of said "Relay Road 21" through the following courses: N 0°25'59" E, a distance of 150.18 feet; thence N 6°37'03" W, a distance of 536.01 feet; thence N 11°16'14" W, a distance of 606.06 feet to the beginning of a curve concave Southeasterly having a radius of 335.85 feet and a central angle of 71°05'56"; thence on the arc of said curve a distance of 416.76 feet said arc being subtended by a chord which bears N 24°16'44" E, a distance of 390.53 feet to the curves end; thence N 59°49'42" E, a distance of 438.34 feet to the beginning of a curve concave Northwesterly having a radius of 267.00 feet and a central angle of 71°26'49"; thence on the arc of said curve a distance of 332.94 feet said arc being subtended by a chord which bears N 24°06'18" E, a distance of 311.79 feet to the

curves end; thence N 11°37'07" W, a distance of 1223.86 feet to the beginning of a curve concave Southeasterly having a radius of 233.00 feet and a central angle of 116°23'25"; thence on the arc of said curve a distance of 473.31 feet said arc being subtended by a chord which bears N 46°34'36" E, a distance of 396.03 feet to the curves end; thence S 75°13'42" E, a distance of 1327.37 feet; thence S 78°01'36" E, a distance of 518.35 feet; thence S 63°38'56" E, a distance of 2303.63 feet; thence S 72°22'36" E, a distance of 146.11 feet to the beginning of a curve concave Southwesterly having a radius of 85.00 feet and a central angle of 69°39'15"; thence on the arc of said curve a distance of 103.33 feet said arc being subtended by a chord which bears S 37°32'58" E, a distance of 97.09 feet to the curves end; thence S 2°43'21" E, a distance of 1294.37 feet; thence S 19°28'38" E, a distance of 248.00 feet; thence S 2°20'20" E, a distance of 463.96 feet; thence departing the Centerline of the Maintained Right of Way of "Relay Road 21", S 88°49'10" E, a distance of 1177.70 feet; thence N 46°39'50" E, a distance of 221.07 feet; thence N 14°37'45" E, a distance of 307.75 feet; thence N 63°32'28" E, a distance of 422.87 feet; thence S 85°26'12" E, a distance of 400.06 feet; thence S 75°16'42" E, a distance of 235.73 feet; thence S 47°50'56" E, a distance of 357.80 feet; thence S 27°30'57" E, a distance of 347.29 feet; thence S 71°45'23" E, a distance of 188.69 feet; thence S 40°04'33" E, a distance of 712.94 feet; thence S 27°24'47" E, a distance of 424.67 feet; thence S 5°17'48" E, a distance of 526.22 feet; thence S 61°46'39" E, a distance of 265.05 feet; thence N 16°56'59" E, a distance of 208.92 feet; thence N 12°16'37" E, a distance of 321.13 feet; thence N 20°34'25" E, a distance of 394.57 feet; thence N 63°59'11" E, a distance of 237.48 feet; thence N 40°36'39" E, a distance of 302.36 feet; thence N 71°39'06" E, a distance of 147.23 feet; thence S 68°11'27" E, a distance of 403.35 feet to a point on the Westerly Right of Way line of a Florida Power and Light Company Right of Way as recorded in, Official Records Book 215, Page 141 of the Public Records of Flagler County, Florida; thence on the Westerly Right of Way line of said Florida Power and Light Company Right of Way through the following courses: S 0°26'57" E, a distance of 1278.44 feet; thence S 89°33'03" W, a distance of 100.00 feet; thence S 0°26'57" E, a distance of 69.06 feet; thence S 22°02'08" E, a distance of 69.06 feet; thence N 67°57'52" E, a distance of 100.00 feet; thence S 22°02'08" E, a distance of 5280.14 feet; thence S 42°58'43" W, a distance of 3178.33 feet; thence N 47°01'17" W, a distance of 50.00 feet; thence S 42°58'43" W, a distance of 120.11 feet; thence S 0°50'45" E, a distance of 120.11 feet; thence N 89°09'15" E, a distance of 50.00 feet; thence S 0°50'45" E, a distance of 11120.02 feet; thence S 1°00'03" E, a distance of 781.70 feet to the POINT OF BEGINNING.

Together with:

#### PARCEL 2 – TRACT "F"

A parcel of land lying in Sections 12, 13 and 24, Township 14 South, Range 29 East, Flagler County, Florida, and lying in Sections 5, 6, 7, 8, 17 and 18, Township 14 South, Range 30 East, Flagler County, Florida and being more particularly described as follows:

COMMENCE at the Northeast Corner of Section 6, Township 14 South, Range 29 East, Flagler County, Florida for the POINT OF BEGINNING; thence on the North line of said Section 6, S 89°45'33" W, a distance of 2593.13 feet to a point on the Easterly Right of Way line of State Road 11 (a variable width Right of Way per Florida Department of Transportation Right of Way Maps Section 7305-1237) said point being on a curve concave Southeasterly having a radius of 2939.79 feet and a central angle of 26°32'24"; thence departing said North line and on the Easterly Right of Way line of said State Road 11 and on the arc of said curve a distance of 1361.74 feet said arc being subtended by a chord which bears S 13°08'50" W, a distance of 1349.60 feet to the curves end; thence continue on said Easterly Right of Way line through the following courses: S 26°25'02" W, a distance of 2034.28 feet; thence S 63°34'58" E, a distance of 47.50 feet; thence S 26°25'02" W, a distance of 15200.38 feet to a point on the Southerly Maintained Right of Way line of an Un-Named Forest Management Road (a Private Road); thence departing the Easterly Right of Way line of said State Road 11 and on the Southerly and Easterly Maintained Right of Way line of said Un-Named Forest Management Road through the following courses: N 85°32'18" E, a distance of 478.40 feet; thence N 82°31'02" E, a distance of 145.70 feet; thence N 88°08'58" E, a distance of 914.53 feet; thence S 67°41'49" E a distance of, 483.36 feet; thence S 68°05'09" E, a distance of 382.72 feet; thence N 89°06'42" E, a distance of 421.46 feet; thence S 71°40'23" E, a distance of 183.41 feet; thence N 75°42'29" E, a distance of 479.29 feet; thence N 70°18'39" E, a distance of 1173.27 feet; thence N 1°19'52" W, a distance of 84.93 feet; thence N 29°56'34" W, a distance of 72.33 feet; thence N 60°26'33" W, a distance of 182.44 feet; thence N 28°46'19" W, a distance of 279.51 feet; thence N 7°10'19" W, a distance of 208.33 feet; thence N 54°45'50" W, a distance of 165.66 feet; thence N 59°13'06" W, a distance of 130.55 feet; thence N 40°38'00" W, a distance of 201.78 feet; thence N 7°14'45" W, a distance of 142.69 feet; thence N 30°27'17" W, a distance of 348.70 feet; thence N 41°04'25" W, a distance of 63.36 feet; thence N 61°19'01" W, a distance of 77.91 feet; thence N 19°47'15" W, a distance of 98.52 feet; thence N 28°13'06" W, a distance of 50.52 feet; thence N 47°22'23" W, a distance of 68.18 feet; thence N 9°23'57" W, a distance of 105.09 feet; thence N 33°52'10" W, a distance of 274.06 feet; thence N 52°54'53" W, a distance of 189.54 feet; thence N 29°25'35" W, a distance of 212.63 feet; thence N 40°17'46" W, a distance of 50.15 feet; thence N 72°29'31" W, a distance of 93.59 feet; thence N 24°05'07" W, a distance of 62.87 feet; thence N 10°24'23" W, a distance of 111.71 feet; thence N 15°15'51" W, a distance of 127.93 feet; thence N 28°38'04" W, a distance of 514.83 feet; thence departing said Southerly and Easterly Maintained Right of Way line of said Un-Named Forest Management Road, N 89°50'18" E, a distance of 3111.09 feet to a point on the Southerly Maintained Right of Way line of "Relay Road 41" (a Private Road); thence on the Southerly Maintained Right of Way line said "Relay Road 41" and its Easterly projection, through the following courses: N 84°05'49" E, a distance of 640.34 feet; thence N 87°04'31" E, a distance of 1376.85 feet; thence N 85°37'18" E, a distance of 3308.37 feet to a point on the Easterly Maintained Right of Way line of "Relay Road 14" (a Private Road); thence on the Easterly Maintained Right of Way line of said "Relay Road 14", through the following courses: N 1°38'24" W, a distance of 2408.29 feet; thence N 1°36'22" W, a distance of 2795.88 feet; thence N 1°30'45" W, a



distance of 2591.53 feet; thence N 1°35'50" W, a distance of 3207.05 feet; thence N 2°03'07" W, a distance of 2009.45 feet to the POINT OF BEGINNING.

Together With:

PARCEL 2 - TRACT "G"

A parcel of land lying in Sections 32 and 33, Township 13 South, Range 30 East, Flagler County, Florida and lying in Section 4, Township 14 South, Range 30 East, Flagler County, Florida and being more particularly described as follows:

BEGIN at the Northwest corner of Section 32, Township 13 South, Range 30 East, Flagler County, Florida; thence on the North line of said Section 32, N 88°43'17" E, a distance of 5344.33 feet to the Northwest corner of Section 33, Township 13 South, Range 30 East, Flagler County, Florida; thence departing the North line of said Section 32 and on the North line of said Section 33, N 89°02'16" E, a distance of 5327.65 feet to a point on the Westerly Right of Way line of a Florida Power and Light Company Right of Way as recorded in, Official Records Book 215, Page 141 of the Public Records of Flagler County, Florida; thence departing said North line and on the Westerly Right of Way line of said Florida Power and Light Company Right of Way through the following courses; S 1°04'34" E, a distance of 1032.17 feet; thence S 0°26'57" E, a distance of 5227.11 feet; thence departing said Westerly Right of Way line, N 68°11'27" W, a distance of 403.35 feet; thence S 71°39'06" W, a distance of 147.23 feet; thence S 40°36'39" W, a distance of 302.36 feet; thence S 63°59'11" W, a distance of 237.48 feet; thence S 20°34'25" W, a distance of 394.57 feet; thence S 12°16'37" W, a distance of 321.13 feet; thence S 16°56'59" W, a distance of 208.92 feet; thence N 61°46'39" W, a distance of 265.05 feet; thence N 5°17'48" W, a distance of 526.22 feet; thence N 27°24'47" W, a distance of 424.67 feet; thence N 40°04'33" W, a distance of 712.94 feet; thence N 71°45'23" W, a distance of 188.69 feet; thence N 27°30'57" W, a distance of 347.29 feet; thence N 47°50'56" W, a distance of 357.80 feet; thence N 75°16'42" W, a distance of 235.73 feet; thence N 85°26'12" W, a distance of 400.06 feet; thence S 63°32'28" W, a distance of 422.87 feet; thence S 14°37'45" W, a distance of 307.75 feet; thence S 46°39'50" W, a distance of 221.07 feet; thence N 88°49'10" W, a distance of 1177.70 feet; thence N 2°20'20" W, a distance of 463.96 feet; thence N 19°28'38" W, a distance of 248.00 feet; thence N 2°43'21" W, a distance of 1294.37 feet to a point on the Centerline of the Maintained Right of Way of "Relay Road 21" (a Private Road) said point being on a curve concave Southwesterly having a radius of 85.00 feet and a central angle of 69°39'15"; thence on the Centerline of the Maintained Right of Way of said "Relay Road 21" and the arc of said curve, a distance of 103.33 feet said arc being subtended by a chord which bears N 37°32'58" W, a distance of 97.09 feet to the curves end; thence continue on the Centerline of the Maintained Right of Way of said "Relay Road 21" through the following courses: N 72°22'36" W, a distance of 146.11 feet; thence N 63°38'56" W, a distance of 2303.63 feet; thence N 78°01'36" W, a distance of 518.35 feet; thence N 75°13'42" W, a distance of 1327.37 feet to the beginning of a curve concave Southeasterly, having a radius of 233.00 feet and a central angle of 116°23'25"; thence on the arc of said curve a distance of 473.31 feet said arc being

subtended by a chord which bears S 46°34'36" W, a distance of 396.03 feet to the curves end; thence S 11°37'07" E, a distance of 1223.86 feet to the beginning of a curve concave Northwesterly, having a radius of 267.00 feet and a central angle of 71°26'49"; thence on the arc of said curve a distance of 332.94 feet said arc being subtended by a chord which bears S 24°06'18" W, a distance of 311.79 feet to the curves end; thence S 59°49'42" W, a distance of 438.34 feet to the beginning of a curve concave Southeasterly, having a radius of 335.85 feet and a central angle of 71°05'56"; thence on the arc of said curve a distance of 416.76 feet said arc being subtended by a chord which bears S 24°16'44" W, a distance of 390.53 feet to the curves end; thence S 11°16'14" E, a distance of 606.06 feet; thence S 6°37'03" E, a distance of 536.01 feet; thence S 0°25'59" W, a distance of 150.18 feet; thence departing the Centerline of the Maintained Right of Way of said "Relay Road 21", S 88°46'57" W, a distance of 687.93 feet to the Southwest corner of aforesaid Section 32, Township 13 South, Range 30 East, Flagler County, Florida; thence on the West line of said Section 32, N 1°27'57" W, a distance of 5551.65 feet to the POINT OF BEGINNING.

Together With:

Parcel 2 - Tract "H"

A parcel of land lying in Sections 21 and 28, Township 13 South, Range 30 East, Flagler County, Florida and being more particularly described as follows:

Commence at the Northeast corner of Section 21, Township 13 South, Range 30 East, Flagler County, Florida; thence on the East line of said Section 21, S 01°38'28" E, a distance of 2912.85 feet the POINT OF BEGINNING; thence continue on said East line, S 01°38'28" E, a distance of 730.84 feet to a point on the Westerly line of a Florida Power & Light Company Right of Way as described in Official Records Book 215, Page 141 of the Public Records of Flagler County, Florida; thence departing said East line and on the Westerly Right of Way line of said Florida Power & Light Company Right of Way as described in Official Records Book 215, Page 141 of the Public Records of Flagler County, Florida through the following courses: S 26°20'10" W, 81.11 feet; thence N 63°39'50" W, a distance of 100.00 feet; thence S 26°20'10" W, a distance of 75.03 feet; thence S 01°46'19" E, 75.03 feet; thence N 88°13'41" E, a distance of 100.00 feet; thence S 01°46'19" E, a distance of 2623.85 feet; thence S 01°04'34" E, a distance of 4164.37 feet to a point on the South line of Section 28, Township 13 South, Range 30 East, Flagler County, Florida; thence departing said Westerly Right of Way line and on the South line of said Section 28, S 89°02'16" W, a distance of 5327.65 feet to the Southwest corner of said Section 28; thence departing said South line and on the West line of said Section 28, N 01°44'05" W, a distance of 5336.53 feet to the Northwest corner of said Section 28, the same being the Southwest corner of aforesaid Section 21; thence on the West line of said Section 21, N 00°36'48" W, a distance of 2959.76 feet to a point on the South line of a parcel of land as described in Official Records Book 1325, Page 871 of the Public Records of Flagler County, Florida; thence on said South line through the following courses: N 89°23'12" E, a distance of 2873.95 feet; thence S 43°02'23" E, a distance of 383.63 feet to the beginning of a curve concave

Southwesterly having a radius of 25.00 feet and a central angle of 66°53'45"; thence on the arc of said curve a distance of 29.19 feet said arc being subtended by a chord which bears S 09°35'31" E, a distance of 27.56 feet to the curves end and a point of reverse curvature a curve concave Northeasterly having a radius of 54.00 feet and a central angle of 156°53'45"; thence on the arc of said curve a distance of 147.87 feet said arc being subtended by a chord which bears S 54°35'31" E, a distance of 105.81 feet to the curves end; thence N 46°57'37" E, a distance of 54.00 feet; thence S 43°02'23" E, a distance of 325.77 feet; thence N 89°25'06" E, a distance of 1908.32 to the POINT OF BEGINNING.

Together With:

PARCEL 2 - TRACT "I"

A parcel of land lying in Sections 10, 15, 16 and 22, Township 13 South, Range 30 East, Flagler County, Florida and being a portion of the subdivision of BUNNELL DEVELOPMENT COMPANY'S LAND at BUNNELL FLORIDA as recorded in Plat Book 1, Page 1, of the Public Records of Flagler County, Florida and being more particularly described as follows:

BEGIN at the Southeast corner of Section 16, Township 13 South, Range 30 East, Flagler County, Florida; thence on the South line of said Section 16, N 89°36'11" W, a distance of 2671.24 feet to the Southwest corner of the Southeast 1/4 of said Section 16; Thence departing said South line and on the West line of the Southeast 1/4 of said Section 16, N 1°32'31" W, a distance of 1328.92 feet to the Northeast corner of the South 1/2 of the Southwest 1/4 of said Section 16; thence departing said West line and on the North line of the South 1/2 of the Southwest 1/4 of said Section 16, N 89°55'51" W, a distance of 805.85 feet to the Southeasterly Right of Way line of State Road 304 (a variable width Right of Way per Florida Department of Transportation Right of Way Maps Section 73510-2601); thence departing said North line and on the Southeasterly Right of Way line of said State Road 304 through the following courses: N 41°47'02" E, a distance of 828.22 feet; thence S 48°12'58" E, a distance of 25.00 feet; thence N 41°47'02" E, a distance of 2771.95 feet to a point on the North line of the Southeast 1/4 of the Northeast 1/4 of aforesaid Section 16; thence departing said Southeasterly Right of Way line and on the North line of the Southeast 1/4 of the Northeast 1/4 of said Section 16, N 89°38'48" E, a distance of 979.85 feet to the Southwest corner of the Northwest 1/4 of the Northwest 1/4 of Section 15, Township 13 South, Range 30 East, Flagler County, Florida; thence departing said North line and on the West line of the Northwest 1/4 of the Northwest 1/4 of said Section 15, N 1°38'39" W, a distance of 1057.12 feet to the Southeasterly Right of Way line of State Road 304 (a variable width Right of Way per Florida Department of Transportation Right of Way Maps Section 73510-2601); thence departing said West line and on the Southeasterly Right of Way line of said State Road 304, N 41°45'47" E, a distance of 1395.30 feet to a point on the Westerly Right of Way line of a Florida Power and Light Company Right of Way as recorded in, Official Records Book 215, Page 141 of the Public Records of Flagler County, Florida; thence departing the Southeasterly Right of Way line of said State

Road 304 and on the Westerly Right of Way line of said Florida Power and Light Company Right of Way, S 16°41'34" E, a distance of 2994.33 feet to a point on the North line of the South 1/2 of Track 10, Block B of the subdivision of BUNNELL DEVELOPMENT COMPANY'S LAND at BUNNELL FLORIDA as recorded in Plat Book 1, Page 1, of the Public Records of Flagler County, Florida; thence departing said Westerly Right of Way line and on the North line of the South 1/2 of said Track 10, Block B, N 86°41'51" W, a distance of 414.48 feet to the Northwest corner of the of the South 1/2 of said Track 10, Block B; thence departing said North line and on the West line of the South 1/2 of said Track 10, Block B, S 1°44'51" E, a distance of 669.93 feet to the Southwest corner of said Track 10, Block B; thence departing said West line and on the South line of said Track 10, Block B, S 86°43'47" E, a distance of 598.21 feet to a point on the Westerly Right of Way line of aforesaid Florida Power and Light Company Right of Way as recorded in, Official Records Book 215, Page 141 of the Public Records of Flagler County, Florida; thence departing said South line and on the Westerly Right of Way line of said Florida Power and Light Company Right of Way through the following courses: S 16°41'34" E, a distance of 1750.17 feet; thence S 26°20'10" W, a distance of 5062.48 feet to a point on the West line of Section 22, Township 13 South, Range 30 East, Flagler County, Florida; thence departing said Westerly Right of Way line and on the West line of said Section 22, N 1°38'28" W, a distance of 3643.68 feet to the Point of Beginning.

Together With:

#### PARCEL 2 - TRACT "J"

A parcel of land lying in Sections 31 and 32, Township 14 South, Range 30 East, Sections 3,4,9,10,11,13,14 and 15, Township 15 South, Range 30 East and in Sections 17 and 18, Township 15 South, Range 31 East, all lying and being in Volusia County, Florida and being more particularly described as follows:

Commence at the Northeast corner of Section 32, Township 14 South, Range 30 East, Volusia County, Florida; thence on the North line of said Section 32, S 89° 26' 37" W, a distance of 929.66 feet to a point 20 feet West of the centerline of a Forest Management Road locally known as Forest Management Road "B", said point being the POINT OF BEGINNING; thence departing said North line and on a line 20 feet West of the centerline of aforesaid Forest Management Road "B" through the following courses, S 29° 00' 58" W, a distance of 710.66 feet; thence S 44° 52' 43" W, a distance of 438.82 feet; thence S 35° 05' 04" W, a distance of 724.86 feet; thence S 35° 16' 31" W, a distance of 697.29 feet; thence S 34° 25' 28" W, a distance of 638.85 feet; thence S 05° 09' 02" E, a distance of 654.24 feet; thence S 00° 07' 38" W, a distance of 157.15 feet; thence S 13° 13' 29" W, a distance of 121.87 feet; thence S 16° 22' 41" W, a distance of 711.44 feet; thence S 02° 05' 12" W, a distance of 406.43 feet; thence S 06° 45' 50" E, a distance of 912.39 feet; thence S 06° 53' 15" E, a distance of 852.23 feet to the Northerly Right of Way line of State Road 40, a 200 feet wide Right of Way per Florida Department of Transportation Right of Way Map, Section 79100-2503; thence on said Northerly Right of Way line of State Road 40 through the following courses, S 74° 23'

23" W, a distance of 3070.73 feet to the beginning of a curve concave to the North having a radius of 5661.65 feet and a central angle of 07° 46' 30"; thence on the arc of said curve a distance of 768.28 feet, said arc being subtended by a chord which bears S 78° 16' 38" W, a distance of 767.69 feet to the curves end; thence S 82° 09' 53" W, a distance of 1700.46 feet to a point 20 feet East of the centerline of a Forest Management Road locally known as Forest Management Road "A"; thence departing the Northerly Right of Way line of aforesaid State Road 40 and on a line 20 feet East of the centerline of aforesaid Forest Management Road "A" through the following courses, N 12° 44' 55" E, a distance of 1347.80 feet; thence N 23° 08' 22" E, a distance of 182.04 feet; thence N 42° 32' 13" E, a distance of 183.72 feet; thence N 60° 00' 18" E, a distance of 103.80 feet; thence N 77° 48' 25" E, a distance of 126.84 feet; thence S 88° 11' 11" E, a distance of 79.27 feet; thence N 68° 20' 24" E, a distance of 57.73 feet; thence N 16° 44' 18" E, a distance of 71.03 feet; thence N 10° 38' 13" W, a distance of 1352.46 feet; thence N 10° 40' 05" W, a distance of 1291.34 feet; thence N 13° 34' 29" W, a distance of 344.53 feet; thence N 21° 33' 25" W, a distance of 1169.70 feet; thence N 21° 56' 54" W, a distance of 653.58 feet; thence N 21° 36' 29" W, a distance of 769.11 feet; thence N 40° 46' 37" W, a distance of 527.19 feet to a point on the North line of Section 31, Township 14 South, Range 30 East, Volusia County, Florida; thence on the North line of said Section 31, N 89° 26' 37" E, a distance of 3865.19 feet to the Northeast corner of said Section 31, the same being the Northwest corner of aforesaid Section 32, Township 14 South, Range 30 East, Volusia County, Florida; thence on the North line of said Section 32, N 89° 26' 37" E, a distance of 4349.80 feet to the POINT OF BEGINNING.

Together With:

PARCEL 4 – TRACT "K"

Commence at the Southeast corner of Section 17, Township 15 South, Range 31 East, Volusia County, Florida; thence on the South line of said Section 17, S 88° 39' 52" W, a distance of 5311.55 feet to the Southwest corner of said Section 17, the same being the Southeast corner of Section 18, Township 15 South, Range 31 East, Volusia County, Florida; thence on the South line of said Section 18, S 88° 39' 52" W, a distance of 5316.86 feet to the Southwest corner of said Section 18, the same being the Southeast corner of Section 13, Township 15 South, Range 30 East, Volusia County, Florida; thence on the South line of said Section 13, S 88° 59' 03" W, a distance of 828.38 feet to a point on the Westerly line of a Florida Power and Light Company Right of Way as recorded in Official Records Book 2452, Page 540 of the Public Records of Volusia County, Florida, said point being the POINT OF BEGINNING; thence continue on the South line of said Section 13, S 88° 59' 03" W, a distance of 4483.97 feet to the Southwest corner of said Section 13, the same being the Southeast corner of Section 14, Township 15 South, Range 30 East, Volusia County, Florida; thence on the South line of said Section 14, S 88° 42' 00" W, a distance of 2638.88 feet to the Southeast corner of the Southwest 1/4 of said Section 14; thence continue on the South line of said Section 14, S 88° 44' 35" W, a distance of 2633.47 feet to the Southwest corner of said Section 14, the same being the Southeast corner of Section 15, Township 15

South, Range 30 East, Volusia County, Florida; thence on the South line of the East 1/2 of said Section 15, S 89° 24' 13" W, a distance of 2668.10 feet to the Southwest corner of the East 1/2 of said Section 15; thence departing said South line and on the West line of the East 1/2 of said Section 15, N 00° 27' 35" W, a distance of 1339.92 feet to the Southeast corner of the East 1/2 of the Northeast 1/4 of the Southwest 1/4 of said Section 15; thence departing said West line and on the South line of the East 1/2 of the Northeast 1/4 of the Southwest 1/4 of said Section 15, S 89° 21' 21" W, a distance of 667.60 feet to the Southwest corner of the East 1/2 of the Northeast 1/4 of the Southwest 1/4 of said Section 15; thence departing said South line and on the West line of the East 1/2 of the Northeast 1/4 of the Southwest 1/4 of said Section 15, N 00° 29' 03" W, a distance of 1339.36 feet to the Northwest corner of the East 1/2 of the Northeast 1/4 of the Southwest 1/4 of said Section 15; thence departing said West line and on the South line of the Northwest 1/4 of said Section 15, S 89° 18' 30" W, a distance of 2004.51 feet to the Southwest corner of the Northwest 1/4 of said Section 15; thence departing said South line and on the West line of the Northwest 1/4 of said Section 15, N 00° 33' 27" W, a distance of 2681.18 feet to the Northwest corner of said Section 15, the same being the Southeast corner of Section 9, Township 15 South, Range 30 East, Volusia County, Florida; thence departing said West line and on the South line of the East 1/2 of said Section 9, S 88° 52' 36" W, a distance of 2610.14 feet to the Southwest corner of the East 1/2 of said Section 9; thence departing said South line and on the West line of the East 1/2 of said Section 9, N 01° 34' 25" W, a distance of 5270.67 feet to the Northwest corner of the East 1/2 of said Section 9, the same being the Southwest corner of the East 1/2 of Section 4, Township 15 South, Range 30 East, Volusia County, Florida; thence on the West line of the East 1/2 of said Section 4, N 00° 16' 16" W, a distance of 2972.04 feet to a point on the Southerly Right of Way line of State Road 40, a 200 feet wide Right of Way per Florida Department of Transportation Right of Way Map, Section 79100-2503, said point being on a curve concave to the North having a radius of 5861.65 feet and a central angle of 06° 51' 35"; thence departing said West line and on said Southerly Right of Way line of State Road 40 and on the arc of said curve a distance of 701.78 feet, said arc being subtended by a chord which bears N 77° 49' 10" E, a distance of 701.36 feet to the curves end; thence continue on said Southerly Right of Way line of State Road 40, N 74° 23' 23" E, a distance of 3071.83 feet to a point 20 feet West of the centerline of a Forest Road locally known as Forest Management Road "B"; thence departing the Southerly Right of Way line of State Road 40 and on a line 20 feet West of the centerline of aforesaid Forest Management Road "B" through the following courses, S 18° 33' 39" E, a distance of 937.03 feet; thence S 18° 45' 34" E, a distance of 709.38 feet; thence S 18° 32' 13" E, a distance of 496.41 feet; thence S 26° 53' 00" E, a distance of 89.78 feet; thence S 49° 23' 17" E, a distance of 103.20 feet; thence S 59° 04' 17" E, a distance of 279.13 feet; thence S 52° 23' 12" E, a distance of 124.74 feet; thence S 32° 27' 25" E, a distance of 231.99 feet; thence S 32° 03' 38" E, a distance of 241.75 feet; thence S 34° 35' 32" E, a distance of 598.98 feet; thence S 39° 26' 42" E, a distance of 171.82 feet; thence S 44° 13' 57" E, a distance of 1374.87 feet; thence S 40° 58' 25" E, a distance of 1023.75 feet; thence S 40° 57' 20" E, a distance of 1522.12 feet; thence S 41° 52' 28" E, a distance of 1301.42 feet; thence S 22° 14' 32" E, a distance of 113.06 feet; thence S 12° 01' 10" E, a distance of 1003.87 feet; thence S 11° 38' 03" E, a distance of 700.17

feet to a point on the North line of Section 14, Township 15 South, Range 30 East, Volusia County, Florida; thence on the North line of said Section 14, N 88° 55' 30" E, a distance of 3990.49 feet to Northeast corner of said Section 14, the same being the Northwest corner of Section 13, Township 15 South, Range 30 East, Volusia County, Florida; thence on the North line of said Section 13, N 89° 22' 49" E, a distance of 3305.64 feet to a point on the Westerly line of the aforesaid Florida Power and Light Company Right of Way as recorded in Official Records Book 2452, Page 540 of the Public Records of Volusia County, Florida; thence departing said North line and on the Westerly line of said Florida Power and Light Company Right of Way, S 21° 25' 08" E, a distance of 1264.30 feet ; thence continue on the Westerly line of said Florida Power and Light Company Right of Way, S 10° 39' 05" E, a distance of 4200.89 feet to the POINT OF BEGINNING.

Together With:

PARCEL 2 – TRACT "L"

Commence at the Southeast corner of Section 17, Township 15 South, Range 31 East, Volusia County, Florida; thence on the South line of said Section 17, S 88° 39' 52" W, a distance of 1327.89 feet to the Southeast corner of the Southwest 1/4 of the Southeast 1/4 of said Section 17 and the POINT OF BEGINNING; thence continue on the South line of said Section 17, S 88° 39' 52" W, a distance of 3983.66 feet to Southwest corner of said Section 17, the same being the Southeast corner of Section 18, Township 15 South, Range 31 East, Volusia County, Florida; thence on the South line of said Section 18, S 88° 39' 52" W, a distance of 5316.86 feet to the Southwest corner of said Section 18, the same being the Southeast corner of Section 13, Township 15 South, Range 30 East, Volusia County, Florida; thence on the South line of said Section 13, S 88° 59' 03" W, a distance of 524.08 feet to a point on the Easterly line of a Florida Power and Light Company Right of Way as recorded in Official Records Book 2452, Page 540 of the Public Records of Volusia County, Florida; thence departing said South line and on the Easterly line of said Florida Power and Light Company Right of Way, N 10° 39' 05" W, a distance of 351.79 feet; thence continue on the Easterly line of said Florida Power and Light Company Right of Way, N 10° 13' 38" W, a distance of 4090.33 feet ; thence continue on the Easterly line of said Florida Power and Light Company Right of Way, N 21° 25' 07" W, a distance of 1002.42 feet to the North line of aforesaid Section 13, Township 15 South, Range 30 East, Volusia County, Florida; thence departing said Easterly line of said Florida Power and Light Company Right of Way and on the North line of said Section 13, N 89° 22' 49" E, a distance of 1593.79 feet to the Northeast corner of said Section 13, the same being the Northwest corner of aforesaid Section 18, Township 15 South, Range 31 East, Volusia County, Florida; thence on the North line of said Section 18, N 89° 07' 44" E, a distance of 5266.05 feet to the Northeast corner of said Section 18, the same being the Northwest corner of aforesaid Section 17, Township 15 South, Range 31 East, Volusia County, Florida; thence on the North line said Section 17, N 88° 46' 28" E, a distance of 1334.66 feet to the Northeast corner of the West 1/2 of the Northwest 1/4 of said Section 17; thence departing said North line and on the East line of the West 1/2 of the Northwest 1/4 of said Section 17, S 01° 25'

22" E, a distance of 2633.79 feet to the Southeast corner of the West 1/2 of the Northwest 1/4 of said Section 17; thence departing said East line and on the South line of the West 1/2 of the Northwest 1/4 of said Section 17, S 88° 43' 11" W, a distance of 1331.27 feet to the Southwest corner of the West 1/2 of the Northwest 1/4 of said Section 17; thence departing said South line and on the West line of said Section 17, S 01° 29' 47" E, a distance of 1317.54 feet to the Northwest corner of the South 1/2 of the Southwest 1/4 of said Section 17; thence departing said West line and on the North line of the South 1/2 of the Southwest 1/4 of said Section 17 and on the North line of the Southwest 1/4 of the Southeast 1/4 of said Section 17, N 88° 41' 31" E, a distance of 3988.73 feet to the Northeast corner of the Southwest 1/4 of the Southeast 1/4 of said Section 17; thence departing said North lines and on the East line of the Southwest 1/4 of the Southeast 1/4 of said Section 17, S 01° 16' 32" E, a distance of 1315.61 feet to the POINT OF BEGINNING.



## LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease") made as of April 17, 2007 ("Effective Date"), between **PLUM CREEK LAND COMPANY**, a Delaware corporation whose Federal ID Number is 91-1920356 ("PLUM CREEK") and **D & E WATER RESOURCES, L.L.C.**, a Delaware limited liability company ("LESSEE").

### WITNESSETH:

1. Granting Clause. PLUM CREEK, in consideration of the covenants, consideration, royalties, and the agreements of LESSEE herein contained, grants, leases and lets unto LESSEE, upon the terms herein set forth, the exclusive right to investigate, explore, prospect, drill and produce potable and non-potable water ("Water") on approximately 7,079.68 acres more or less, located in Volusia County Florida (the "Leased Premises"). A more detailed description of the Leased Premises is attached as Exhibit "A".
2. No Warranty of Title. PLUM CREEK does not warrant title to the Water or the surface rights hereunder. LESSEE covenants with PLUM CREEK that LESSEE's operations shall not violate the rights of any third persons not parties to this Lease, whether those rights are documented or apparent from an examination of the Leased Premises.
3. Limitation of Rights Granted. The rights and privileges granted by this Lease are limited to the rights and privileges PLUM CREEK possesses and has lawful right to lease, and this Lease shall not be construed as leasing or attempting to lease to LESSEE any rights and privileges other or more than those that are vested in PLUM CREEK.
4. Exceptions and Reservations. PLUM CREEK excepts and reserves all oil, gas, timber, and minerals not specifically leased under this Lease for all purposes together with full and free rights of ingress and egress as may be necessary or convenient in the proper development thereof or of other lands. The rights and privileges excepted and reserved to PLUM CREEK shall be exercised with due regard for the operations of LESSEE under this Lease, and in a manner as to not unreasonably interfere with the operations of LESSEE.
5. Primary Term. Subject to the provisions below, this Lease is for a term of twenty years from the Effective Date (the "Primary Term")
6. Delay Rentals. If operations for drilling are not commenced on the Leased Premises on or before one year from the Effective Date, this Lease will terminate unless on or before such anniversary date LESSEE pays PLUM CREEK a delay rental of One Dollar (\$1.00) per acre, which shall cover the privilege of deferring commencement of

drilling operations for 12 months. In like manner and upon like payments annually the commencement of drilling operations may be further deferred for successive 12-month periods during the Primary Term.

7. Rental / Royalty Payments.

- a) Annual Rent. LESSEE shall pay to PLUM CREEK an annual rental payment of \$100.00 per well site, plus sales tax, (the "Annual Rent") all as compensation for the LESSEE's right to PLUM CREEK's property and the impact of LESSEE's right to utilize the surface and the impact of such uses on the Leased Premises.
- b) Royalty Payments In the event that LESSEE withdraws more than 4,000,000 gallons of water per year from the Leased Premises LESSEE shall pay PLUM CREEK the sum of \$0.10 per thousand gallons of water withdrawn from the Leased Premises, plus sales tax, (the "Royalty") all as compensation for the LESSEE'S right to PLUM to withdraw Water from PLUM CREEK's property.
- c) Measurement of Water Production. LESSEE shall measure the Water produced from the Leased Premises with a read-out meter at each wellhead, tank battery and/or sales delivery point. The face of the meter shall be visible to PLUM CREEK at all times and PLUM CREEK's royalty payment for Water shall be based on the full amount of Water production indicated by such meter and not reduced by subsequent loss or shrinkage occurring down-stream. The meter(s) should be calibrated on a regular basis to assure accuracy. Royalty shall be paid on sales delivery volumes.
- d) Adjustments to the Annual Rent and Royalty. At least ninety (90) days but not earlier than one hundred twenty (120) days prior to the end of the third year of this Lease, and within the same period prior to the end of each succeeding 3-year period, LESSEE and PLUM CREEK shall renegotiate the Annual Rent and the Royalty to be paid over the next 3-year period. The purpose of renegotiating the Annual Rent and the Royalty is to reflect the increase in the fair value of the Leased Premises, the rights to withdraw Water, and Well Site Production Facilities over the last 3-year period.
- e) Resolution of Impasse. If LESSEE and PLUM CREEK are unable to agree on the amount of increase in the Annual Rent or the Royalty to be paid over the subject 3-year period, then at least forty-five (45) days but not earlier than ninety (90) days prior to the commencement of the subject 3-year period, LESSEE and PLUM CREEK shall agree upon a qualified appraiser who will calculate the increase in the Annual Rent and/or the Royalty to be paid over the subject 3-year period. If the parties are unable to agree upon an appraiser to be used, then LESSEE and PLUM CREEK shall select a qualified appraiser of its choice and make the calculations, and the average of the two appraisers shall be binding on the parties. Calculations by the appraiser or appraisers shall in either case be made and delivered to LESSEE and PLUM CREEK at least fifteen (15) days prior to the commencement of the subject 3-year period. Neither the calculations of the appraiser or appraisers nor

anything contained herein shall operate to reduce the Annual Rent or the Royalty below the amount of the Annual Rent or the Royalty in effect at the time the negotiations or calculations are conducted as set forth herein or below the then existing Annual Rent or Royalty plus inflation using the compounded index percentage approved for regulated water and wastewater utilities by the Florida Public Service Commission for each intervening year since that last Annual Rent Royalty amount was set.

- f) Effect of Restrictions In addition to renegotiating the Annual Rent and the Royalty every 3 years as set forth above, any time that, in PLUM CREEK's reasonable opinion, the impact of any local, regional, state, or federal rule, ordinance, law, or policy directly or indirectly affects PLUM CREEK's use of the Leased Premises or its other lands not subject to this Lease by further restricting or requiring changes in land or water uses near Well Sites, or as a result of withdrawals or activities related to withdrawals, LESSEE and PLUM CREEK shall renegotiate the Annual Rent and the Royalty. The purpose of this renegotiation shall be to reflect the diminution in value of the affected Leased Premises or other lands of PLUM CREEK. At anytime that PLUM CREEK reasonably deems such diminution in value to have occurred, PLUM CREEK shall notify LESSEE in writing and, within forty-five (45) days thereof, Owner and LESSEE shall renegotiate the Annual Rent and Royalty to compensate PLUM CREEK for the diminution in value. If PLUM CREEK and LESSEE are unable to agree on a renegotiated Annual Rent or Royalty, then LESSEE and PLUM CREEK shall agree upon a qualified appraiser who will calculate such compensation. If the parties are unable to agree upon a qualified appraiser to be used, the PLUM CREEK and LESSEE shall each select a qualified appraiser of its choice to make the necessary calculations, and the average of the two appraisers shall be binding on the parties.

8. Proportionate Reduction of Royalty and Annual Rentals. If PLUM CREEK owns an interest in the Leased Premises less than the entire water rights and royalty related thereto, then the delay rentals and royalties due PLUM CREEK shall be reduced proportionately.

9. Retention of Acreage. Following the Primary Term LESSEE shall be entitled, subject to the other provisions of this Lease, to extend the Lease as to any 5 acre well site and as long thereafter as Water is produced in Paying Quantities from such Well Site. As used in this Lease "Paying Quantities" is Operating Revenue sufficient to pay all Operating Cost of a prudent operator during the prior 12 months of operation on a lease basis. "Operating Revenue" is all revenue from the sale of production attributable to the water well, less the amount of Royalties paid for such production. "Operating Cost" is direct (variable) operating expenses for operating the well. By way of illustration depreciation and administrative overhead cost are not a direct operating expense.

10. Relocation or Abandonment of Wells Sites. If PLUM CREEK shall reasonably determine that for PLUM CREEK's beneficial use of the Leased Premises a Well Site must be relocated, PLUM CREEK will provide a substitute Well Site located as closely as reasonably possible to the one removed, and PLUM CREEK shall bear the expense of such relocation, including cost of plugging. The Royalty shall be renegotiated based upon the costs of such relocation efforts. Upon the abandonment of any Well Site, or the removal from any Well Site, LESSEE shall clean up the Well Site and leave the same in neat and presentable condition.

11. Payment of Taxes, Mortgage or Liens. LESSEE, at its option, may pay any tax, mortgage or other lien bearing upon the Leased Premises and/or PLUM CREEK's water rights with the right to enforce it and apply rentals and royalties accruing hereunder toward recouping the payment.

12. Force Majeure. If any operation permitted or required in this Lease, or the performance by LESSEE of any covenant, agreement or requirement hereof is delayed or interrupted directly or indirectly by any past or future acts, orders, regulations or requirements of the Government of the United States or any state or other governmental body, or any agency, officer, representative or authority of any of them, or because of delay or inability to get materials, labor, equipment or supplies, or on account of any other similar or dissimilar cause beyond the control of LESSEE, the period of such delay or interruption is not counted against LESSEE, and the Primary Term of this Lease is automatically extended, so long as the cause or causes for such delays or interruptions continue and for a period of two months thereafter; and such extended term shall constitute and shall be considered for the purposes of this Lease as a part of the Primary Term. LESSEE shall not be liable to PLUM CREEK in damages for failure to perform any operation permitted, or required hereunder or to comply with any covenant, agreement or requirement hereof during the time LESSEE is relieved from the obligation to comply with such covenants, agreements or requirements. In no event shall the suspension of obligations as permitted under this paragraph exceed two years.

13. LESSEE's Use of the Surface of the Leased Premises.

- a) Notice of Intent to Use the Surface. LESSEE assumes the risk of use of the surface of the Leased Premises and agrees to use the minimum amount of acreage that is necessary for a prudent operator in the operations permitted. LESSEE shall give the surface owner of record at least 30, but not more than 60 days, advance written notice of its intention to use the surface of the Leased Premises. If PLUM CREEK owns the surface, the notice shall be directed to PLUM CREEK's Resource Manager at P.O. Box 808, (Highway 100), Lake Butler, FL 32054 (the "Resource Manager") at least 30, but not more than 60 days, advance written notice of its intention to use the surface of the Leased Premises. With this notice, LESSEE shall include a plat or plats showing the area it plans to use and the location of the proposed facilities. The surface owner may salvage for its account all or so much of the forest products from this area, as it desires within the 30 to 60 days after

receipt of notice. LESSEE shall dispose of the forest products not salvaged by the surface owner from such area, in a manner stipulated by, or acceptable to the surface owner, to prevent hazards from fire and insect infestation to forest products on the Leased Premises and on adjacent lands. LESSEE agrees to pay all costs of improvements to any roads on the Leased Premises the road for its usage, maintain the roads in good condition during such usage, and use the roads in a prudent manner so as not to interfere with PLUM CREEK's use of such roads.

- b) Damage Payments. LESSEE assumes for itself, its agents and invitees, the liability for prompt payment to surface owner for any and all damages to surface owner's property, equipment, timber and other improvements located on the Leased Premises that may be caused by the operations of LESSEE, its agents and invitees on the Leased Premises.

14. Prudent Operator. LESSEE shall conduct its operations on the Leased Premises in a prudent, modern, efficient and safe manner. By way of illustration, but not limitation, LESSEE shall immediately repair any water leaks from pipelines, wellheads or pumping stations located on the Leased Premises.

15. Pipelines. If LESSEE shall construct any pipelines or water distribution systems on the Leased Premises, it shall bury all such pipelines or distribution systems to a minimum depth of 36 inches below the surface of the earth, or at such other depth as may be authorized by PLUM CREEK.

16. Compliance with Regulations. LESSEE shall conduct operations in full compliance with the related regulations established by the appropriate State or Governmental Authority having jurisdiction in such matters. The obligations imposed by this paragraph shall survive expiration or termination of this Lease.

17. Debris. All refuse generated by LESSEE'S operations on the Leased Premises, including without limitation, lunch or snack containers, paper, cans, oilcans, bottles, filters, tires, and discarded equipment, must be disposed of properly away from the Leased Premises.

18. Environmental Definitions. As used in this Lease the term "Environmental Law" shall mean, any federal, state or local law, statute, decree, ordinance, code, rule, or regulation, including, without limiting the generality of the foregoing, the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, the Toxic Substance Control Act of 1976, and any federal, state or local so-called "Superfund" or "Superlien" law or ordinance relating to the emission, discharge, release, threatened release into the environment of any pollutant, contaminant, chemical, hazardous, toxic or dangerous waste, substance or material (including, without limitation, ambient air, surface water, groundwater or land), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or

handling of such substances and any regulations, codes, plans, orders, decrees, judgments, injunctions, notices or demand letters issued, entered, promulgated or approved thereunder. As used herein, the term "Hazardous Material" shall mean any pollutants, contaminants, chemicals, hazardous, toxic or dangerous waste, substance or material, or any other substance or material regulated or controlled pursuant to any Environmental Law now or at any time hereafter in effect, including any other substances defined as "hazardous substances" or "toxic substances" in any Environmental Law.

19. General and Environmental Indemnification. LESSEE shall defend and indemnify and keep indemnified, and hold harmless, PLUM CREEK from and against all actions or causes of action, claims, losses and damages of every kind, including costs and attorney's fees, incident to or in any manner resulting in injury to persons (including employees, agents, representatives, invitees and licensees of LESSEE, or others engaged by LESSEE), and damages to property or other legal consequences growing out of the use and occupancy of the Leased Premises and any and all operations or other work or services contemplated or undertaken thereon by LESSEE, its agents, representatives, or others engaged by it to perform the same, including without limitation all acts of commission or omission of LESSEE, its said agents, representatives, invitees, employees and licensees. LESSEE also indemnifies PLUM CREEK and agrees to hold PLUM CREEK harmless from and against any and all loss, liability, damage, injury, cost, expense and claims of any kind whatsoever paid, incurred or suffered by, or asserted against, PLUM CREEK for, with respect to, or as a direct or indirect result of the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release from the Leased Premises of any Hazardous Material arising out of, in connection with or in any manner related to the use of the Leased Premises by LESSEE, including, without limiting the generality of the foregoing, any loss, liability, damage, injury, cost, expense or claim asserted or arising under any Environmental Law as defined below. This indemnity shall survive the expiration or earlier termination of this Lease.

20. Insurance. LESSEE covenants and agrees to obtain and maintain during the Term of this Lease the following insurance coverage:

- a) General Liability. Commercial General Liability covering claims for bodily injury, death and property damage, including Comprehensive Form, Premises and Operations, Independent Contractors, Products and Completed Operations, Personal Injury, Contractual, Broadform Property Damage, Cross Liability and Hostile Fire liability coverages, with a combined single limit of \$1,000,000 for bodily injury, death and property damage each or per occurrence and \$2,000,000 general aggregate, with pollution coverage, in an amount of not less than \$1,000,000. Additionally, the policy shall not exclude X, C or U (Explosion, Collapse or Underground) or Subsidence. As used in this Lease "Subsidence" is defined as sinking or settling of land caused by heavy rains or man-made caverns. Subsidence does not include earth movement caused by an earthquake.

- b) Umbrella Liability. Excess Liability insurance providing limits of not less than \$10,000,000 each occurrence and annual aggregate over General Liability, Automobile Liability, and Employers Liability.
- c) Environmental Liability. Pollution Legal Liability providing On-Site Clean-up protection and Third Party Off-Site Cleanup of Pollution Conditions, as well as protection for Bodily Injury and Property Damage resulting from operations granted under this Lease. Limit of Liability shall be not less than \$10,000,000. PLUM CREEK shall be an Additional Insured.
- d) Automobile Liability. Comprehensive Automobile Liability covering owned, non-owned, hired and other vehicles, with a combined single limit of \$1,000,000 for bodily injury, death and property damage per occurrence and \$1,000,000 general aggregate.
- e) Fire and Extended Coverage Insurance on Improvements and Personalty. During the Term of this Lease, LESSEE shall keep all improvements, installations, machinery and equipment placed by it and all other personal property placed by it on the Leased Premises continuously insured against loss or damage by theft, fire or lightning (with extended coverage if available) in an amount equal to the fair market value thereof, subject to reasonable and customary deductibles. If at the time of any loss LESSEE is in default to PLUM CREEK, PLUM CREEK may require the proceeds be paid to PLUM CREEK, to satisfy LESSEE's obligations to PLUM CREEK. If LESSEE is not in default under this Lease, the proceeds shall be used for the repair or restoration of the property regarding which loss occurred, if the property is needed for the future development of the Leased Premises.
- f) Workers' Compensation. LESSEE covenants and agrees that all employees of LESSEE or any other persons performing work on the Leased Premises pursuant to this Lease will be fully covered by or insured always by Workers' Compensation. LESSEE shall comply with all applicable Workers' Compensation laws, rules and regulations of the state in which the Leased Premises is located and shall make all necessary contributions or other payments.
- g) Employer's Liability. Employer's Liability insurance in an amount of not less than \$500,000 each accident.
- h) Policy Requirements. All certificates of insurance furnished by LESSEE to evidence insurance coverage shall provide for thirty days written notice by the insurance company to the designated representative of PLUM CREEK before the cancellation, material change or non-renewal of any insurance policy referred to in this Lease. All liability insurance policies shall be written on an "occurrence" policy form and by insurance companies acceptable to PLUM

CREEK with a Best's Key Rating Guide of B+ or better, with a financial rating of at least VI. If LESSEE fails at any time to maintain the insurance coverage as required above, LESSEE shall cease operations immediately and shall not resume operations pursuant to this Lease until after the failure has been corrected. Except for Workers' Compensation Insurance, PLUM CREEK and PLUM CREEK Timber Company, Inc. and its subsidiaries and/or affiliates shall be named as an Additional Insured on all such required policies. The additional insured endorsement must be ISO CG20 10 11 85 or other form with like wording. If the additional insured endorsement is not ISO CG20 10 11 85 or like form, LESSEE must maintain Completed Operations coverage with additional insured extension for a period of two (2) years after completion and acceptance by PLUM CREEK of the work performed. LESSEE shall be responsible for payment of any and all deductibles from insured claims under its policies. The coverage afforded under any insurance policy obtained by LESSEE pursuant to this Paragraph shall be primary coverage regardless of whether or not PLUM CREEK has similar coverage. LESSEE shall not perform any operations on the Leased Premises unless and until evidence of such insurance, including renewals thereof, has been delivered to and approved by PLUM CREEK. PLUM CREEK reserves the right to require a certified copy of the policies or to examine the actual policies. LESSEE shall not self-insure any of the insurance coverages required by this Lease without the prior written consent of PLUM CREEK. The minimum limits of coverage required by this Lease may be satisfied by a combination of primary and excess or umbrella insurance policies. The maintenance of this insurance shall not in any way operate to limit the liability of LESSEE to PLUM CREEK under this Lease.

- i) Certificate of Insurance Evidencing Coverage. LESSEE shall give PLUM CREEK's Resource Manager a certificate of insurance evidencing the above coverage before conducting any operations on the Leased Premises. The certificate shall provide for 10 days written notice by the insurance company to the designated representative of PLUM CREEK before the cancellation, material change or non-renewal of the policy. If LESSEE fails at any time to maintain the insurance coverage as required above, LESSEE shall cease operations on the Leased Premises immediately and shall not resume operations until the failure has been corrected. The coverage afforded under any insurance policy obtained by LESSEE pursuant to this paragraph shall be primary coverage regardless of whether or not PLUM CREEK has similar coverage. Except for Workers' Compensation and employer liability insurance, PLUM CREEK shall be named as additional insured under all policies of insurance issued to LESSEE according to the terms of this Lease. LESSEE shall not self-insure any of the insurance coverage required by this Lease without the prior written consent of PLUM CREEK.

21. Data and Reports to PLUM CREEK. LESSEE agrees it shall furnish PLUM CREEK when practicable after receipt and without cost to PLUM CREEK, copies of Title



Opinions and State or Federal conservation orders or regulations pertaining to the Leased Premises.

22. Retention and Audit of Records. LESSEE shall keep and preserve for at least five years accurate records showing the quantity of Water produced and saved from the Leased Premises in such detail sufficient for PLUM CREEK to verify its Royalty is being properly paid (the "Records"). PLUM CREEK and its agents ("Auditor"), with at least 14 days notice, shall have access at all reasonable business hours to the Records. LESSEE also hereby grants to Auditor, the right to obtain from any purchaser of Water from the Leased Premises information as to the quantity of Water purchased.

23. Surrender of Acreage. LESSEE may at any time execute and deliver to PLUM CREEK or place of record a release or releases covering any portion or portions of the Leased Premises and thereby surrender this Lease as to such portion or portions.

24. Defaults and Remedies.

- a) Default. LESSEE shall be in "Default" if LESSEE shall at any time fail to provide any Monthly Statement when due or fail to pay as and when due any royalty or Damages to the surface owner, under paragraph 13, required to be paid hereunder, and the failure continues for fifteen (15) days after written notification of such Default; provided, however, that if there is a dispute as to the amount due and all undisputed amounts are paid and Monthly Statements received by PLUM CREEK, the 15-day period shall be extended until five days after such dispute is settled by final court decree, arbitration or agreement. LESSEE shall also be in "Default" if LESSEE shall fail to perform or be guilty of a breach of any one or more of any of the terms, conditions, covenants, stipulations, and agreements of this Lease relating to matters other than the payment of money and shall fail within 15 days after written notice of the breach shall have been given by PLUM CREEK to LESSEE, to cure the breach, if cure is possible within the 15 day period, or if not to begin to cure and thereafter diligently pursue cure of any breach, provided that immediately upon receipt of written demand from PLUM CREEK, LESSEE will terminate all mining operations hereunder until such time as LESSEE has cured the breach to the satisfaction of PLUM CREEK.
- b) Forfeiture. If LESSEE is in Default, PLUM CREEK shall have the right to terminate this Lease and to enter the Leased Premises and hold and possess the same, and all the property of the LESSEE thereon, free and acquit from any claims of LESSEE thereto.
- c) Right to take Possession Without Forfeiture. If PLUM CREEK takes possession of the Leased Premises as a result of Default, PLUM CREEK shall have the option, to divide the Leased Premises in any manner PLUM CREEK may determine and to lease the Leased Premises or portions thereof as PLUM CREEK may elect. PLUM CREEK reserves the right to bring action

or proceedings for the recovery of any deficits remaining unpaid, as PLUM CREEK may believe appropriate.

- d) No Waiver. A waiver by PLUM CREEK of any Default under this Lease shall not prevent the right of PLUM CREEK to forfeit this Lease for any other cause, or for the same cause occurring at any other time. The receipt by PLUM CREEK from LESSEE of payments after the occurrence of any Default, or the continued recognition by PLUM CREEK of LESSEE as its tenant after the occurrence of any Default shall not be deemed a waiver of PLUM CREEK's right of forfeiture, so long as the cause of forfeiture continues to exist. Receipt and acceptance by PLUM CREEK of any amounts tendered by LESSEE shall not constitute an agreement by PLUM CREEK that the amounts are the proper amounts due or a waiver of PLUM CREEK's claims for greater amounts. All payments by LESSEE to PLUM CREEK shall apply on the items longest past due, and the receipt of any such payment shall not be a waiver either of the right of distress or the right of forfeiture or any other remedy available to PLUM CREEK with respect to items which remain undischarged after crediting the payments.
- e) Removal of Equipment and Improvements Upon Termination by Default. Upon the termination of this Lease for Default any personal property and all permanent improvements shall, at PLUM CREEK's option, be and become the property of PLUM CREEK or be removed from the Leased Premises at the direction of PLUM CREEK, but at the sole expense of LESSEE.

25. Release of Acreage and Removal of Property and Fixtures. When this lease or any portion of it expires or is terminated, for any reason whatsoever, LESSEE agrees to furnish PLUM CREEK, within 30 days thereafter, a Release covering that portion of the lease so affected in appropriate form and duly executed, in order that the Release may be placed of public record. LESSEE shall have 90 days from the date of the Release to remove from the released acreage any property or fixtures placed by LESSEE on the abandoned land. Unless the time period is extended by written consent of PLUM CREEK, any property or fixtures of LESSEE left on the abandoned land after the appropriate removal date shall, at the option of PLUM CREEK, become PLUM CREEK's property and fixtures or be removed from such land at the direction of PLUM CREEK but at the sole expense of LESSEE.

26. Notices. All notices and payments, except that notice to the Resource Manager, given under the terms of this Lease shall be directed as follows:

To PLUM CREEK:	Plum Creek Land Company Mineral Department One Concourse Parkway, Suite 755 Atlanta, GA 30303 Telecopy: 770-730-7272
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With Copy to: Plum Creek Land Company  
Law Department  
One Concourse Parkway Suite 755  
Atlanta, GA 30303  
Telecopy: 770-671-0211

To LESSEE: D & E WATER RESOURCES, INC.  
Energy and Natural Resources  
999 Third Avenue, Suite 4300  
Seattle, Washington 98104  
Telecopy: 206-467-3786

or to such other address as each party may designate by written notice to the other party. The deposit in the mail of any letter so addressed and with postage prepaid shall, for this Lease, be notice to the addressees of the contents of the letter.

27. Dispute Resolution. Except as otherwise provided herein, in the event of any disputes, claims and other matters in question between PLUM CREEK and LESSEE arising out of the terms and conditions of this Lease and the performance of either party hereunder, PLUM CREEK and LESSEE shall attempt in good faith to resolve such matter promptly by negotiation between senior executives who have authority to settle the controversy and who do not have direct responsibility for administration of this Lease.

28. Liens. LESSEE shall conduct its operations in such a manner as to prevent any lien from being attached to the Leased Premises. If any lien should so attach, LESSEE shall take immediate steps to liquidate the indebtedness represented by the lien to remove the lien from the public records. Always LESSEE shall hold PLUM CREEK harmless and indemnify it against the effect of any such lien or purported lien.

29. No Modification. The terms and conditions of this Lease may not be modified, altered or amended except by a writing that is executed by PLUM CREEK and LESSEE and of equal formality with this Lease.

30. Assignments. This Lease may not be assigned in whole or in part by LESSEE without the prior written consent of PLUM CREEK. In the event of any such assignment, LESSEE shall not be released from its obligation relative to the payment of royalties or from the performance of any of the other obligations or conditions herein contained.

31. Prior Agreements. This Lease constitutes the sole and entire existing agreement between PLUM CREEK and LESSEE and expresses all the obligations of and the restrictions imposed upon PLUM CREEK and LESSEE. All prior agreements and commitments, whether oral or written, between the parties are either superseded by specific paragraphs of this Lease or, without such coverage, specifically withdrawn.

32. Headings. The use of headings in this Lease is solely for the convenience of indexing the various paragraphs and shall in no event limit or defines or otherwise affects any provision in this Lease.

IN WITNESS WHEREOF, this instrument is executed effective the date first above written.

WITNESSES:

*[Signature]*  
*Mendoly E. Bunch*

**PLUM CREEK LAND COMPANY**

By: *[Signature]*  
Title: Director - Law

*Marly M. S.*  
*Annita Jones*

**D & E WATER RESOURCES, L.L.C.**


By: *[Signature]*  
Title: Senior Vice President and  
General Counsel

ACKNOWLEDGMENT

STATE OF GEORGIA

COUNTY OF FULTON

On this the 27th day of April, 2007, personally appeared before me, the undersigned authority in and for the said County and State, within my jurisdiction, the within named Erwin D. Barger, Jr. who acknowledged himself to be the Director - Law of PLUM CREEK LAND COMPANY and that for and on behalf of said corporation, he did sign, seal and deliver the foregoing LEASE AGREEMENT for the purposes mentioned on the day and year therein mentioned, after first having been duly authorized by said limited liability company so to do.

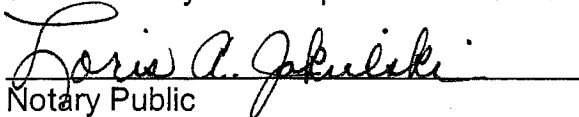
  
Notary Public

My commission expires: February 8, 2009

STATE OF GEORIGIA

COUNTY OF FULTON

On this the 27th day of April, 2007, personally appeared before me, the undersigned authority in and for the said County and State, within my jurisdiction, the within named, James A. Kraft who acknowledged himself to be the Senior Vice President and General Counsel of D & E WATER RESOURCES, L.L.C., and that for and on behalf of said company, he did sign, seal and deliver the foregoing LEASE AGREEMENT for the purposes mentioned on the day and year therein mentioned, after first having been duly authorized by said corporation so to do.

  
Notary Public

My commission expires: February 8, 2009

EXHIBIT "A"

PARCEL 3 - TRACT "A"

A parcel of land lying in Section 36, Township 14 South, Range 29 East, Section 31, Township 14 South, Range 30 East and in Sections 4 and 5, Township 15 South, Range 30 East, all lying and being in Volusia County, Florida and being more particularly described as follows:

BEGIN at the Northwest corner of Section 31, Township 14 South, Range 30 East, Volusia County, Florida; thence on the North line of said Section 31, N 89° 26' 37" E, a distance of 1414.27 feet to a point 20 feet East of the centerline of a Forest Management Road locally known as Forest Management Road "A"; thence departing the North line of said Section 31 and on a line 20 feet East of the centerline of aforesaid Forest Management Road "A" through the following courses: S 40°46'37" E, a distance of 527.19 feet; thence S 21°36'29" E, a distance of 769.11 feet; thence S 21°56'54" E, a distance of 653.58 feet; thence S 21°33'25" E, a distance of 1169.70 feet; thence S 13°34'29" E, a distance of 344.53 feet; thence S 10°40'05" E, a distance of 1291.34 feet; thence S 10°38'13" E, a distance of 1352.46 feet; thence S 16°44'18" W, a distance of 71.03 feet to a point hereafter referred to as "POINT A"; thence returning to the POINT OF BEGINNING proceed on the North line of Section 36, Township 14 South, Range 29 East, Volusia County, Florida, S 89°38'06" W, a distance of 2993.67 feet; to a point on the Easterly Right of Way Line of State Road 11 (a 200 foot right of way, per Florida Department of Transportation Right of Way Maps Sections 7909-104 & 79100-2901); thence departing said North line and on said Easterly Right of Way Line, S 4°38'21" E, a distance of 5362.16 feet to a point on the South line of aforesaid Section 36, Township 14 South, Range 29 East, Volusia County, Florida; thence departing said Easterly Right of Way Line and on the South line of said Section 36 the same being the North Line of the Northwest 1/4 of Section 5, Township 15 South, Range 30 East, Volusia County, Florida, N 88°46'28" E, a distance of 1497.46 feet to the Northwest corner of the Northeast 1/4 of Section 5, Township 15 South, Range 30 East, Volusia County, Florida; thence continue on the South Line of aforesaid Section 36 the same being the North Line of the Northeast 1/4 of Section 5, Township 15 South, Range 30 East, Volusia County, Florida, N 89°06'19" E, a distance of 1320.86 feet; thence departing said North and South lines, S 0°02'24" E, a distance of 2447.12 feet to a point on the Northerly Limited Access Right of Way Line of State Road 40 (per Florida Department of Transportation Right of Way Maps Sections 79100-2503); thence on said Northerly Limited Access Right of Way Line and Northerly Right of Way Line of State Road 40 through the following courses: N 82°09'53" E, a distance of 633.43 feet; thence S 7°50'07" E, 50.00 feet a point on the Northerly Right of Way Line of State Road 40 (a 200 foot right of way, per Florida Department of Transportation Right of Way Maps Sections 79100-2503); thence continue on said Northerly Right of Way Line of State Road 40 through the following courses: N 82°09'53" E, a distance of 3245.96 feet to the beginning of a curve concave Northwesterly having a radius of 5661.65 feet and a

central angle of 7°46'30"; thence on the arc of said curve a distance of 768.28 feet said arc being subtended by a chord that bears N 78°16'38" E, a distance of 767.69 feet to the curves end and a point on a meandering line between an existing pine plantation and wetland said point bearing S 50°15'49" E, a distance of 2075.89 feet from aforesaid "POINT A"; thence departing the Northerly Right of Way Line of State Road 40 and on said meander line between an existing pine plantation and wetland, Northwesterly, a distance of 2272 feet, more or less to aforesaid "POINT A" to close.

LESS Maintained Right of Way for Clifton Cemetery Road, a County Maintained Right of Way.

TOGETHER WITH:

PARCEL 3 – TRACT "B"

A parcel of land lying in Sections 28, 29, 32 and 33, Township 14 South, Range 30 East, and in Sections 2 and 3, Township 15 South, Range 30 East, all lying and being in Volusia County, Florida and being more particularly described as follows:

Begin at the Northwest corner of Section 28, Township 14 South, Range 30 East, Volusia County, Florida; thence on the North line of said Section 28, N 89°49'43" E, a distance of 4718.82 feet to a point on the Westerly Right of Way Line of a Florida Power & Light Company Right of Way as recorded in Official Records Book 2452, Page 540 of the Public Records of Volusia County, Florida; thence departing the North line of said Section 28 and on the Westerly Right of Way Line of said Florida Power & Light Company Right of Way through the following courses: S 1°00'03" E, a distance of 6622.81 feet; thence S 88°59'57" W, a distance of 100.00 feet; thence S 1°00'03" E, a distance of 68.01 feet; thence S 21°24'53" E, a distance of 68.01 feet; thence N 68°35'07" E, a distance of 100.00 feet; thence S 21°24'53" E, a distance of 2921.78 feet to a point on the Northerly Right of Way Line of State Road 40 (a 200 foot right of way, per Florida Department of Transportation Right of Way Map Sections 79100-2503); thence departing said Westerly Right of Way Line and on the Northerly Right of Way Line of said State Road 40, S 74°23'23" W, a distance of 8883.67 feet to a point 20 feet West of the centerline of a Forest Management Road locally known as Forest Management Road "B"; thence departing the Northerly Right of Way Line of said State Road 40 on a line 20 feet West of the centerline of aforesaid Forest Management Road "B" through the following courses: N 6°53'15" W, a distance of 852.23 feet; thence N 6°45'50" W, a distance of 912.39 feet; thence N 2°05'12" E, a distance of 406.43 feet; thence N 16°22'41" E, a distance of 711.44 feet; thence N 13°13'29" E, a distance of 121.87 feet; thence N 0°07'38" E, a distance of 157.15 feet; thence N 5°09'02" W, a distance of 654.24 feet; thence N 34°25'28" E, a distance of 638.85 feet; thence N 35°16'31" E, a distance of 697.29 feet; thence N 35°05'04" E, a distance of 724.86 feet; thence N 44°52'43" E, a distance of 438.82 feet; thence N 29°00'58" E, a distance of 710.66 feet to a point on the South Line of Section 29, Township 14 South, Range 30 East, Volusia County, Florida; thence on the South Line of said Section 29, N 89°26'37" E, a distance of 269.52 feet to the Southwest corner of the East 1/2 of the East 1/4 of

said Section 29; thence departing the South line of said Section 29 and on the West Line of the East 1/2 of the East 1/4 of said Section 29, N 1°07'29" W, a distance of 5409.16 feet to the Northwest corner of the East 1/2 of the East 1/4 of said Section 29; thence departing said West Line and on the North line of the East 1/2 of the East 1/4 of said Section 29, N 88°47'01" E, a distance of 662.33 feet to the POINT OF BEGINNING.

TOGETHER WITH:

PARCEL 3 – TRACT "C"

A parcel of land lying in Sections 27, 28, 33 and 34, Township 14 South, Range 30 East, all lying and being in Volusia County, Florida and being more particularly described as follows:

Begin at the Northeast corner of Section 27, Township 14 South, Range 30 East, Volusia County, Florida; thence on the East Line of said Section 27, S 0°43'05" E, a distance of 5281.63 feet to the Southeast corner of said Section 27, the same being the Northeast corner of Section 34, Township 14 South, Range 30 East, Volusia County, Florida; thence departing the East Line of said Section 27 and on the East Line of said Section 34, S 0°50'04" E, a distance of 2995.90 feet to a point on the Northerly Right of Way Line of State Road 40 (a 200 foot right of way, per Florida Department of Transportation Right of Way Map Sections 79100-2503); thence departing said East Line and on the Northerly Right of Way Line of said State Road 40 the same being on a curve concave Southerly having a radius of 2925.76 feet and a central angle of 18°35'49"; thence on the arc of said curve a distance of 949.64 feet, said arc being subtended by a chord that bears S 83°41'17" W, a distance of 945.48 feet to the curves end; thence continue on the Northerly Right of Way Line of said State Road 40, S 74°23'23" W, a distance of 3756.48 feet to a point on the Easterly Right of Way Line of a Florida Power & Light Company Right of Way as recorded in Official Records Book 2452, Page 540 of the Public Records of Volusia County, Florida; thence departing the Northerly Right of Way Line of State Road 40 and on the Easterly Right of Way Line of said Florida Power & Light Company Right of Way through the following courses: N 21°24'53" W, a distance of 2948.26 feet; thence N 1°00'03" W, a distance of 6614.46 feet to a point on the North Line of Section 28, Township 14 South, Range 30 East, Volusia County, Florida; thence departing said Easterly Line and on the North Line of said Section 28, N 89°49'43" E, a distance of 347.16 feet to the Northeast corner of said Section 28, the same being the Northwest corner of aforesaid Section 27, Township 14 South, Range 30 East, Volusia County, Florida; thence departing the North Line of aforesaid Section 28 and on the North line of said Section 27, N 89°38'58" E, 5292.80 feet to the POINT OF BEGINNING.

TOGETHER WITH:

PARCEL 3 – TRACT "D"



A parcel of land lying in Sections 33 and 34, Township 14 South, Range 30 East, and in Sections 1,2,3,10,11 and 12, Township 15 South, Range 30 East, all lying and being in Volusia County, Florida and being more particularly described as follows:

BEGIN at the Southeast corner of Section 11, Township 15 South, Range 30 East, Volusia County, Florida; thence on the South line of said Section 11, S 88°55'30" W, a distance of 3990.49 feet to a point 20 feet West of the centerline of a Forest Management Road locally known as Forest Management Road "B"; thence departing the South line of said Section 11 and on a line 20 feet West of the centerline of aforesaid Forest Management Road "B" through the following courses: N 11°38'03" W, a distance of 700.17 feet; thence N 12°01'10" W, a distance of 1003.87 feet; thence N 22°14'32" W, a distance of 113.06 feet; thence N 41°52'28" W, a distance of 1301.42 feet; thence N 40°57'20" W, a distance of 1522.12 feet; thence N 40°58'25" W, a distance of 1023.75 feet; thence N 44°13'57" W, a distance of 1374.87 feet; thence N 39°26'42" W, a distance of 171.82 feet; thence N 34°35'32" W, a distance of 598.98 feet; thence N 32°03'38" W, a distance of 241.75 feet; thence N 32°27'25" W, a distance of 231.99 feet; thence N 52°23'12" W, a distance of 124.74 feet; thence N 59°04'17" W, a distance of 279.13 feet; thence N 49°23'17" W, a distance of 103.20 feet; thence N 26°53'00" W, a distance of 89.78 feet; thence N 18°32'13" W, a distance of 496.41 feet; thence N 18°45'34" W, a distance of 709.38 feet; thence N 18°33'39" W, a distance of 937.03 feet to a point on the Southerly Right of Way Line of State Road 40 (a 200 foot right of way, per Florida Department of Transportation Right of Way Map Sections 79100-2503); thence on said Southerly Right of Way Line of State Road 40, N 74°23'23" E, a distance of 8902.90 feet to a point on the Westerly Right of Way Line of a Florida Power & Light Company Right of Way as recorded in Official Records Book 2452, Page 540 of the Public Records of Volusia County, Florida; thence departing the Southerly Right of Way Line of said State Road 40 and on the Westerly Right of Way Line of said Florida Power & Light Company Right of Way through the following courses, S 21°24'53" E, a distance of 8620.26 feet; thence S 60°43'11" W, a distance of 197.04 feet; thence S 00°54'18" W, a distance of 3253.41 feet to a point on the South line of Section 12, Township 15 South, Range 30 East, Volusia County, Florida; thence departing the Westerly Right of Way line of said Power & Light Company Right of Way and on the South line of said Section 12, S 89°22'49" W, a distance of 1775.66 to the POINT OF BEGINNING.

TOGETHER WITH:

PARCEL 3 – TRACT "E"

A parcel of land lying in Sections 34 and 35, Township 14 South, Range 30 East, Sections 1, 2, and 12, Township 15 South, Range 30 East and in Section 7, Township 15 South, Range 31 East, all lying and being in Volusia County, Florida and being more particularly described as follows:

BEGIN at the Northeast corner of Section 12, Township 15 South, Range 30 East, Volusia County, Florida; thence on the East line of said Section 12, S 00°40'00" E, a

distance of 2650.44 feet to the Northwest Corner of the South 1/2 of Section 7, Township 15 South, Range 31 East, Volusia County, Florida; thence departing said East line and on the North line of the South 1/2 of said Section 7, N 89°19'09" E, a distance of 5278.30 feet to the Northeast corner of the South 1/2 of said Section 7; thence departing said North line and on the East line of the South 1/2 of said Section 7, S 00°41'03" E, a distance of 2409.52 feet; to the Northeast corner of the South 230 feet of said Section 7 as recorded in Official Records Book 2622, Page 1169 of the Public Records of Volusia County, Florida; thence departing said East line and on the North line of the South 230 feet of said Section 7, S 89°07'44" W, a distance of 5267.09 feet to the Northwest corner of the South 230 feet of said Section 7; thence departing said North line and on the West line of the South 1/2 of said Section 7, N 00°56'56" W, a distance of 1275.69 feet to a point on the Easterly Right of Way Line of a Florida Power & Light Company Right of Way as recorded in Official Records Book 2452, Page 540 of the Public Records of Volusia County, Florida; thence departing said West line and on said Easterly Right of Way Line of said Florida Power & Light Company Right of Way through the following courses: N 35°48'21" W, a distance of 1384.61 feet; thence S 90°00'00" W, a distance of 1795.79 feet; thence N 21°24'53" W, a distance of 1273.78 feet; thence N 22°17'46" W, a distance of 3904.12 feet; thence N 21°24'53" W, a distance of 4287.20 feet to a point on the Southerly Right of Way Line of State Road 40 (a 200 foot right of way, per Florida Department of Transportation Right of Way Map Sections 79100-2503); thence departing the Easterly Right of Way Line of said Florida Power & Light Company Right of Way and on the Southerly Right of Way Line of said State Road 40 through the following courses: N 74°23'23" E, a distance of 3736.15 feet to the beginning of a curve concave Southerly having a radius of 2725.76 feet and a central angle of 23°10'10"; thence on the arc of said curve a distance of 1102.25 feet said arc being subtended by a chord that bears N 85°58'28" E, a distance of 1094.76 feet to the curves end; thence S 82°26'27" E, a distance of 1305.72 feet to a point on the West line of PLANTATION PINES (an unrecorded subdivision); thence departing said Southerly Right of Way line and on the West line of said PLANTATION PINES (an unrecorded subdivision) S 00°40'09" E, a distance of 1721.08 feet to the Northeast corner of Section 1, Township 15 South, Range 30 East, Volusia County, Florida; thence on the East line of said Section 1, the same being the West line of aforesaid PLANTATION PINES (an unrecorded subdivision), S 00°40'38" E, a distance of 5300.64 feet to the POINT OF BEGINNING.

TOGETHER WITH:

PARCEL 3 – TRACT "F"

A parcel of land lying in Sections 5 and 8, Township 15 South, Range 31 East, all lying and being in Volusia County, Florida and being more particularly described as follows:

Begin at the Northwest corner of Section 5, Township 15 South, Range 31 East, Volusia County, Florida, thence on the North Line of said Section 5, N 89°36'29" E, a distance of 1319.85 feet to the Northeast corner of the West 1/2 of the Northwest 1/4 of said Section 5; thence departing said North Line and on the East Line of the West 1/2 of the

Northwest 1/4 of said Section 5, S 0°43'40" E, a distance of 2635.16 feet to the Southeast corner of the West 1/2 of the Northwest 1/4 of said Section 5, said corner being on the North Line of the Southwest 1/4 of said Section 5; thence departing said East Line and on the North Line of the Southwest 1/4 of said Section 5, N 89°26'21" E, a distance of 1321.45 feet to the Northeast corner of the Southwest 1/4 of said Section 5; thence departing said North Line and on the East line of the Southwest 1/4 of said Section 5, S 0°45'47" E, a distance of 2631.54 feet to the Southeast corner of the Southwest 1/4 of said Section 5, the same being the Northeast corner of the Northeast 1/4 of the Northwest 1/4 of Section 8, Township 15 South, Range 31 East, Volusia County, Florida; thence on the East Line of the Northeast 1/4 of the Northwest 1/4 of said Section 8, S 0°56'00" E, a distance of 1310.73 feet to the Southeast corner of the Northeast 1/4 of the Northwest 1/4 of said Section 8; thence departing said East Line and on the South Line of the Northeast 1/4 of the Northwest 1/4 of said Section 8, S 89°04'11" W, a distance of 1326.03 feet to the Southwest corner of the Northeast 1/4 of the Northwest 1/4 of said Section 8 the same being the Northeast corner of the Southwest 1/4 of the Northwest 1/4 of said Section 8; thence departing said South Line and on the East Line of the Southwest 1/4 of the Northwest 1/4 of said Section 8, S 0°48'30" E, a distance of 1315.24 feet to the Southeast corner of the Southwest 1/4 of the Northwest 1/4 of said Section 8; thence departing said East Line and on the South Line of the Southwest 1/4 of the Northwest 1/4 of said Section 8, S 88°52'31" W, a distance of 1328.91 feet to the Southwest corner of the Northwest 1/4 of said Section 8; thence departing said South Line and on the West Line of the Northwest 1/4 of said Section 8 the same being on the East Line of PLANTATION PINES (an unrecorded subdivision), N 0°41'03" W, a distance of 2639.52 feet to the Northwest Corner of said Section 8, the same being the Southwest corner of the Southwest 1/4 of aforesaid Section 5; thence on the West line of the Southwest 1/4 said Section 5, the same being on the East Line of aforesaid PLANTATION PINES (an unrecorded subdivision), N 0°41'17" W, a distance of 2639.58 feet to the Southwest corner of the West 1/2 of the Northwest 1/4 of said Section 5; thence on the West Line of the West 1/2 of the Northwest 1/4 of said Section 5, the same being on the East Line of aforesaid PLANTATION PINES (an unrecorded subdivision), N 0°41'34" W, a distance of 2639.04 feet to the POINT OF BEGINNING.

## REAL ESTATE LEASE

THIS AGREEMENT, made and entered into this 27<sup>th</sup> day of April, 2007, by and between **PLUM CREEK TIMBERLANDS, L.P.**, a Delaware limited partnership ("LESSOR"), and **D & E WATER RESOURCES, LLC**, a Delaware limited liability company ("LESSEE").

### WITNESSETH:

1. LESSOR, in consideration of the uses, purposes and covenants hereinafter contained and set forth does hereby let, lease and demise unto LESSEE for a term of twenty years, beginning on the 27<sup>th</sup> day of April, 2007, and extending through the 27<sup>th</sup> day of April 2027, after which this Lease shall be self-renewing for successive terms of five (5) year each unless and until canceled by either party by giving written notice of cancellation to the other party at least one hundred eighty (180) days prior to the date of cancellation, approximately 320 acres more or less of lands located in the County of Flagler, State of Florida, as described and attached hereto as Exhibit "A" and made apart hereof as if fully incorporated herein, together with all appurtenances and rights-of-way incident thereto for the sole purpose of operating and maintaining thereon a self-contained wastewater treatment facility .

2. As consideration for this Lease, LESSEE agrees to pay and LESSOR agrees to accept as rent the sum of TWO HUNDRED DOLLARS (\$200.00) DOLLARS per acre per year, payable in advance. Lien is hereby created and given by LESSEE in favor of and to LESSOR upon any and all property of LESSEE which may at any time during the term hereof be in, on or about the above-described premises as security for the payment of the aforesaid rent and observance by LESSEE of the covenants on its part herein contained.

3. LESSEE shall use and occupy said premises only for the purpose of using said demised premises as fully permitted and authorized, self contained, wastewater treatment facility and will not use the same for any other purpose whatsoever. LESSEE shall not use the premises for any illegal purpose or for any other business which may be extra hazardous on account of fire, environmental concerns or otherwise.

4. LESSEE agrees to pay for all electricity, gas, water and telephone services used by it on or about the demised premises.

5. LESSEE shall, at its own expense maintain the premises in a neat, clean and attractive order at all times. LESSEE shall not allow any condition to arise on said premises which will create a sanitation problem or would detract from the appearance of the premises.

6. LESSEE shall comply with all laws and ordinances and with the rules and regulations of any codes of Federal, State or local authority applicable to the use of the premises, including but not limited to, Environmental Laws. LESSEE also specifically agrees to indemnify LESSOR and hold LESSOR harmless from and against any and all loss, liability, damage, injury, cost, expense, including attorneys' fees and claims of any kind whatsoever paid, incurred or suffered by, or asserted against, LESSOR for, with respect to, or as a direct or indirect result of the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release from the Premises of any hazardous material arising out of, in connection with, or in any manner related to the use of the Premises by LESSEE including, without limiting the generality of the foregoing, any loss, liability, damage, injury, cost, expense, including attorneys' fees, or claim asserted or arising under any environmental law. Notwithstanding any provision to the contrary contained in this Lease, the indemnity contained in this Paragraph 6 shall survive the expiration or earlier termination of this right-of-way, however, LESSEE's liability is limited to the directly the use of the leased premises by LESSEE or any acts or omissions of LESSEE, its employees, agents, contractors and/or customers and/or the use of the premises leased hereunder by LESSEE or others. As used herein, the term "Environmental Law" shall mean any federal, state, local or foreign law, statute, decree, ordinance, code, rule, or regulation, including, without limiting the generality of the foregoing, the Comprehensive Environmental Response Compensation and Liability act of 1980, as amended, the Hazardous Materials Transportation Act, the Resource Conservation and Recovery act, the Toxic Substance Control Act of 1976, and any federal, state or local so-called "Superfund" or "Superlien" law or ordinance relating to the emission, discharge, release, threatened release into the environment of

any pollutant, contaminant, chemical, hazardous, toxic or dangerous waste, substance or material (including, without limitation, ambient air, surface water, groundwater or land), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of such substances and any and all regulations, codes, plans, orders, decrees, judgments, injunctions, notices or demand letters issued, entered, promulgated or approved thereunder. As used herein, the term "Hazardous Material" shall mean any pollutants, contaminants, chemicals, hazardous, toxic or dangerous waste, substance or material, or any other substance or material regulated or controlled pursuant to any Environmental Law now or at any time hereafter in effect, including any other substances defined as "hazardous substances" or "toxic substances" in any Environmental Law. LESSEE further agrees that it will indemnify, defend, protect and save harmless LESSOR, its officers, agents and employees, from and against any and all claims, losses, liabilities, attorneys' fees, costs or other expenses arising out of or resulting from any injury, loss or damage to persons or property in, on or about the demised premises. The parties hereto acknowledge and agree that the obligation to indemnify assumed by LESSEE in Paragraphs 6 constitutes additional consideration to LESSOR without which LESSOR would not have agreed to this grant.

7. LESSEE shall be responsible for and shall obtain and pay for any necessary licenses, permits or papers required by any governmental authority, whether State, Federal or local. LESSEE agrees that it will, within thirty (30) days after receipt of a copy of the property tax statement from LESSOR, reimburse and pay to LESSOR the full amount of ad valorem taxes assessed and paid by LESSOR on the property herein described. LESSEE shall also pay all increases in real property or other taxes caused by buildings or other improvements on said premises, and LESSEE shall pay and assess all personal property taxes on personal property placed on the premises by LESSEE.

8. It is agreed that if LESSEE shall abandon or vacate the premises, LESSOR or its representatives may enter the same either by force or otherwise without being liable to any prosecution therefore and occupy or relet the premises on such terms as LESSOR may see fit.

9. If any default be made in the payment of rent or any part thereof at the time specified herein or in the performance of any of the covenants or agreements herein contained to be performed by LESSEE, LESSOR may terminate and cancel said Lease and the relationship of landlord and tenant at the option of LESSOR. In such event LESSOR may re-enter the premises and remove all persons and property therefrom and in such event LESSEE expressly waives the service of any notice in writing of intention to re-enter notice to terminate the tenancy, notice to quit and demand for possession. LESSEE will not assign this Lease or any portion thereof or sublet the premises or any portion thereof without the consent in writing having been first obtained from the LESSOR and then only upon the terms and conditions contained herein. LESSEE herein agrees that LESSOR may unreasonably withhold such consent.

10. All property of whatever kind or nature which may be now or hereinafter placed on or about the above-described premises shall be at the sole risk of LESSEE and LESSOR shall not be liable to the LESSEE for any damage or loss to said property nor for any injury taking place on said premises.

11. All structures or improvements subject to this Lease are leased by LESSOR to LESSEE as-is, where-is, with all faults, and without warranty, express or implied, as to any matter whatsoever, including without limitation, the condition of said structures or improvements, their merchantability or fitness for any particular purpose. LESSOR does not make any warranties, express or implied, that such structures or improvements can be used for any purpose whatsoever.

12. During the term of this Lease, LESSEE agrees that it will obtain and maintain the following coverage: Comprehensive Public Liability Insurance in the amount of not less than \$500,000.00 for any one person injured and \$500,000.00 for any one occurrence, and Property Damage Insurance in the amount of \$250,000.00, along with Vehicular Liability Insurance with all owned, non-owned and hired vehicles in an amount not less than \$500,000.00 for any one person injured, \$500,000.00 for any one accident, and Property Damage Insurance in the amount of \$250,000.00. LESSEE agrees that it will submit to LESSOR a certificate from its insurance carrier showing these coverages to be in full force and effect prior to entering upon said premises. In connection with the public liability insurance mentioned herein, the certificate of insurance furnished LESSOR by LESSEE shall specifically acknowledge and accept the

contractual liability and indemnification commitments assumed by LESSEE under this agreement.

13. LESSEE shall make no alterations, additions or excavations to said premises without the consent of LESSOR having first been obtained in writing.

14. LESSEE agrees that it will not commit waste nor permit waste to be done to the aforesaid property and premises, structures and improvements that at the expiration of this Lease, LESSEE shall promptly and peaceably deliver to LESSOR the aforesaid property and premises, structures and improvements in a good condition, natural wear and tear and the action of the elements excepted. In the event that LESSOR should permit and LESSEE should perform any alteration or excavation on said premises, LESSOR may require LESSEE at the termination of this Lease to restore said property to its condition prior to said alteration or excavation, and LESSEE shall do so if required.

15. At the termination or expiration of this Lease, LESSEE shall remove all buildings and structures placed on the demised premises by LESSEE and shall have any water, gas, telephone, sewer and electrical lines attached to said offices or other structures or to said property disconnected, removed and shut off in a proper and safe manner, all at the expense of the LESSEE. All offices and other structures placed on said property by LESSEE must be removed from said premises within thirty (30) days from the termination or expiration of this Lease and all water, gas, telephone, sewer and electric lines or connections must be properly and safely shut off within thirty (30) days from the expiration or termination of this Lease. In the event that LESSEE should default in this requirement and LESSOR should have to remove said offices or other structures from the premises and/or disconnect, shut off or dismantle water, sewer, gas, telephone or electric lines or connections, LESSEE shall bear the expense of same and shall reimburse LESSOR for all costs and expenses incidental thereto. All property, including offices or other structures placed on said property by LESSEE which have not been removed from said premises within thirty (30) days from the date of the termination or expiration of this Lease shall, at LESSOR's option, become the property of LESSOR.

16. All notices given under the terms of this Lease shall be directed as follows:

To PLUM CREEK: Plum Creek Timberlands, L P



Mineral Department  
One Concourse Parkway , Suite 755  
Atlanta, GA 30328  
Telecopy: 770-730-7272

With Copy to:

Plum Creek Timberlands, L P  
Law Department  
One Concourse Parkway, Suite 755  
Atlanta, GA 30328  
Telecopy: 770-671-0211

To LESSEE:

D & E WATER RESOURCES, INC.  
Energy and Natural Resources  
999 Third Avenue, Suite 4300  
Seattle, Washington 98104  
Telecopy: 206-467-3786

or to such other address as each party may designate by written notice to the other party. The deposit in the mail of any letter so addressed and with postage prepaid shall, for this Lease, be notice to the addressees of the contents of the letter.

17. In the event either party hereto institutes any suit or action to enforce the rights hereunder, the successful party in any such suit or action shall be entitled to recover from the other such sums as the court may adjudge, reasonable attorneys' fees in such suit or action, and on any appeals therefrom, except as provided herein.

19. LESSOR reserves the right to sell the leased property subject to the Lease at any time and further reserves the right to enter upon the leased property at reasonable times for the purpose of showing the leased property to prospective purchasers.

20. In the event that LESSOR by reason of a failure of LESSEE to perform any of the agreements or conditions herein contained shall be compelled to pay or shall pay any sum of money or shall be compelled to do or shall do any act which requires the payment of money than the sum or sums paid or required to be paid, together with all interest, costs and damages shall be added to the installment of rent becoming next due or any subsequent installment of rent and shall be collectible as additional rent in the same manner and with the same remedies as if it had been originally reserved.

21. It is understood and agreed by LESSEE that LESSEE's obligations hereunder with respect to indemnification and compliance with governmental laws, rules, regulations and the indemnities set forth herein shall survive the expiration and termination of this Lease.

22. If any term or provision of this Lease and agreement or the application thereof to any persons or circumstances shall to any extent be invalid or unenforceable, the remainder of this agreement or the application of such term or provisions to persons or circumstances other than those as to which it is invalid and unforeseeable shall not be affected thereby. Any provision of this Lease agreement shall be valid and shall be enforced to the full extent permitted by law. Failure of any party to exercise any rights hereunder shall not constitute a waiver of such right.

23. This Lease sets forth the entire agreement between the LESSEE and LESSOR and any other agreements or representations not contained herein shall be void and of no force or effect. This Lease and agreement may not be amended except by agreement in writing executed by both parties.

24. Except as otherwise provided herein, in the event of any disputes, claims and other matters in question between LESSOR and LESSEE arising out of the terms and conditions of this Lease and the performance of either party hereunder, LESSOR and LESSEE shall attempt in good faith to resolve such matter promptly by negotiation between senior executives who have authority to settle the controversy and who do not have direct responsibility for administration of this Lease.

25. This Lease may not be assigned in whole or in part by LESSEE without the prior written consent of LESSOR. In the event of any such assignment, LESSEE shall not be released from its obligation relative to the payment of royalties or from the performance of any of the other obligations or conditions herein contained.

IN WITNESS WHEREOF, this instrument is executed effective the date first above written.

WITNESSES:

*[Signature]*  
*[Signature]*

**PLUM CREEK TIMBERLANDS, L P**

BY: PLUM CREEK Timber I, L.L.C.

Its: General Partner

By: *[Signature]*

Title: Director - Law

*[Signature]*  
*[Signature]*

**D & E WATER RESOURCES, L.L.C.**

By: *[Signature]*

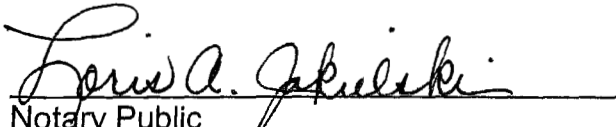
Title: Senior Vice President and  
General Counsel

ACKNOWLEDGMENT

STATE OF GEORGIA

COUNTY OF FULTON

On this the 27th day of April, 2007, personally appeared before me, the undersigned authority in and for the said County and State, within my jurisdiction, the within named Erwin D. Barger, Jr. who acknowledged himself to be the Director - Law of PLUM CREEK TIMBER I, L.L.C. the general partner of PLUM CREEK TIMBERLANDS, L.P., and that for and on behalf of said limited liability company, he did sign, seal and deliver the foregoing REAL ESTATE LEASE for the purposes mentioned on the day and year therein mentioned, after first having been duly authorized by said limited liability company so to do.

  
Notary Public  
My commission expires: February 8, 2009

STATE OF GEORGIA

COUNTY OF FULTON

On this the 27th day of April, 2007, personally appeared before me, the undersigned authority in and for the said County and State, within my jurisdiction, the within named, James A. Kraft who acknowledged himself to be the Senior Vice President and General Counsel of D & E WATER RESOURCES, L.L.C., and that for and on behalf of said company, he did sign, seal and deliver the foregoing REAL ESTATE LEASE for the purposes mentioned on the day and year therein mentioned, after first having been duly authorized by said corporation so to do.

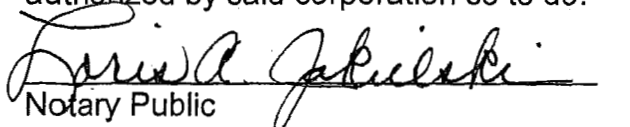
  
Notary Public  
My commission expires: February 8, 2009

EXHIBIT "A"

North Half of Section 18, Township 14 South, Range 30 East, Flagler County, Florida