

State of Florida



# Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** January 24, 2012  
**TO:** Ann Cole, Commission Clerk, Office of Commission Clerk  
**FROM:** Stephen B. Fletcher, Public Utilities Supervisor, Division of Economic Regulation  
**RE:** Docket No. 110264-WS - Application for increase in water and wastewater rates in Pasco County by Labrador Utilities, Inc.

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BF

Please included the attached e-mail and property lease agreement into the docket file referenced above.

RECEIVED FPSC  
12 JAN 24 PM 3:20  
COMMISSION  
CLERK

DOCUMENT NUMBER-DATE

00481 JAN 24 2012

FPSC-COMMISSION CLERK

**Bart Fletcher**

**From:** Martin Friedman [MFriedman@sfflaw.com]  
**Sent:** Monday, January 23, 2012 4:51 PM  
**To:** Bart Fletcher  
**Cc:** James McRoy; Rick Durham; Patrick Flynn  
**Subject:** {BULK} Labrador Utilities Rate Case  
**Importance:** Low  
**Attachments:** Property Lease with Co-Op.pdf

Bart,

Although it seems to me that if the HOA wants to intervene based on the Lease they should, at least, provide the Staff with a legible copy. Nonetheless, attached is a copy I pulled from the PSC on-line docket from the transfer application in 2002. Let me know if you need anything else other than the 2 others you requested.

Regards, Marty

**MARTIN S. FRIEDMAN**

**PLEASE NOTE: Our changed firm name and email address.  
Please update your contacts accordingly. Thank you.**

**SUNDSTROM,  
FRIEDMAN & FUMERO, LLP**  
Attorneys Counselors



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**Tallahassee • Lake Mary • Boca Raton**

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DOCUMENT NUMBER-DATE

00481 JAN 24 02

FPSC-COMMISSION CLERK

1/24/2012

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

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

**R E C I T A L S**

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

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

6. Lessor and Lessee desire to set forth herein the terms and conditions under which the Lessee shall be granted the sole and exclusive right to use the Leased Premises to operate and maintain the Systems and shall be granted the sole and exclusive right to provide water and wastewater utility services to the residents of the Parks.
7. The Parties have negotiated in good faith and are empowered to be bound by the terms and conditions set forth in this Agreement.

ACCORDINGLY, for and in consideration of the sum of Ten (\$10.00) Dollars, the above Recitals and benefits to be derived from the mutual observation of the covenants contained herein, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

SECTION 1. AGREEMENT TO LEASE. Subject to the terms and conditions hereinafter set forth, Lessor hereby demises and leases the Leased Premises exclusively to Lessee and Lessee does hereby hire and take the Leased Premises from Lessor.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### SECTION 17. SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT.

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

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

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

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

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

SECTION 18. RADON GAS. RADON IS A NATURALLY OCCURRING RADIOACTIVE GAS THAT, WHEN IT HAS ACCUMULATED IN A BUILDING IN SUFFICIENT QUANTITIES, MAY PRESENT HEALTH RISKS TO PERSONS WHO ARE EXPOSED TO IT OVER TIME. LEVELS OF RADON THAT EXCEED FEDERAL AND STATE GUIDELINES HAVE BEEN FOUND IN BUILDINGS IN FLORIDA. ADDITIONAL INFORMATION REGARDING RADON AND RADON TESTING MAY BE OBTAINED FROM YOUR COUNTY PUBLIC HEALTH UNIT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

SECTION 39. MISCELLANEOUS.

- (1) All of the parties to this Agreement have participated fully in the negotiation and preparation hereof, and accordingly, this Agreement shall not be more strictly construed against any one of the parties hereto.
- (2) In the event of any litigation between the parties under this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and court costs at all trial and appellate levels.

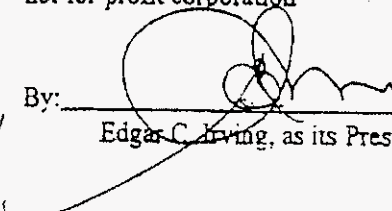


Signed, sealed and delivered  
in the presence of:

Lynn V. Cravey  
Print Name: Lynn V. Cravey

Kelly J. McKinlay  
Print Name: Kelly J. McKinlay


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

By:   
Edgar C. Irving, as its President

LESSEE:  
LABRADOR SERVICES, INC.,  
a Florida corporation

Lynn V. Cravey  
Print Name: Lynn V. Cravey

Kelly J. McKinlay  
Print Name: Kelly J. McKinlay

By:   
Henri Viau, as its President

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**PARCEL 1**  
**FOREST LAKE ESTATES MOBILE HOME PARK**

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

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

A 50.00 foot Right-of-way Easement in Section 5, Township 26 South, Range 22 East, Pasco County, Florida, described as follows: From the West ¼ corner of said Section 5, run thence S 00°23'43" W., 210.43 feet along the West boundary of the Southwest 1/4 of said Section 5; thence N. 89°54'15" E., 777.19 feet to the Point of Beginning; thence from a tangent bearing of N. 00°05'45" W., run Northeasterly, 195.73 feet along the arc of a curve to the right, having a radius of 165.00 feet, a central angle of 67°58'06", and a chord bearing and distance of N. 33°53'18" E., 184.46 feet to a point of tangency; thence N. 67°52'21" E., 47.16 feet to a point of curvature; thence Northeasterly, 237.25 feet along the arc of a curve to the left, having a radius of 200.00 feet, a central angle of 67°58'06"; and a chord bearing and distance of N.33°53'18" E., 223.59 feet to a point of tangency; thence N.00°05'45" W., 205.85 feet to a point of curvature; thence Northwesterly, 74.38 feet along the arc of a curve to the left, having a radius of 200.00 feet, a central angle of 21°18'30", and a chord bearing and distance of N. 10°45'00" W., 73.95 feet, to a point of tangency; thence N. 21°24'15" W., 59.74 feet to the Southerly right-of-way line of State Road No. 54; thence N. 68°35'45" E., 50.00 feet along said Southerly right-of-way line; thence S. 21°24'15" E., 59.74 feet to a point of curvature; thence Southeasterly, 92.98 feet along the arc of a curve to the right, having a radius of 250.00 feet, a central angle of 21°18'30", and a chord bearing and distance of S. 10°45'00" E., 92.44 feet to a point of tangency; thence S 00°05'45" E., 205.85 feet to a point of curvature; thence Southwesterly, 296.37 feet along the arc of a curve to the right, having a radius of 250.00 feet, a central angle of 67°58'06", and a chord bearing and distance of S. 33°53'18" W., 279.48 feet to a point of tangency; thence S. 67°52'21" W., 47.16 feet to a point of curvature; thence Southwesterly, 136.42 feet along the arc of a curve to the left, having a radius of 115.00 feet, a central angle of 67°58'06", and a chord bearing and distance of S.33°35'18"W., 128.56 feet; thence S.89°54'15"W., 50.00 feet to the Point of Beginning.

PARCEL 2  
FOREST LAKE VILLAGE RV PARK

From the West ¼ corner of Section 5, Township 26 South, Range 22 East, Pasco County, Florida, run thence S.00°35'43"W., 210.43 feet along the West boundary of the Southwest ¼ of said Section 5; thence N.89°54'15"E., 827.19 feet to the Point of Beginning; thence along a non-tangent curve to the right, having a radius of 115.00 feet, an arc of 136.42 feet, a chord of 128.56 feet, chord bearing N.33°53'18"E., thence N.67°52'21"E., 47.16 feet; thence along a curve to the left, having a radius of 250.00 feet, an arc of 296.57 feet; a chord of 279.48 feet, chord bearing of N.33°53'18"E., thence N.00°05'45"W., 205.85 feet; thence along a curve to the left having a radius of 250.00 feet, an arc of 92.88 feet, a chord of 92.44 feet, chord bearing of N.10°45'00"W., thence N.21°24'15"W., 59.74 feet to the Southerly right-of-way line of State Road No. 54; thence N.68°35'45"E., 1067.00 feet along said Southerly right-of-way line; thence S.00°01'19"W., 1096.12 feet; thence S.89°54'15"W., 1224.80 feet to the Point of Beginning.

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

A 50.00 foot Right-of-way Easement in Section 5, Township 26 South, Range 22 East, Pasco County, Florida, described as follows: From the West ¼ corner of said Section 5, run thence S 00°23'43" W., 210.43 feet along the West boundary of the Southwest 1/4 of said Section 5; thence N. 89°54'15" E., 777.19 feet to the Point of Beginning; thence from a tangent bearing of N. 00°05'45" W., run Northeasterly, 195.73 feet along the arc of a curve to the right, having a radius of 165.00 feet, a central angle of 67°58'06", and a chord bearing and distance of N. 33°53'18" E., 184.46 feet to a point of tangency; thence N. 67°52'21" E., 47.16 feet to a point of curvature; thence Northeasterly, 237.25 feet along the arc of a curve to the left, having a radius of 200.00 feet, a central angle of 67°53'06"; and a chord bearing and distance of N.33°53'18" E., 223.59 feet to a point of tangency; thence N.00°05'45" W., 205.55 feet to a point of curvature; thence Northwesterly, 74.38 feet along the arc of a curve to the left, having a radius of 200.00 feet, a central angle of 21°18'30", and a chord bearing and distance of N. 10°45'00" W., 73.95 feet, to a point of tangency; thence N. 21°24'15" W., 59.74 feet to the Southerly right-of-way line of State Road No. 54; thence N. 68°35'45" E., 50.00 feet along said Southerly right-of-way line; thence S. 21°24'15" E., 59.74 feet to a point of curvature; thence Southeasterly, 92.98 feet along the arc of a curve to the right, having a radius of 250.00 feet, a central angle of 21°18'30", and a chord bearing and distance of S. 10°45'00" E., 92.44 feet to a point of tangency; thence S 00°05'45" E., 205.85 feet to a point of curvature; thence Southwesterly, 296.37 feet along the arc of a curve to the right, having a radius of 250.00 feet, a central angle of 67°58'06", and a chord bearing and distance of S. 33°53'18" W., 279.48 feet to a point of tangency; thence S. 67°52'21" W., 47.16 feet to a point of curvature; thence Southwesterly, 136.42 feet along the arc of a curve to the left, having a radius of 115.00 feet, a central angle of 67°58'06", and a chord bearing and distance of S.33°53'18"W., 128.56 feet; thence S.89°54'15"W., 50.00 feet to the Point of Beginning.

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

EASEMENT A - EASEMENT FOR UTILITIES DESCRIBED AS FOLLOWS:

COMMENCE AT THE WEST 1/4 CORNER OF SECTION 5, TOWNSHIP 26 SOUTH, RANGE 22 EAST, PASCO COUNTY, FLORIDA, RUN THENCE S 00°35'43" W, ALONG THE WEST BOUNDARY OF THE SOUTHWEST 1/4 OF SAID SECTION, 210.43 FEET; THENCE N 89°54'15" E, 996.51 FEET FOR A POINT OF BEGINNING; THENCE CONTINUE N 89°54'15" E, 265.94 FEET; THENCE S 00°02'02" E, 5.16 FEET; THENCE S 37°13'59" E, 54.81 FEET; THENCE S 45°07'40" W, 192.77 FEET; THENCE N 53°48'08" W, 201.31 FEET; THENCE NORTH 00°02'02" W, 76 FEET TO THE POINT OF BEGINNING.

EASEMENT B - A 15' EASEMENT FOR UTILITIES LYING 7.5 EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE. COMMENCE AT THE WEST 1/4 CORNER OF SECTION 5, TOWNSHIP 26 SOUTH, RANGE 22 EAST, PASCO COUNTY, FLORIDA AND RUN S 00°35'43" W, ALONG THE WEST BOUNDARY OF THE SOUTHWEST 1/4 OF SECTION 5, 210.43 FEET; THENCE RUN N 89°54'15" E, 1269.95 FEET FOR A POINT OF BEGINNING; THENCE RUN S 00°12'02" E, 2.63 FEET; THENCE RUN S 37°13'59" E, 120.66 FEET; THENCE S 32°27'33" E, 45.65 FEET; THENCE N 80°41'54" E, 140.84 FEET; THENCE S 10°12'31" W, 251.24 FEET; THENCE S 41°59'55" W, 260.24 FEET; THENCE S 47°54'17" W, 199.69 FEET; THENCE S 47°58'30" W, 194.30 FEET; THENCE S 37°19'36" E, 176.54 FEET; THENCE S 02°29'28" E, 284.81 FEET; THENCE S 00°02'56" E, 400.47 FEET; THENCE S 24°22'05" W, 185.48 FEET; THENCE S 61°48'40" W, 177.68 FEET; THENCE S 10°54'52" E, 74.81 FEET; THENCE S 09°58'01" E, 136.21 FEET; THENCE S 13°52'19" E, 166.02 FEET; THENCE N 71°18'06" E, 123.80 FEET; THENCE N 59°51'06" E, 179.86 FEET; THENCE S 40°04'10" E, 535.23 FEET; THENCE N 39°53'40" E, 228.60 FEET; THENCE N 36°26'57" E, 162.61 FEET; THENCE N 30°54'52" E, 120.54 FEET; THENCE S 88°40'15" E, 60.14 FEET TO THE POINT OF TERMINATION.

EASEMENT D - AN EASEMENT FOR UTILITIES DESCRIBED AS FOLLOWS:

COMMENCE AT THE WEST 1/4 CORNER OF SECTION 5, TOWNSHIP 26 SOUTH, RANGE 22 EAST, PASCO COUNTY, FLORIDA AND RUN S 00°35'43" W, ALONG THE WEST BOUNDARY OF THE SOUTHWEST 1/4 OF SAID SECTION, 210.43 FEET; THENCE RUN N 89°54'15" E, 1269.95 FEET; THENCE RUN S 00°02'02" E, 2.63 FEET; THENCE RUN S 37°13'59" E, 120.66 FEET; THENCE RUN S 32°27'33" E, 45.65 FEET; THENCE RUN N 80°41'54" E, 140.84 FEET; THENCE RUN S 10°12'31" W, 251.24 FEET; THENCE RUN S 41°59'55" W, 260.24 FEET; THENCE RUN S 47°54'17" W, 199.69 FEET; THENCE RUN S 47°58'30" W, 194.30 FEET; THENCE RUN S 37°19'36" E, 176.54 FEET; THENCE RUN S 02°29'28" E, 284.81 FEET; THENCE S 00°02'56" E, 400.47 FEET; THENCE RUN S 24°22'05" W, 185.48 FEET; THENCE RUN S 61°48'40" W, 177.68 FEET; THENCE S 10°54'52" E, 74.81 FEET; THENCE RUN S 09°58'01" E, 136.21 FEET; THENCE S 13°52'19" E, 166.02 FEET; THENCE N 71°18'06" E, 123.80 FEET; THENCE N 59°51'06" E, 179.86 FEET; THENCE RUN S 40°04'10" E, 535.23 FEET FOR A POINT OF BEGINNING. THENCE N 39°53'40" E, 228.60 FEET; THENCE RUN N 36°26'57" E, 162.61 FEET; THENCE N 30°54'52" E, 120.54 FEET; THENCE N 25°23'43" E, 52.02 FEET; THENCE RUN S 85°04'07" E, 103.78 FEET; THENCE RUN S 00°00'38" E, 802.65 FEET; THENCE RUN N 85°54'31" W, 118.00 FEET; THENCE RUN N 42°08'49" W, 473.70 FEET TO THE POINT OF BEGINNING.

PARCEL 3  
10 ACRE PARCEL

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

Commence at the Northwest corner of the Northeast ¼ of the Southeast ¼ of Section 6, Township 26 South, Range 22 East and run thence South 00°37'35" West along the West boundary of the Northeast ¼ of the Southeast ¼ of said Section 6, a distance of 211.05 feet; thence North 89°56'57" East, a distance of 1376.15 feet to a point 50 feet East of the West boundary of the Southwest ¼ of said Section 5 for a POINT OF BEGINNING; thence North 00°36'06" East parallel with and 50 feet East of the West boundary of the Southwest ¼ of said Section 5, a distance of 357.18 feet to an intersection with the Southerly right of way line of State Road 54; thence Northeasterly along said right of way and a curve to the left having a radius of 5779.58 feet, a chord bearing North 71°56'58" East, 684.96 feet along the arc of said curve through a central angle of 06°47'40", a distance of 685.36 feet; thence continue along said right of way line North 68°33'08" East, a distance of 381.15 feet; thence South 21°21'33" East, a distance of 59.18 feet; thence Southeasterly along a curve to the right having a radius of 250.00 feet a chord bearing South 10°42'18" East, 92.44 feet, along the arc of said curve through a central angle of 21°18'30" a distance of 92.97 feet; thence South 00°03'03" East, a distance of 205.85 feet; thence Southwesterly along a curve to the right having a radius of 250.00 feet a chord bearing South 33°56'00" West, 279.48 feet, along the arc of said curve through a central angle of 67°58'04" a distance of 296.57 feet; thence South 67°55'03" West, a distance of 47.16 feet; thence Southwesterly along a curve to the left having a radius of 115.00 feet, a chord bearing South 33°56'00" West, 128.56 feet, along the arc of said curve through a central angle of 67°58'04", a distance of 136.42 feet; thence South 89°56'57" West, a distance of 777.19 feet to the POINT OF BEGINNING.

PARCEL 4  
60 ACRE PARCEL

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

**EXHIBIT "B"**  
**MEMORANDUM OF LEASE**

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

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

Dated June \_\_\_\_\_, 1999.

WITNESSES:

\_\_\_\_\_  
Print name: \_\_\_\_\_

\_\_\_\_\_  
Print name: \_\_\_\_\_

"LESSOR"

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

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

Print: \_\_\_\_\_

Title: \_\_\_\_\_

"LESSEE"

\_\_\_\_\_  
Print name: \_\_\_\_\_

LABRADOR SERVICES, INC.,  
a Florida corporation

\_\_\_\_\_  
Print name: \_\_\_\_\_

By: \_\_\_\_\_  
Print: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF FLORIDA

COUNTY OF PINELLAS

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

\_\_\_\_\_ who is personally known to me,  
\_\_\_\_\_ who has produced \_\_\_\_\_ as identification

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

(Notary seal)

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



STATE OF FLORIDA

COUNTY OF PINELLAS

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

\_\_\_\_\_ who is personally known to me,  
\_\_\_\_\_ who has produced \_\_\_\_\_ as identification

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

(Notary seal)

\_\_\_\_\_  
NOTARY PUBLIC

Print \_\_\_\_\_

State of Florida at Large (Seal)

My Commission Expires:

PARCEL I:

4 of 4

(Sewer Treatment Plant)

A tract of land lying in Sections 5 and 8, Township 26 South, Range 22 East, Pasco County, Florida, being more particularly described as follows: Commence at the Southwest corner of said Section 5, also being the Northwest corner of said Section 8; thence S 01°04'30" W, along the West boundary of said Section 8, a distance of 1030.84 feet; thence S 89°55'55" E, a distance of 2097.29 feet; thence N 00°00'38" W, a distance of 563.80 feet; thence N 85°54'31" W, a distance of 45.44 feet to the Point of Beginning; thence continue N 85°54'31" W, a distance of 65.42 feet; thence N 41°22'21" W, a distance of 513.27 feet; thence N 39°53'40" E, a distance of 187.85 feet; thence N 36°26'57" E, a distance of 162.61 feet; thence N 30°54'52" E, a distance of 120.54 feet; thence N 25°23'43" E, a distance of 52.02 feet; thence S 83°04'07" E, a distance of 103.78 feet; thence S 00°00'38" E, a distance of 802.65 feet to the Point of Beginning.

PARCEL II:

(Water Treatment Plant)

Commence at the West ¼ Corner of Section 5, Township 26 South, Range 22 East, Pasco County, Florida; run thence S 00°35'43" W, along the West boundary of the Southwest ¼ of said Section, 210.43 feet; thence N 89°54'15" E, 996.51 feet for a Point of Beginning; thence continue N 89°54'15" E, 265.94 feet; thence S 00°02'02" E, 5.16 feet; thence S 37°13'55" E, 54.51 feet; thence S 45°07'40" W, 192.77 feet; thence N 53°48'05" W, 201.31 feet; thence N 00°02'02" W, 65.76 feet to the Point of Beginning.

PARCEL III:

The Southeast ¼ of the Southwest ¼, and the South ½ of the Northeast ¼ of the Southwest ¼ of Section 32, Township 25 South, Range 22 East, Pasco County, Florida; LESS that part thereof within any railroad rights-of-way.

EXHIBIT A